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BTU INTERSECTS COPPER-GOLD-SILVER MINERALIZATION OVER SUBSTANTIAL CORE LENGTHS IN FIRST TWO STEP-OUTS AT TNT -TNT TARGET EXTENDED BY 600 M TO 1600 M-

Key developments:

- Step-out drilling perpendicular to strike of TNT target has intersected 99.8 metres of visible copper mineralization (chalcopyrite) in a hole collared 355 metres east of the discovery hole (BTU-19-13), as well as a minimum of 62.3 metres of near surface (collared in mineralization) visible copper mineralization collared 165 metres east of the discovery hole
- Drilling results support geophysical interpretation of IP and VTEM data over the TNT target and the IP anomaly has now been extended by 600 metres to a footprint of 1600 metres north-south and 200-500 metres east-west, and the TNT target remains open to the north and south
- Hole spacing across TNT target has been planned to optimize coverage for upcoming down hole geophysical surveys designed to refine high priority targets for future drilling
- Permits have been obtained for work programs to the south, where a historic airborne geophysical survey shows additional electromagnetic targets roughly along trend of the TNT target - the Company plans to commence drilling roughly 1200 metres to the south of the hole 13 discovery in the near future
- Contracted second lab for quicker assay turn around and for improved QAQC
- Assay results pending for holes 21-28, now drilling hole 29

January 29th, 2020, Vancouver, BC, Canada – BTU METALS CORP. ("BTU" or the "Company") (BTU-TSX:V) is pleased to provide the following update on the Dixie Halo current work program. Widely spaced drill holes have been, and continue to be, drilled in an orderly fashion across just the northerly portion of the newly discovered TNT target (see PR dated December 6th, 2019). The initial large step-outs to the east, south and north on this early phase of drilling at TNT have been planned to create an optimally spaced grid across the target area for upcoming downhole geophysical surveying to better understand the extent of mineralization in the northern portion of the large TNT target, with the view to ultimately finding high-grade massive sulphides. The initial two step-out drill holes, BTU-19-19 and BTU-19-20, were located 165 and 355 metres east of discovery hole BTU-19-13 and perpendicular to the strike of the TNT system. Drill core assay results from these two holes have proven the large step-outs successful in identifying copper, silver and gold mineralization across the east-west span so far. BTU-19-25 was drilled further east along the same line and visual inspection confirms that copper mineralization continues to the east. Notably, the system is still open in all directions. Mineralogy, alteration, and polymetallic mineralization consistent with footwall style mineralization in a volcanogenic massive sulphide ("VMS") system has been intersected in both holes 19 and 20 with higher grade mineralization and continuity of mineralization in the intervals shown in Table 1 below. These two holes were drilled in a westerly direction from well to the east of the location of previously announced hole 13 and intersected the mineralization at shallower depths than the mineralization in discovery drill hole 13.

Paul Wood, CEO commented; "We are pleased to report additional assays from our new TNT target Cu-Au-Ag discovery. The mineralization discovered in holes 19 and 20 confirms the presence of a large footprint sub-cropping copper silver gold system that has never been drill tested before. These holes were completed as large step-outs to the original discovery hole, across the strike of the system, and I'm very pleased that the results validate our team's geophysical interpretations of the IP and VTEM data. Our geological team has taken a highly disciplined, systematic approach which will help us expeditiously find potential massive sulphide bodies and this is absolutely appropriate

given the scale of this 640,000 m² and growing, delineated mineralized target area. We also look forward to providing updates on our work on the Dixie Creek target once the SGH program results report is received and we have collected additional geophysical data as part of our evaluation of the northeast portion of our property close to the high-grade gold targets being pursued by Great Bear Resources.”

Bruce Durham, VP of Exploration stated; “Our selected drill locations to date have been laid out in such a way that we will get maximum coverage with our down hole electromagnetic surveying program in the northern part of the TNT target. We are taking a methodical and judicious approach that will demonstrate the potential of the project in the short-term while setting us up for long-term results. On the southern side of TNT we are now permitted and our geophysical program there is underway. We are now able to work towards defining drill targets moving closer to where initial VTEM anomaly conductivity and historic airborne electromagnetic conductivity is indicated to be strongest.”

Table 1: BTU-19-19 and 20 selected assay results

† *Note that hole BTU-19-19 collared in mineralization and therefore did not intersect the full width of the mineralized zone*

Drill Hole	From (m)	To (m)	Thickness (m)	Au (g/t)	Ag (g/t)	Cu (%)	CuEq* (%)
BTU-19-19	11.40 [†]	71.40	60.00	0.013	4.04	0.22	0.27
<i>including</i>	21.55	29.80	8.25	0.014	6.98	0.49	0.56
<i>including</i>	52.75	56.45	3.70	0.027	8.09	0.41	0.51
<i>including</i>	69.40	71.40	2.00	0.044	18.20	0.77	0.97
	143.70	146.00	2.30	0.228	5.74	0.23	0.45
BTU-19-20	52.80	56.10	3.30	0.018	5.25	0.30	0.36
	78.00	94.00	16.00	0.023	4.16	0.25	0.31
<i>including</i>	86.30	93.00	6.70	0.039	6.88	0.42	0.51
	123.50	200.90	77.40	0.049	5.82	0.31	0.40
<i>including</i>	123.50	125.80	2.30	0.140	16.18	0.96	1.21
<i>and including</i>	130.30	132.60	2.30	0.179	19.46	1.17	1.47
<i>and including</i>	138.20	162.75	24.55	0.062	6.47	0.38	0.48
<i>including</i>	138.20	141.65	3.45	0.079	13.30	0.77	0.95
<i>and including</i>	170.00	182.65	12.65	0.040	8.86	0.41	0.52
<i>and including</i>	185.00	186.90	1.90	0.058	12.94	0.60	0.76
<i>and including</i>	193.00	195.40	2.40	0.129	6.96	0.45	0.61
	208.20	209.10	0.90	0.128	4.10	0.16	0.29
	234.00	236.20	2.20	0.168	15.70	0.63	0.90

* *Metal equivalency based on US\$2.70/lb Cu, US\$1350/oz Au, and US\$17/oz Ag; noting that no adjustments were made in the metal equivalency calculation for metal recovery, as this is still an early stage project.*

Table 2: Drill hole collar information

Drill Hole	Azimuth (°)	Dip (°)	UTM E (m)	UTM N (m)
BTU-19-19	277.7	-45.7	463134	5628474
BTU-19-20	272.2	-43.0	463323	5628490

TNT

- Highlight assays from hole 19 include:
 - Total of 62.3 metres of notable mineralization
 - Hole 19 collared into mineralization and therefore did not intersect the entire width of the mineralized zone
 - Largest interval of continuous mineralization is 60.0 metres of 0.27% CuEq, which includes 8.25 metres of 0.56% CuEq
 - Highest assay results: 0.6 g/t Au over 0.6 metres; 30.7 g/t Ag over 1 metre; and 1.33% Cu over 1 metre
- Highlight assays from hole 20 include:
 - Total of 99.8 metres of notable mineralization
 - Largest interval of continuous mineralization is 77.4 metres of 0.44% Cu equivalent mineralization, which includes numerous subintervals of higher-grade mineralization, including 2.3 metres of 1.47% CuEq
 - Highest assay results: 0.32 g/t Au over 0.7 metres; 29.6 g/t Ag over 0.7 metres; and 1.77% Cu over 0.7 metres
- Both holes intersected mineralization in a number of intervals between surface and roughly 150 metres vertical depth
- When considered with the mineralization in discovery hole BTU-19-13, the mineralization is now known to extend from surface to at least approximately 250 metres
- Continuity of mineralization in large step-outs on Line 12, perpendicular to the strike of the TNT target, confirms the significance of the geophysical interpretation of the IP and VTEM data in the TNT target area
- Drill holes BTU-19-21, 22, 23 and 24 were completed in December 2019 and holes BTU-20-25, 26, 27 and 28 have been completed so far in January 2020 on the TNT target
- Ongoing Induced Polarization surveys have now traced the TNT target from section 16+00N to at least line 0+00, a total length of 1600 metres, representing an increase in the strike length of the TNT target of 60%
- Permits for exploration work, including drilling, have been received for the newly acquired ground to the south on the TNT target and exploration plans are underway
- Drill targets to the south of the current southerly limit of the TNT target are expected to be ready for drill testing in February
- Other potential drill targets have been identified approximately 400 metres to the east of the TNT target as well as well to the northeast of the TNT target close to the mutual boundary with Great Bear Resources' Dixie property

Dixie Creek

- SGH sample program: The Company expects to receive the results of the survey imminently
- Additional survey lines have been established and Induced Polarization surveying commenced
- Ground magnetic surveying planned for February
- Drilling on the Dixie Creek expected to recommence in February

Table 3: BTU-19-19 and 20 assay results

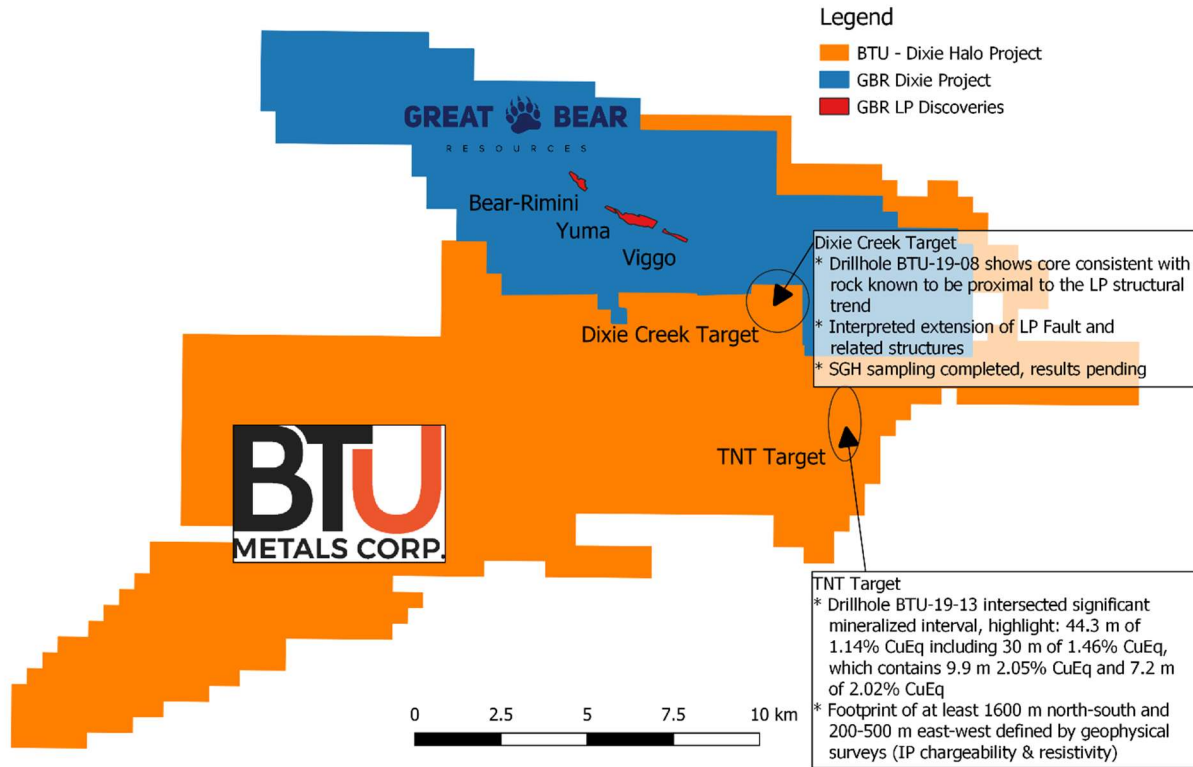


Figure 1: Overview of BTU Metals Dixie Halo Property

Drilling is ongoing to further explore the TNT target. The Company is undertaking exploration work to define the full scope of the TNT chargeability target and now understands the footprint of the target to be at least 1600 metres north-south and between 200 and 500 metres east-west as defined by IP chargeability and resistivity survey data (Figure 2). The target remains open both to the north and to the south.

Holes 19 and 20 were drilled to the East of discovery hole 13 while recently completed holes 21 and 22 were drilled approximately 800 metres to the south of where 13, 19 and 20 were drilled. Drill hole 25 was collared well behind drill hole 20 to test the eastern portion of the TNT IP target on Line 12+00N. Split core samples from holes 21 through 25 are currently at the laboratory for analysis. Bedrock in the entire area of the interpreted TNT target is overlain with overburden and no historic drilling is reported on the area currently covered by the existing geophysical surveys. Strong alteration and significant pyrite as well as some chalcopyrite was found in each location drilled to date. Minor amounts of galena, sphalerite and molybdenite were also noted in some of the drill holes.

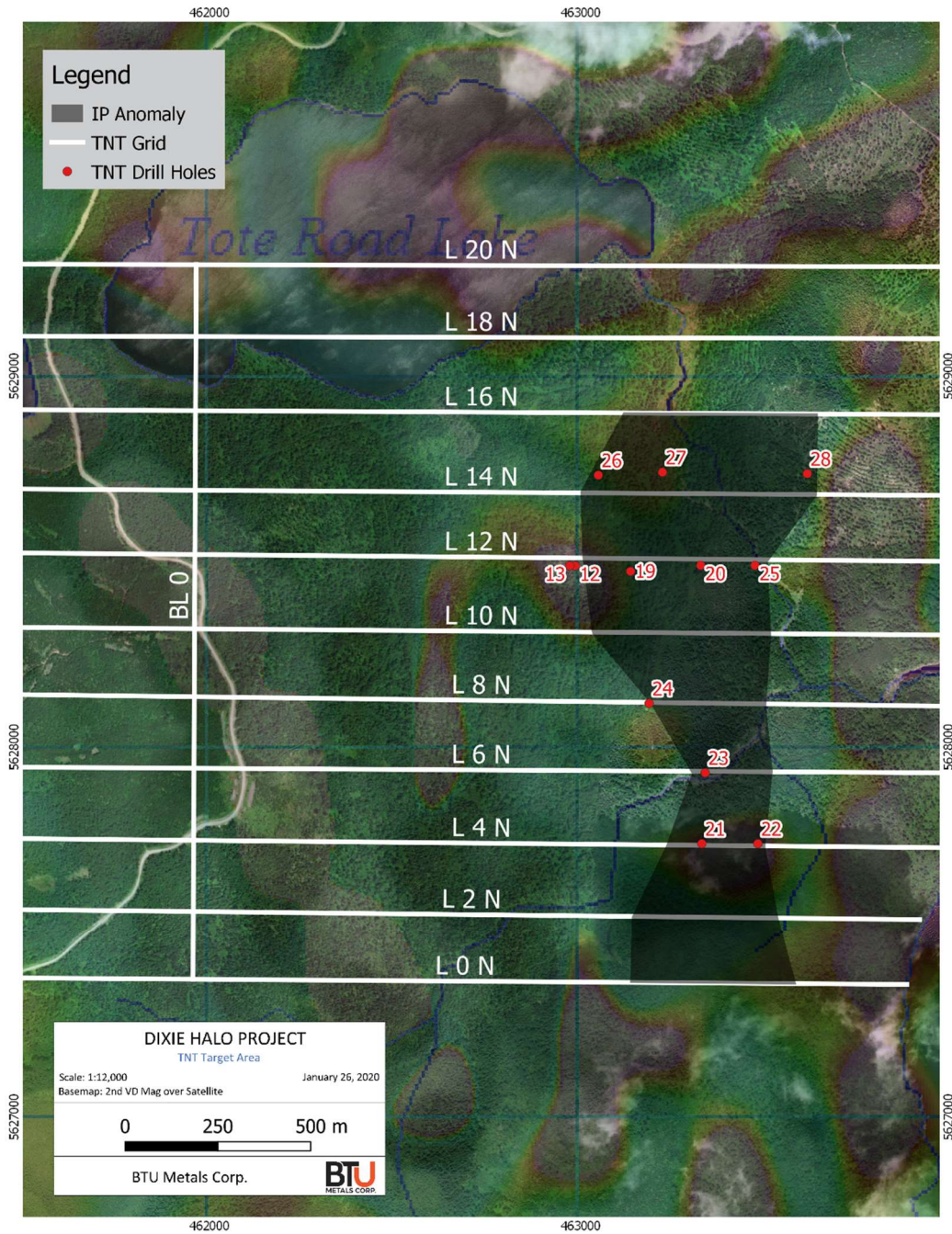


Figure 2: IP Anomaly Map of the TNT Target Area shows the current limits of the IP surveying and the extent of the interpreted TNT target

Rock types intersected in the drilling include highly altered and bleached basalt, rhyodacite tuffs and flows as well as felsic and mafic intrusive bodies. Mineralization intersected in the holes completed to date is comprised of disseminated pyrite with scattered disseminated to occasional stringer chalcopyrite.

To view pictures of drill core please visit the Company's website here: www.btumetals.com/core. Note: core pictures are for general interest only and are selected samples. The pictures should not be considered to represent the entire mineralized interval.

QA/QC

BTU staff collected and processed samples and securely sealed and shipped them to Activation Laboratories Ltd. (ActLabs) in Dryden, Ontario for sample preparation that includes drying, crushing until 80% passes a 2 mm sieve, then riffle splitting (250 g) and pulverizing (mild steel) to 95% passing 105 µm. The resulting pulps are analysed for gold by fire assay in Dryden, and for base metals by a multi-element aqua regia ICP-OES technique in Thunder Bay. All assay data have undergone internal validation of QAQC; noting there is an established sampling control program with blind insertion of assay blanks, certified industry standards and sample duplicates. A QAQC program is also in place at Actlabs and includes insertion of blanks, standards, and duplicate reanalysis of selected samples. ActLabs is a Canadian assay laboratory and is accredited under ISO/IEC 17025 and ISO 9001. Overlimit protocols are in place for gold, silver, and copper.

Intervals in this release are drilled intervals. True widths could not be determined at this early stage of target evaluation.

The technical contents of this release were approved by Mr. Bruce Durham, P. Geo., a qualified person as defined by National Instrument 43-101.

ON BEHALF OF THE BOARD

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