



**GREAT THUNDER**  
G O L D C O R P .

## **Management's Discussion & Analysis**

**Financial period ended July 31, 2021**

Containing information as of September 23, 2021

## **Caution Regarding Forward-Looking Information**

Certain of the statements made and information contained herein and in the financial statements are “forward-looking information” or “forward-looking statements” within the meaning of the *Securities Act* (British Columbia). This includes statements by the Company concerning exploration results, including deposit size, quantities, grades and contained metals, which are generally based on estimations and extrapolations from a limited number of samples, drill holes and assays. These estimations and extrapolations are subject to uncertainties, which include but are not limited to uncertainties in evaluating a deposit until the deposit has been extensively drilled on closely spaced intervals. Should one or more of these underlying estimations or extrapolations prove incorrect, actual results may vary materially from those described in forward-looking statements.

Forward-looking statements contained herein also include the Company’s future operating costs and exploration plans at its mineral properties. These involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for funding necessary for operating costs, to acquire and maintain exploration properties and to carry out its desired exploration programs; difficulties in executing exploration programs on the Company’s proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or the availability of essential supplies and services; and factors beyond the capacity of the Company to anticipate and control, such as the marketability of minerals, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production. Should one or more of these risks or uncertainties materialize, actual results may vary materially from those described in forward-looking statements.

Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether because of new information, future events or otherwise.

## **Description of Business**

Great Thunder Gold Corp. (the “Company” or “Great Thunder”) is a junior exploration company incorporated under the laws of the Province of British Columbia, Canada and whose common shares are listed on the Canadian Securities Exchange. Its principal business is the exploration for minerals and the development of its gold and lithium projects located in Newfoundland and Labrador, Quebec and British Columbia, Canada. Great Thunder is in the exploration stage and has not yet determined whether these properties contain mineral reserves that are economically recoverable.

The following discussion and analysis of the operations, results and financial position of Great Thunder should be read in conjunction with the condensed interim financial statements as of and for the period ended July 31, 2021 and the notes thereto (the “financial statements”). The financial statements are incorporated herein by reference.

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and unless otherwise cited, references to dollar amounts are Canadian dollars. The financial statements were prepared on a going concern basis, which presumes the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company had working capital of \$2,848,522 as of July 31, 2021 and has accumulated losses of \$15,721,631 since incorporation. The Company’s ability to meet its obligations and maintain its operations is contingent upon additional financing or profitable operations in the future.

## **Overall Performance and Discussion of Operations**

### **First Quarter Results**

During the first quarter of its 2022 financial year, the Company experienced a net loss of \$271,241. This represents an increase of \$70,877 over the \$200,364 loss in the same quarter last year. This increase was caused primarily by a \$96,065 increase in investor relations costs, a \$19,224 increase in consulting fees and a \$16,932 increase in management fees over the first quarter of 2021. Offsetting these somewhat was a \$63,623 income tax recovery relating to the derecognition of a flow-through share premium.

### **Cash Flow**

As of July 31, 2021, the Company had cash and cash equivalents of \$2,746,341 as compared with cash of \$3,441,916 at the beginning of the financial year, a decrease of \$695,575. During the period, the Company used \$239,237 of cash for its operations and \$456,338 for the acquisition and exploration of its exploration and evaluation assets.

For a detailed breakdown of exploration and evaluation assets for the first three months of the 2022 financial year on a property-by-property basis as well as for the corresponding period last year, refer to the Condensed Interim Schedules of Exploration and Evaluation Assets accompanying the financial statements.

### **General**

As of July 31, 2021, the Company had no contractual obligations, such as long-term debt, capital lease obligations, operating leases or purchase obligations, except as described in the financial statements, nor did it have commitments for capital expenditures. Refer to note 13 to the financial statements.

Despite recent volatility, gold and lithium prices are historically strong and equity markets remain positive for exploration companies like Great Thunder. Management expects gold prices to stabilize in the medium term and rise in the long-term and for lithium prices to remain strong, so the Company plans to aggressively explore its core portfolio of mineral properties.

Current global uncertainty with respect to the COVID-19 pandemic and its effect on the Canadian economy and financial markets may have significant and still-unpredictable effects on the Company. While the impact remains unknown, spread of the virus may have a material adverse effect on economic activity and could affect exploration plans, disrupt metals and financial markets, and affect other factors relevant to the Company.

## Summary of Unaudited Quarterly Results

	2022		2021			2020		
	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss for the period	(271,241)	(56,816)	(333,798)	(1,521,157)	(200,364)	(148,774)	(178,667)	(53,184)
Loss per share	(0.01)	(0.02)	(0.01)	(0.05)	(0.01)	(0.01)	(0.01)	(0.00)
Total comprehensive loss	(271,922)	(56,053)	(333,335)	(1,521,764)	(197,904)	(149,227)	(178,224)	(53,200)

Variations in loss from quarter to quarter typically result from increases or decreases in exploration and business activity. During periods of greater activity, such as the first quarter of 2022, the four quarters of 2021 and the fourth quarter of 2020, consulting fees, investor relations expense, office and administrative costs, and regulatory approval costs will typically increase.

In the second quarter of 2020, losses declined because of measures taken by management to reduce costs. However, during the third quarter of 2020, the loss for the period increased when the Company recorded a \$118,861 non-cash loss on the settlement of debts. During the second quarter of 2021, the Company recorded a \$1,241,078 non-cash share-based compensation expense relating to the grant of stock options. During the fourth quarter of 2021, the loss decreased because of a \$269,411 non-cash income tax recovery relating to the derecognition of a flow-through share premium.

The differences between loss for the period and total comprehensive loss are the result of non-cash unrealized gains and losses on investments and reclassification to profit and loss upon realization.

The quarterly results summarized herein were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

## Liquidity and Capital Resources

The Company does not yet generate positive cash flow from operations and is therefore reliant upon the issuance of its own common shares to fund its operations.

As of the July 31, 2021 quarter end, the Company was adequately funded for the short- and medium-term. Mineral exploration is capital intensive, and to carry out its longer-term exploration plans the Company must raise additional equity capital, though there is no certainty that such financings will be completed.

The Company is able to meet all of its ongoing financial obligations as they become due. It has no debt obligations and no commitments other than as described herein and in its financial statements. Management believes that the Company has sufficient working capital to fund operating costs through at least December 2021.

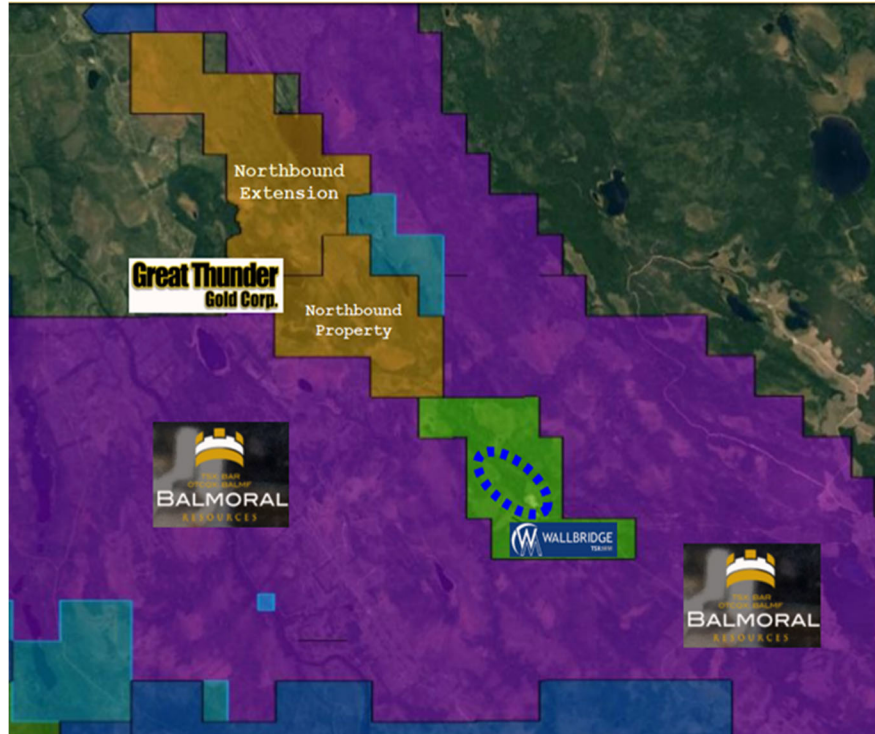
## Description of Properties

### Northbound Property

In February 2020, the Company optioned the Northbound gold property and in March and July 2020 expanded the property by purchasing additional, adjoining claims. In September 2020, the Company exercised its option and acquired a 100% interest in the Northbound property.

The Northbound gold property, contiguous to the northwest of the Wallbridge Mining Company Ltd. Fenelon Gold Deposit, is located approximately 85 kilometres northwest of the town of Matagami in northern Quebec, Canada. The Northbound property totals 56 mineral claims covering approximately 3,076 hectares.

The Northbound property is underlain by Jeremie Pluton, an intrusive body becoming increasingly important at the contiguous Wallbridge Fenelon property. Wallbridge exploration in 2019 tested



strike extensions of known mineralization from the metasediments and metavolcanics and gabbro into the Jeremie pluton. Wallbridge drilling to date has confirmed the extensions of the gold-bearing mineralized zones well into the pluton and the zones appear to be open further into the pluton. Great Thunder cautions investors that mineralization on the Wallbridge Fenelon property is not necessarily indicative of similar mineralization on the Great Thunder Northbound property.

The Northbound property optionors recently completed a Long Wave InfraRed (“LWIR”) survey over the Northbound property. LWIR utilizes the long wave infrared bands on the Aster Satellite to penetrate through vegetation into the top 30 to 60 centimetres of the earth’s surface. While the long wave data is readily available, the algorithms to process the data are proprietary. The survey measures the individual mineral reflectance spectroscopy of the various constituent minerals against known standards to highlight anomalies within the area surveyed. The Aster data comes in predetermined sheets, so the data included much of the surrounding area including the ground underlying the Wallbridge Fenelon property.

The resulting plots for each of the 16 end members identified in the survey were examined for anomalies on the Northbound property. Anomalies were also examined on the Wallbridge Fenelon property to compare and contrast against the Northbound property. Three key conclusions were drawn from the LWIR:

- While the Fenelon deposit shows a rather muted response under the LWIR, at least one of the key minerals share similar responses at Fenelon and on the Northbound claim block, hematite.
- The LWIR is suggesting a multi-element area of anomalous responses in the southern portion of the Northbound claim block: chalcopyrite, quartz and to a lesser extent alunite and pyrrhotite.

- The pyrrhotite and the tourmaline responses also appear to show coincidental major and lesser anomalies within the Northbound claim block as well.

The strong coincidental chalcopyrite, quartz and alunite anomalies within the southern portion of the Northbound block are a high priority target and will form the initial focus of the Great Thunder exploration program.

Management cautions that coincident LWIR anomalies on both the Northbound property and the Wallbridge Fenelon property are not necessarily indicative of similar mineralization on the Northbound property.

In July 2020, the Company completed an airborne survey of the Northbound Property. A total distance of 853 line-kilometres of airborne magnetic survey was flown on 50-metre line spacings. Airborne magnetic was chosen on these property areas to target magnetic responsive structures representing shear zones with quartz. The geophysical data is being analyzed for further exploration.

R. Tim Henneberry, P. Geo. (British Columbia), a consultant to Great Thunder Gold Corp., is the qualified person who has reviewed and approved the technical content herein on behalf of the Company.

### **Southern Star Property**

In June 2020, the Company purchased the Southern Star property located approximately 70 kilometres northwest of the town of Matagami in northern Quebec, Canada. The property consists of 219 mineral claims covering approximately 12,156 hectares near the Company's Northbound Property.

The Southern Star property is mainly underlain by the Brouillan-Fenelon geological group, which is made up of felsic to mafic volcanosedimentary rocks. The Bapst Fault marks the contact between the Brouillan-Fenelon Group and the Brouillan intrusive in the southwest portion of the property. The Grasset Fault also crosses in part to the northeast of the property.

The Bapst Fault runs northwest-southeast through the southwest part of the property. In the southwest section of the property, there was a historic silver intercept (SG3-1) along the Bapst Fault. The intercept returned 5.6 g/t silver over 1.4 metres and 5 g/t silver over one metre within drill holes (Mercier et al., 1996). This silver intercept was targeted within an area of conductor anomalies and a VTEM target identified by Midland Exploration in 2017.

There are two additional distinct electromagnetic ("EM") targets located on this property and it covers 11 kilometres along the extension of the Lower Detour Fault. There has been little historical work to test these different targets on the property, yet.

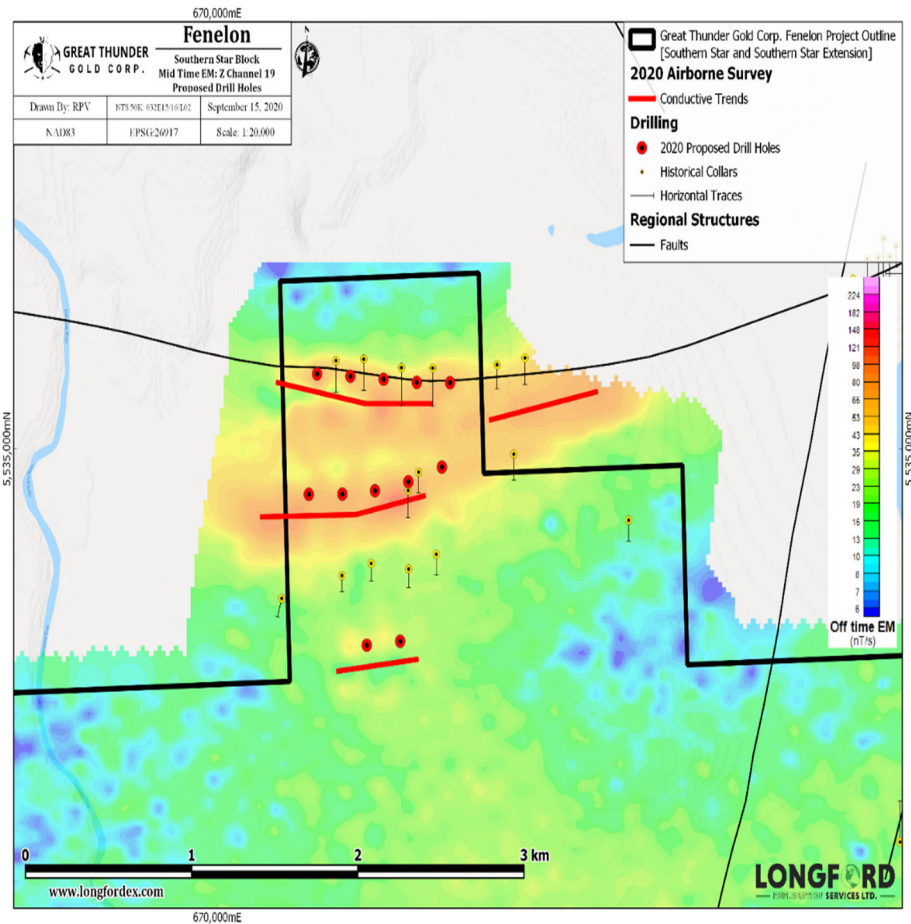
In July 2020, the Company completed an airborne survey of the Southern Star Property. A total distance of 1,496 line-kilometres of airborne magnetic and electromagnetic survey was flown on 100-metre line spacing. The geophysical data was analyzed and interpreted by Mr. Joel Dubé, P. Eng., a geophysics specialist of Dynamic Discovery Geoscience Ltd., and a detailed target characteristic report was compiled.

### 2021 Drilling Program

In April 2021, the Company completed a four-hole, 2,425-metre drilling program on the Southern Star property. No significant assay results were reported.

Drill targets for the Southern Star drill program consisted of airborne EM anomalies concentrated in the northern portion of the property. The Company has over \$2 million to spend in Quebec on exploration activities and much of the property remains unexplored and will be the focus of additional drill programs as targets are defined. The Company is

considering utilizing an artificial intelligence company that could analyze all of the historic data and publicly available data from the entire Felon Gold Camp to assist with potential drill targeting on Great Thunder's 15,231.47 hectares in the district.



Donald Th berge, P.Eng., M.B.A., a Qualified Person within the meaning of National Instrument 43-101, has reviewed and approved the technical contents herein.

### Chubb Lithium Project

In 2016, the Company optioned the Chubb lithium project located near Val d'Or, Quebec. In 2017, it exercised that option and acquired 100% of the claims, subject to a 1% net smelter returns royalty which can be repurchased for \$200,000 and a 2% gross metal royalty.

The Chubb Lithium project is located 25 kilometres north of the mining community of Val d'Or, Quebec (Figure 1). It is hosted within the La Corne Pluton which is also host to North American Lithium's deposit with reported proven and probable reserves of 17.06 Mt grading 0.94% Li<sub>2</sub>O and measured and indicated resources of 33.24 Mt grading 1.19% Li<sub>2</sub>O. The Chubb Lithium property is also close to the Authier Lithium Deposit of Sayona Mining (ASX: SYA) which is estimated to contain measured and indicated resources of 17.18 Mt grading 1.01% Li<sub>2</sub>O and inferred resources of 3.76 Mt grading 0.98% Li<sub>2</sub>O.



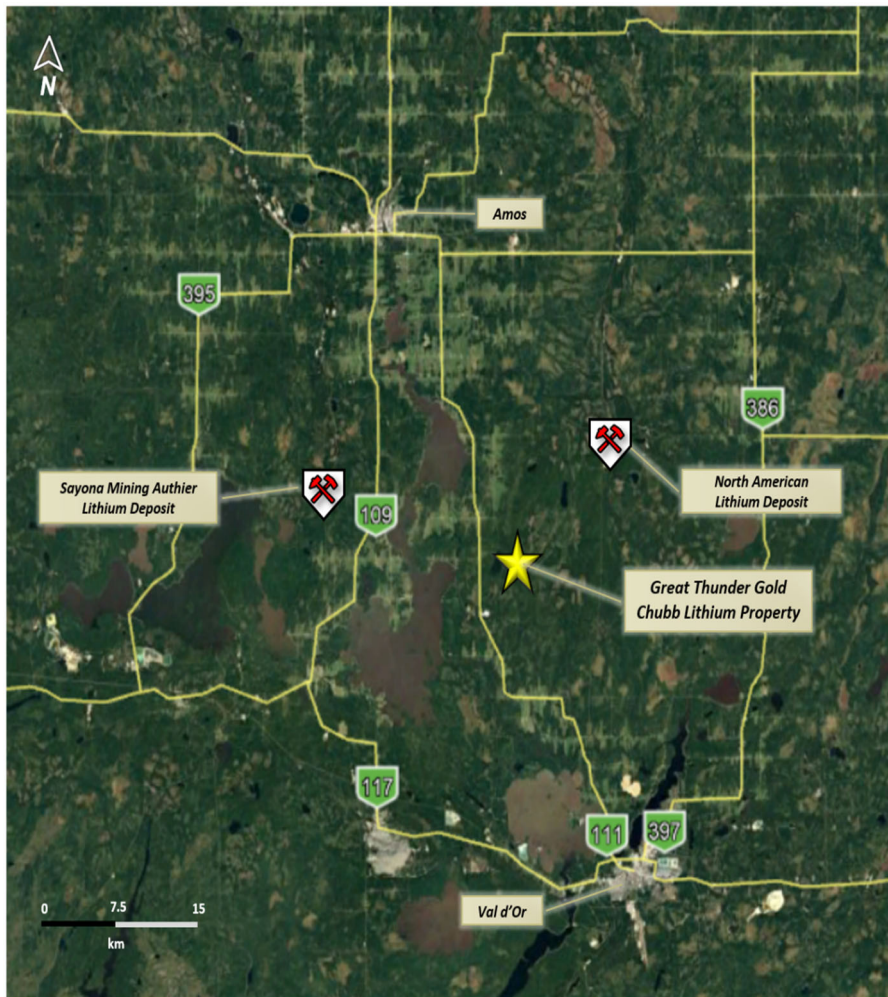


Figure 1: Regional location of the Chubb Property within the La Corne Pluton

The Chubb Lithium property consists of 35 contiguous mineral claims for a total area of 1,509 hectares. The property geology is dominated by quartz monzodiorite and metasomatized quartz diorite (tonalite). A swarm of spodumene-rich pegmatite dykes intrude fractures and small faults within the plutonic rocks. The pegmatite dykes are 1 to 6 metres thick so far, oriented northwest and vary in length from 25 to 250 metres. The pegmatites are composed of quartz, albite and/or cleavelandite, K-feldspar, muscovite, with 5% to 25% spodumene. There are three important pegmatite dykes containing spodumene mineralization (Main Dyke, Dyke #2 and Dyke #3) (Figure 2).

**2017 Drilling Program**

Great Thunder drilled 3 holes totalling 306 metres in 2017 on the Property. Highlights included 1.33%  $\text{Li}_2\text{O}$  over 5.3 metres in hole C-17-01. Diamond drilling by Wrightbar Mines in 1994 intersected 3.7 metres grading 1.68%  $\text{Li}_2\text{O}$ , 2.74 metres grading 1.00%  $\text{Li}_2\text{O}$  and 2.4 metres grading 1.25%  $\text{Li}_2\text{O}$ .

The Company filed an updated National Instrument 43-101 Technical Report relating to its Chubb Lithium property. The complete technical report, entitled “NI 43-101 Technical Report, Chubb Property, Preissac-Lacorne Townships, Quebec, Canada, Val d’Or Mining Camp for Great Thunder

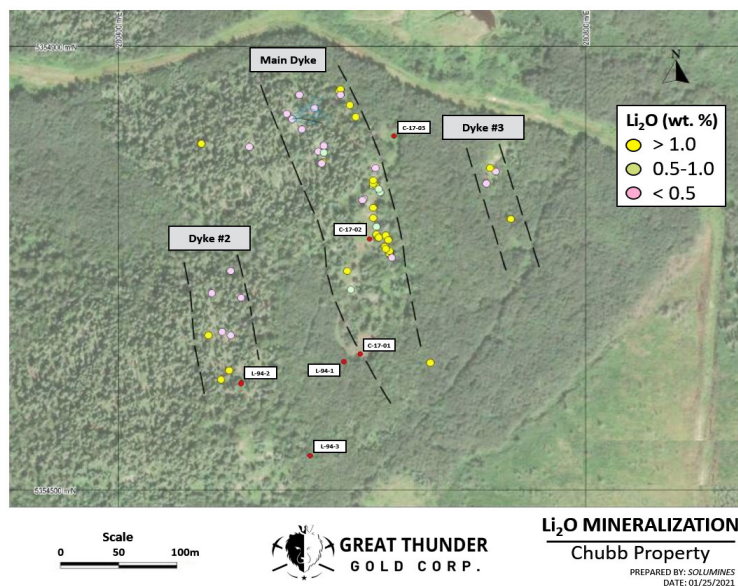


Figure 2: Pegmatite dyke swarm at the Chubb Lithium Property



Gold Corp.” and dated February 1, 2021, is available on [SEDAR](#).

### 2021 Drilling Program

In May 2021, the Company completed a program of 15 diamond drill holes totaling 2,283 metres. Assays were received from a total of 423 samples from all drill holes. Highlights of the results include 1.48% Li<sub>2</sub>O over 12.7 metres and 1.16% Li<sub>2</sub>O over 9.8 metres at the Main Dyke (see Table 1). These are the widest and highest-grade intercepts to date where thickening of the Main Dyke appears to extend south along strike and at depth.

Hole number	UTM E	UTM N	From (m)	To (m)	Length (m)	Weighted average		
						Li <sub>2</sub> O %	Rb ppm	Ta ppm
21-CH-04	280659	5354745	32.3	34.6	2.3	2.34	710.6	28.2
21-CH-05	280678	5354700	59.5	64.2	4.7	0.67	1877	53.8
21-CH-06	280708	5354626	70.2	76.9	6.7	1.09	1334	35.3
21-CH-07	280727	5354580	68.2	78	9.8	1.16	1218	20.3
21-CH-15	280749	5354568	107.3	120	12.7	1.48	1586	34.8

Table 1: Highlights from the Chubb Lithium project drill program. Lengths are downhole.

All the assays were performed by ALS Laboratory of Val d’Or using Na<sub>2</sub>O fusion and ALS’s super traces ICP-MS methodology.

To date, three parallel pegmatitic dykes oriented south-southeast are located on the property, namely the Main Dyke, Dyke 2 and Dyke 3. Eight holes were completed on the Main Dyke, five holes were completed on Dyke 2 and two holes were completed on Dyke 3.

Donald Théberge, P.Eng., M.B.A., an independent qualified person as defined in National Instrument 43-101, has reviewed, and approved the technical contents herein on behalf of the Company.

### Valentine Mountain Gold Project

The 100%-owned Valentine Mountain property consists of 25 cell mineral claims covering 7,188 hectares and two overlying cell placer tenures covering 43 hectares. One of the claims is subject to a 5% net smelter returns royalty capped at \$1,000,000.

The Valentine Mountain property surrounds Valentine Mountain, which has an elevation of 974 metres, is located 20 kilometres northwest of Sooke, British Columbia on southern Vancouver Island and is accessible by forestry roads. The property area is underlain entirely by high-grade metamorphic rocks of the Pacific Rim Terrane, which hosts several minor past producers of gold, silver and copper, including the historic Leech River gold placer gold district, located just to the east of the Property.

The property hosts the Valentine Mountain gold quartz vein prospect, for which a mineral resource estimate is summarized as follows:

Zone / Vein	Tonnes	Gold (g/t) Uncut	Gold (g) Uncut	Gold (g/t) Cut	Gold (g) Cut	Category
Discovery C	22,663	33.8	765,814	16.8	381,103	Indicated
Discovery B	32,100	4.1	130,344	3.7	129,352	Indicated
Total	54,763	16.4	896,158	9.3	510,455	Indicated
Discovery E	8,485	4.2	35,468	4.2	35,468	Inferred
Disc. West C	12,215	35.4	432,278	35.4	432,278	Inferred
Total	20,700	22.6	467,746	22.6	467,746	Inferred

Average gold intercepts for each zone were tabulated, and values calculated for uncut grade, multiplied by true width for each intercept. Based on geo-statistical modeling for each corresponding vein in each zone with significant values, statistical mean values were used as the upper thresholds to cut higher gold values and arrive at the “cut” mineral resource values. Refer to the entire text of the technical report, entitled *Technical Report on the Valentine Mountain Property, Southern Vancouver Island, British Columbia, Canada* and dated March 27, 2013 available at [www.sedar.com](http://www.sedar.com), for further information and the key assumptions, parameters and methodology used, as well as risk factors.

The practice of “cutting” or reducing exceptionally high-grade assays when estimating mineral resources for gold deposits, particularly in vein deposits, is historically industry standard practice, primarily to make the estimates more conservative. The gold quartz veins at Valentine Mountain contain erratically distributed gold, which could cause the estimated grade to vary materially from the actual grade. For completeness, both uncut and cut averaged grades are shown, but the cut grades should be used in evaluating the resource. **Mineral resources that are not mineral reserves do not have demonstrated economic viability.**

This technical information was prepared under the supervision of Jacques Houle, P.Eng., an independent Qualified Person as defined by National Instrument 43-101.

### Urban Thunder Gold Project

In March 2017, the Company acquired the Urban Thunder Project, which comprises 20 contiguous cell mineral claims covering approximately 1,127 hectares located 12 kilometres northwest of Metanor Resources Inc.’s Barry gold deposit, 15 kilometres west of Osisko Mining Inc.’s Windfall Lake gold deposits, and 18 kilometres west-northwest of BonTerra Resources Inc.’s Gladiator gold deposit. These Abitibi-type gold deposits are hosted in a variety of Archean age metavolcanic and intrusive rocks associated with magnetic high responses within a Z-shaped pattern of major east trending structures and offsetting northeast trending structures.

The Urban Thunder Project lies in a similar structural setting as the Gladiator gold deposit underlain by rocks similar to the Windfall Lake and Barry gold deposits. Management believes that the geological setting of the property is very favourable to hosting similar deposits and plans an intensive and systematic exploration program as funds permit.

The Company completed a soil geochemistry survey on its Urban Thunder property in October 2017. The survey was undertaken on GPS lines 400 metres apart with sampling every 100 metres. A total of 301 samples were drawn, to the extent possible, from the B soil horizon and were sent for analysis at ALS Canada’s laboratory in Val d’Or, Quebec.

The samples were analyzed using ALS codes Au-ICP21 and ME-ICP41. Au-ICP21 consists of analysis of gold by fire assay with an ICP-AES finish on 30-gram samples. The detection limits of

this method are from 0.001 g/t to 10 g/t gold. The samples were then submitted to the second analytical method – ME-ICP41 – where elements are estimated using aqua regia digestion followed by analysis using ICP-AES. Included in this package of 35 elements are silver, arsenic, copper, nickel and zinc.

A preliminary evaluation of the results revealed several gold anomalous results up to 24 ppb, mainly obtained on the northern part of the property.

The technical contents of the soil geochemistry survey were approved by Donald Théberge, P.Eng., MBA, an independent Qualified Person as defined by National Instrument 43-101.

### **Bursey and Grub Property**

In May and June 2021, the Company entered into two option agreements and one purchase agreement to acquire 258 mineral claims comprising 6,450 hectares approximately 45 kilometres northeast of Gander, Newfoundland. To exercise the options and acquire the claims, the Company must pay the optionors and vendors \$25,500 (all of which has been paid), issue 792,000 shares (all of which have been issued) and incur \$325,000 of exploration expenditures on the claims within two years. A portion of the claims is subject to a 1% net smelter returns royalty and a portion is subject to a 2% net smelter returns royalty of which the Company may purchase three-quarters at any time for \$2,000,000. The Company paid a finder's fee of 9,990 shares in respect of one of the options.

Management is reviewing the available historical data and planning its exploration for 2021.

### **Rodgers Cove Property**

In June 2021, the Company entered into an option agreement to acquire 147 mineral claims comprising 3,675 hectares approximately 45 kilometres north of Gander, Newfoundland. To exercise the option and acquire the property, the Company must pay the optionors \$35,000 (all of which has been paid), issue 849,915 shares (of which 283,305 shares have been issued), incur \$250,000 of exploration expenditures on the claims within two years, and grant to the optionors a 2% net smelter returns royalty of which the Company may purchase three-quarters at any time for \$2,000,000. The Company paid a finder's fee of 84,990 shares in respect of the option.

Management is reviewing the available historical data and planning its exploration for 2021.

### **Southwest Pond Property**

In July 2021, the Company entered into an agreement to purchase 318 mineral claims comprising 7,950 hectares in northeastern Newfoundland. Under the agreement, the Company must pay the vendors \$60,000 (all of which has been paid) and issue 1,500,000 shares (of which 500,000 shares have been issued).

Management is reviewing the available historical data and planning its exploration for 2021.

### **Unity Group Claims**

In July 2021, the Company acquired five claim blocks comprising 366 mineral claims covering 9,150 hectares in northeastern Newfoundland for \$150,000, 3,200,000 shares and a 2% net smelter returns royalty of which the Company may purchase half for \$1,500,000.

Management is reviewing the available historical data and planning its exploration for 2021.

### **Wigwam Brook Property**

In June 2021, the Company entered into an option agreement to acquire 106 mineral claims comprising 2,650 hectares approximately 40 kilometres northeast of Deer Lake, Newfoundland. To exercise the option and acquire the claims, the Company must pay the optionors \$150,000 (of which \$25,000 has been paid), issue 2,500,000 shares (of which 400,000 shares have been issued), and grant to the optionors a 3% net smelter returns royalty of which the Company may purchase half at any time for \$1,500,000. The Company paid a finder's fee of \$4,500 and 75,000 shares in respect of the option.

Management is reviewing the available historical data and planning its exploration for 2021.

### **Outstanding Share Data**

As of the date hereof, the Company has 40,438,796 common shares issued and outstanding.

The Company has outstanding options which, as of the date hereof, may be exercised to purchase a total of 2,050,000 shares. Of this total, 250,000 options may be exercised at \$0.20 per share until June 9, 2022 and 1,800,000 options may be exercised at \$0.75 per share until October 9, 2025. The Company has, as of the date hereof, outstanding warrants which may be exercised to purchase a total of 2,542,341 shares. Of this total, 2,462,341 warrants may be exercised at \$0.85 per share until August 13, 2022 and 80,000 warrants may be exercised at \$0.85 per share until October 16, 2022.

### **Transactions Between Related Parties**

During the three-month periods ended July 31, 2021 and 2020, compensation costs for key management personnel were:

	2021	2020
Management fees paid to Naughty Capital Ltd., a corporation controlled by the Company's Chief Executive Officer	\$ 24,000	\$ 8,000
Management fees paid to Richard Macey, the Company's former Chief Executive Officer	6,000	7,000
Management fees paid to Compliance Solutions Inc., a corporation controlled by the Company's Chief Financial Officer	30,768	28,836
Consulting fees paid to David Michaud, a director	3,000	-
	<u>\$ 63,768</u>	<u>\$ 43,836</u>

In July 2020, the Company entered into a consulting agreement with Naughty Capital Ltd., a corporation controlled by its Chief Executive Officer, whereby that corporation will provide consulting services for a fee of \$8,000 per month. Severance fees of \$192,000 are payable by the Company upon a change of control of, or termination without cause by, the Company.

In February 2013, the Company entered into a consulting agreement with Compliance Solutions Inc., 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.

### **Changes in Accounting Policies Including Initial Adoption**

The following accounting standard has not yet been adopted by the Company:

#### Amendment to IAS 1: Presentation of Financial Statements

In January 2020, the IASB issued amendments to IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2023, with early adoption permitted. The amendments are to be applied retrospectively. The Company is currently assessing the impact of this amendment.

### **Financial Instruments and Other Instruments**

The Company's financial instruments consist of cash, cash equivalents, reclamation bonds, accounts payable and accrued liabilities, and amounts due to related parties. 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, which comprise cash, cash equivalents and reclamation bonds held with high creditworthy financial institutions, and which total \$2,759,341. In the opinion of management, none of the Company's financial assets were exposed to significant credit risk as at July 31, 2021.

#### **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 and cash equivalents at July 31, 2021 in the amount of \$2,746,341 in order to meet short-term business requirements. At July 31, 2021, the Company had current liabilities of \$859,503. Accounts payable have contractual maturities of approximately 30 days or are due on demand and are subject to normal trade terms, and amounts due to related parties are without stated terms of interest or repayment.

#### **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 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.

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.

**Other Information**

Additional information relating to the Company is available from the Company's website at [www.greatthundergold.com](http://www.greatthundergold.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

ON BEHALF OF THE BOARD

/s/ Blair Naughty

Blair Naughty  
Chief Executive Officer