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ARTIFICIAL INTELLIGENCE DATA EVALUATIONS IDENTIFY 35 GOLD TARGET AREAS ON BTU RED LAKE PROPERTY

Highlights

- Initial AI data analysis completed on 67 square kilometres of the Dixie Halo property yield 35 new high priority gold target areas that warrant follow-up evaluation

- Property covers nearly 200 square kilometres and is largely overburden covered and only sparsely explored in most areas to date. Additional data processing and AI investigations are continuing for the areas not yet completed

- Site visits are underway on a number of the target areas with one area found to contain previously unreported quartz veins containing disseminated pyrite and minor chalcopyrite, an environment favourable for hosting gold mineralization

- Other exploration efforts including till sampling and geophysics are also underway

July 21, 2020, Vancouver, BC, Canada – BTU METALS CORP. ("BTU" or the "Company") (BTU-TSX:V) today provides an update about the early, positive results received from ongoing Windfall Geotek (“Windfall”) work using their proprietary ‘CARDS’ Artificial Intelligence (“AI”) system to identify high-grade gold targets. The Company is pursuing both high-grade gold targets and copper-dominant massive sulfide targets on its 200 square kilometre property that shares a 35 kilometre border with Great Bear Resources Ltd (“Great Bear”). The property is 25 kilometres southeast of Red Lake, Ontario in an area with excellent access and infrastructure. To date roughly one-third of the property area has been analyzed, from which 35 high priority targets have been identified at a high correlation rate with known gold mineralization. Validation and follow-up investigation of the targets is being conducted by BTU geologists

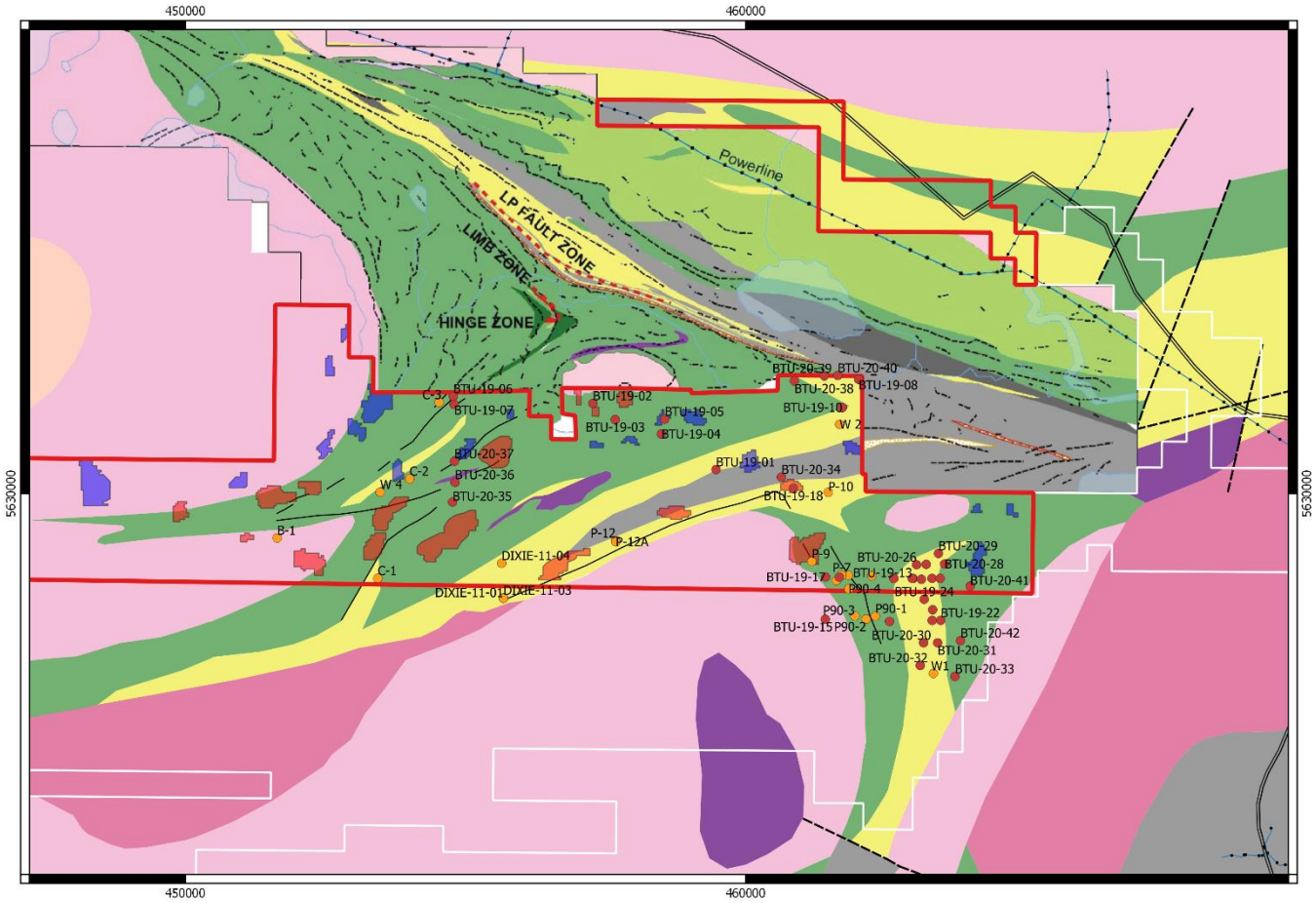
BTU recently contracted Windfall to assist with the targeting of high-grade gold at Dixie Halo using their proprietary state-of-the-art AI system. Modern mineral exploration programs yield high volumes of complex data which can be difficult for humans to find patterns in. AI works by using pattern recognition and computational learning theory on a subset of data to solve classification or prediction problems, thus allowing it to make inferences and decisions on the rest of the dataset. The Red Lake gold district has an abundance of known gold deposits and showings as well as publicly available geoscience datasets which makes it an ideal location to apply AI for identifying gold exploration targets.

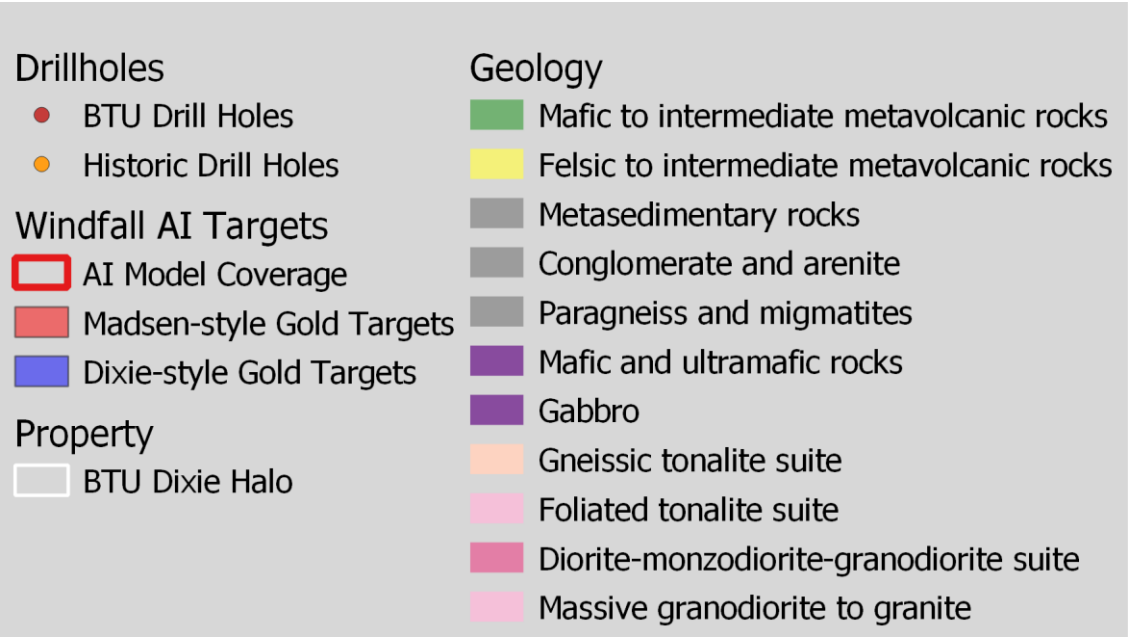
Paul Wood, BTU CEO, said, “The early identification of so many high priority targets using Windfall’s proprietary AI is very encouraging. Our property position is one of the largest in Red Lake and covers nearly 200 square kilometres. Most of the potentially gold bearing rock units are covered with overburden so additional tools and techniques can be particularly effective. This new layer of AI targeting is now being incorporated into the mix as we attempt to vector in on the areas with the highest gold potential. We already have 35 new targets and we expect more to be outlined as the AI work is expanded to cover the entire property”.

Windfall used two distinct models in their investigation, one was trained using data from the Madsen Mine, and the other was trained with the addition of data from GBR's neighbouring Dixie discoveries. The Madsen model identified sixteen, and the Great Bear model identified nineteen highly prospective gold targets on the portion of the BTU property which was assessed (see Figure 1). Learn more about the geologic context of these gold target areas at www.btumetals.com/aitargets

Nathan Tribble, P.Geo., Director of Windfall Geotek states: "It is extremely encouraging and exciting to see the CARDS AI analysis identify multiple targets within favorable ground once again in the Red Lake mining camp. Utilizing both Madsen and Dixie datasets provides BTU with the highest probability of finding similar mineralization on their property in Red Lake. We look forward to continuing our work with BTU and delivering the second set of targets of their project in the near future".

Figure 1: AI generated gold targets on the BTU Metals property





Validation and follow-up investigation of the AI generated gold targets is underway by the Company's geological team. The highest priority targets are expected to be drill-ready later this summer.

Windfall Identifies High-Grade Gold Targets on BTU Metals Corp. Ground

Windfall is an Artificial Intelligence company that has been in business for over 15 years developing its proprietary CARDS analysis (AI) and data mining techniques. It combines available public and private datasets including geophysical, drill hole and surface data. The algorithms designed and employed by Windfall are designed to highlight areas of interest that have the potential to be geologically similar to other gold deposits and mineralization in the Red Lake region. Windfall has played a part in numerous past discoveries utilizing its methodology as described at: https://windfallgeotek.com/.

Windfall has already identified 35 targets on BTU property based on public and initial BTU proprietary data. The Windfall and BTU teams will continue to work together to confirm these initial AI targets and expect to supplement these initial AI targets with more targets as the evaluation process continues.

The Company's exploration work at its Red Lake, Ontario projects remains largely on schedule with no major disruption due to the COVID-19 government guidelines. The Company continues to monitor this situation, continues to be careful to conduct all work in compliance with COVID-19 guidelines and will adjust its activities and timelines as deemed appropriate.

Bruce Durham, P. Geo., a qualified person as defined by National Instrument 43-101 has reviewed and approved the technical information in this press release.

ON BEHALF OF THE BOARD
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FORWARD-LOOKING STATEMENTS: This news release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and using information currently available to the Company. Investors are cautioned that these forward-looking statements are neither promises nor guarantees, and they are subject to risks and uncertainties that may cause future results to differ materially from those expected. These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, the Company does not assume any obligation to update or revise them to reflect new events or circumstances. All forward-looking statements made in this press release are qualified by these cautionary statements and by those made in our filings with SEDAR in Canada (available at WWW.SEDAR.COM).