



**Brunswick Exploration Inc.**

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**

**For the three-month and nine-month periods ended  
September 30, 2022 and 2021**

In Canadian Dollars

**Unaudited**

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM FINANCIAL STATEMENTS**

**Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.**

**The accompanying unaudited condensed interim consolidated financial statements of Brunswick Exploration Inc. have been prepared by and are the responsibility of the Company's management.**

**The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.**

**Brunswick Exploration Inc.**  
**Condensed Consolidated Statements of Financial Position**

<i>(in Canadian dollars)</i>	<b>September 30, 2022 (unaudited)</b>	December 31, 2021 (audited)
	\$	\$
<b>ASSETS</b>		
<u>Current</u>		
Cash	<b>4,287,180</b>	1,489,286
Sales taxes receivable	<b>147,988</b>	659,911
Prepaid expenses and deposits	<b>142,368</b>	91,642
Other receivables from related companies	-	67,211
	<b>4,577,536</b>	2,308,050
<u>Non-current</u>		
Exploration and evaluation assets (Note 4)	<b>3,274,600</b>	3,871,643
Right of use asset	<b>53,125</b>	85,000
Equipment and intangible assets	<b>26,054</b>	23,708
<b>TOTAL ASSETS</b>	<b>7,931,315</b>	6,288,401
<b>LIABILITIES</b>		
<u>Current</u>		
Accounts payable and accrued liabilities	<b>822,351</b>	812,170
Short-term portion of convertible debentures (Note 5)	<b>310,000</b>	264,865
	<b>1,132,351</b>	1,077,035
<u>Non-current</u>		
Convertible debentures (Note 5)	<b>309,579</b>	301,779
Deferred premium on flow-through shares (Note 6)	<b>59,408</b>	-
Lease obligation	<b>53,125</b>	85,000
<b>TOTAL LIABILITIES</b>	<b>1,554,463</b>	1,463,814
<b>EQUITY</b>		
Share capital	<b>28,402,896</b>	23,148,277
Warrants	<b>670,004</b>	579,614
Stock options	<b>545,024</b>	417,232
Contributed surplus	<b>2,539,929</b>	2,510,607
Deficit	<b>(25,781,001)</b>	(21,831,143)
Equity attributable to shareholders	<b>6,376,852</b>	4,824,587
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,931,315</b>	6,288,401

Commitments and contingencies (Note 15)  
Subsequent events (Note 16)

*The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.*

/s/ Robert Wares  
Robert Wares, Chairman

/s/ Killian Charles  
Killian Charles, President

**Brunswick Exploration Inc.**  
**Condensed Consolidated Statements of Loss and Comprehensive Loss**

<i>(unaudited, in Canadian dollars)</i>	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Expenses</b>				
Administrative expenses (Note 10)	239,192	250,987	781,457	1,516,416
Interest on convertible debentures and due to an administrator (Note 5)	18,369	38,538	52,935	123,038
Stock-based compensation (Note 8)	71,653	27,705	117,822	94,196
Impairment of exploration and evaluation assets (Note 4)	2,148,000	-	2,977,991	-
Gain on sale of investments	-	-	-	(359,161)
Interest revenue	(23,804)	(4,586)	(28,941)	(4,586)
Depreciation of equipment and intangible assets	3,741	2,712	10,078	6,818
<b>Net loss and comprehensive loss</b>	<b>(2,457,151)</b>	<b>(315,356)</b>	<b>(3,911,342)</b>	<b>(1,376,721)</b>
Gain on disposal of subsidiaries (Note 14)	-	-	-	1,107,256
Net profit associated to discontinued activities	-	-	-	1,107,256
Income tax recovery	88,698	-	103,452	-
<b>Net loss and comprehensive loss</b>	<b>(2,368,453)</b>	<b>(315,356)</b>	<b>(3,807,890)</b>	<b>(269,465)</b>
<b>Per Share (Note 9)</b>				
Basic and diluted – continued activities	(0.02)	(0.00)	(0.03)	(0.01)
Basic and diluted – discontinued activities	0.00	0.00	0.00	0.01
Weighted average number of common shares – basic and diluted	154,977,717	131,369,712	142,185,849	131,369,712

*The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.*

**Brunswick Exploration Inc.**  
**Condensed Consolidated Statements of Shareholders' Equity**  
**For the three-month and nine-month periods ended September 30, 2022 and 2021**  
*(Unaudited, in Canadian dollars, except for number of shares)*

	Issued and outstanding common shares	Share capital	Warrants	Stock options	Equity component of convertible debentures	Contributed surplus	Deficit	Total equity
	Number	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at January 1, 2022</b>	<b>131,381,712</b>	<b>23,148,277</b>	<b>579,614</b>	<b>417,232</b>	-	<b>2,510,607</b>	<b>(21,831,143)</b>	<b>4,824,587</b>
Acquisition of mining properties (Note 4)	100,000	22,000	-	-	-	-	-	22,000
Units issued pursuant to a private placement (Note 7)	6,142,401	884,104	190,816	-	-	-	-	1,074,920
Issuance of flow-through shares (Note 7)	11,337,625	2,267,525	-	-	-	-	-	2,267,525
Deferred premium on flow-through shares	-	(170,064)	-	-	-	-	7,204	(162,860)
Units and flow-through share issue costs	-	-	-	-	-	-	(141,969)	(141,969)
Units issued pursuant to a non-brokered private placement (Note 7)	5,771,143	748,312	261,638	-	-	-	-	1,009,950
Private placement share issue costs	-	-	-	-	-	-	(7,203)	(7,203)
Exercised Warrants (Note 7)	5,835,000	1,502,742	(332,742)	-	-	-	-	1,170,000
Expired Warrants (Note 7)	-	-	(29,322)	-	-	29,322	-	-
Share-based compensation (Note 8)	-	-	-	127,792	-	-	-	127,792
Net loss and comprehensive loss	-	-	-	-	-	-	(3,807,890)	(3,807,890)
<b>Balance as at September 30, 2022</b>	<b>160,567,881</b>	<b>28,402,896</b>	<b>670,004</b>	<b>545,024</b>	-	<b>2,539,929</b>	<b>(25,781,001)</b>	<b>6,376,852</b>
<b>Balance as at January 1, 2021</b>	<b>131,369,712</b>	<b>23,146,477</b>	<b>579,614</b>	<b>302,693</b>	<b>163,819</b>	<b>2,346,788</b>	<b>(21,766,956)</b>	<b>4,772,435</b>
Stock-based compensation (Note 8)	-	-	-	94,196	-	-	-	94,196
Net loss and comprehensive loss	-	-	-	-	-	-	(269,465)	(269,465)
<b>Balance as at September 30, 2021</b>	<b>131,369,712</b>	<b>23,146,477</b>	<b>579,614</b>	<b>396,889</b>	<b>163,819</b>	<b>2,346,788</b>	<b>(22,036,421)</b>	<b>4,597,166</b>

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

# Brunswick Exploration Inc.

## Condensed Consolidated Statements of Cash Flows

<i>(Unaudited, in Canadian dollars)</i>	Nine-month periods ended September 30,	
	2022	2021
	\$	\$
<b>Operating activities</b>		
Net (loss) profit	(3,807,890)	(269,465)
Adjustments		
Share-based compensation	117,822	94,196
Depreciation of equipment and intangible assets	10,078	6,818
Amortization of convertible debenture issuance cost	-	6,500
Non-cash interest on convertible debenture and long-term debt	52,935	35,349
Fair value variation of the short-term investment	-	(359,161)
Income tax recovery	(103,452)	-
Impairment of exploration and evaluation assets (Note 4)	2,977,991	-
Gain on disposal of subsidiaries (Note 14)	-	(1,107,256)
Changes in working capital items (Note 12)	538,589	89,147
<b>Net cash flows used in operating activities</b>	<b>(213,927)</b>	<b>(1,503,872)</b>
<b>Investing activities</b>		
Investments in exploration and evaluation assets	(2,464,628)	(1,901,615)
Refundable tax credits received	115,650	-
Investments in equipment and intangible assets	(12,424)	(7,906)
Proceeds from the sale of investments	-	1,731,339
<b>Net cash flows used in investing activities</b>	<b>(2,361,402)</b>	<b>(178,182)</b>
<b>Financing activities</b>		
Issuance of Units and flow-through shares pursuant to a private placement (Note 7)	3,342,445	-
Issuance of Units pursuant to a non-brokered private placement (Note 7)	1,009,950	-
Share issue costs	(149,172)	-
Exercised Warrants	1,170,000	-
Change in the amount due to an administrator	-	(100,000)
Reimbursement of convertible debt (Note 5)	-	(500,000)
<b>Net cash flows provided by (used in) financing activities</b>	<b>5,373,223</b>	<b>(600,000)</b>
Net increase (decrease) in cash	2,797,894	(2,282,054)
<b>Cash, beginning of period</b>	<b>1,489,286</b>	<b>5,492,705</b>
<b>Cash, end of period</b>	<b>4,287,180</b>	<b>3,210,651</b>

### Supplemental disclosure (Note 12)

*The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.*

# Brunswick Exploration Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the three-month and nine-month periods ended September 30, 2022 and 2021

(Unaudited, in Canadian dollars)

### 1. NATURE OF ACTIVITIES

Brunswick Exploration Inc. (the “Company” or “BRW”) is primarily engaged in the acquisition and exploration of mineral properties. BRW is domiciled in Canada and is governed by the *Business Corporations Act* (Québec). The address of the Company’s registered office is 1100, Avenue des Canadiens-de-Montreal, Suite 300, Montreal, Québec, Canada.

All amounts in these consolidated financial statements are expressed in Canadian dollars unless otherwise indicated. The Company is listed on the Toronto Venture Exchange (“TSXV”) under the symbol “BRW” and is focused on exploration and development of gold and energy transition metal properties in Eastern Canada.

Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation properties. The recoverability of deferred exploration and evaluation expenses is dependent on the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; the ability to obtain necessary financing to continue the exploration, evaluation and development of its properties; and obtaining certain government approvals or proceeds from the disposal of properties. Changes in future conditions could require material impairment of the carrying value of the deferred exploration and evaluation expenses. Although the Company has taken steps to verify title to its mining properties on which it is currently conducting exploration and evaluation work, in accordance with industry standards for the current stage of exploration and evaluation of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

### 2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments to fair value. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with *International Financial Reporting Standards* as issued by the *International Accounting Standards Board* (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standard 34, *Interim Financial Reporting*. The unaudited condensed interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2021, which have been prepared in accordance with IFRS.

These unaudited condensed interim consolidated financial statements were approved by the Company’s Board of Directors (the “Board”) on November 15, 2022.

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries listed below:

<b>Name of subsidiary</b>	<b>Activity</b>	<b>Country</b>
Komet Ressources Afrique SA (“Komet SA”)	Sold in January 2021	Burkina Faso
Guïro Exploration SARL (“Guïro”)	Sold in January 2021	Burkina Faso

The Company controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All intercompany balances and transactions are eliminated on consolidation.

### 3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the Company’s management to make judgments, estimates and assumptions on reported amounts of assets and liabilities, and reported amounts of expenses. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may be substantially different. The critical accounting, judgments, estimates and assumptions are the same as those in our most recent audited annual financial statements.

# Brunswick Exploration Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the three-month and nine-month periods ended September 30, 2022 and 2021

(Unaudited, in Canadian dollars)

### 4. EXPLORATION AND EVALUATION ASSETS

The Company has incurred the following costs on its exploration and evaluation assets:

Property	Balance at January 1, 2021	Additions	Balance at December 31, 2021	Additions/ tax credits	Impairment	Balance at September 30, 2022
	\$	\$	\$	\$	\$	\$
Waconichi (a)						
Mining rights	2,584	-	2,584	-	(2,584)	-
Exploration expenses	109,813	713,594	823,407	4,473	(827,880)	-
	<u>112,397</u>	<u>713,594</u>	<u>825,991</u>	<u>4,473</u>	<u>(830,464)</u>	<u>-</u>
Lac Edouard (b)						
Mining rights	-	108,652	108,652	45,000	(153,652)	-
Exploration expenses	-	866,589	866,589	52,208	(918,797)	-
	<u>-</u>	<u>975,241</u>	<u>975,241</u>	<u>97,208</u>	<u>(1,072,449)</u>	<u>-</u>
Bathurst (c)						
Mining rights	100,000	41,503	141,503	-	-	141,503
Exploration expenses	-	702,231	702,231	152,186	-	854,417
	<u>100,000</u>	<u>743,734</u>	<u>843,734</u>	<u>152,186</u>	<u>-</u>	<u>995,920</u>
Fundy (d)						
Mining rights	151,454	59,296	210,750	(103,561)	(107,189)	-
Exploration expenses	171,505	791,368	962,873	5,016	(967,889)	-
	<u>322,959</u>	<u>850,664</u>	<u>1,173,623</u>	<u>98,545</u>	<u>(1,075,078)</u>	<u>-</u>
Critical Minerals (e)						
Mining rights	-	34,062	34,062	703,873	-	737,935
Exploration expenses	-	18,992	18,992	1,521,753	-	1,540,745
	<u>-</u>	<u>53,054</u>	<u>53,054</u>	<u>2,225,626</u>	<u>-</u>	<u>2,278,680</u>
<b>Summary</b>						
Mining rights	254,038	243,513	497,551	645,312	(263,425)	879,438
Exploration expenses	281,318	3,092,774	3,374,092	1,735,636	(2,714,566)	2,395,162
	<b>535,356</b>	<b>3,336,287</b>	<b>3,871,643</b>	<b>2,380,948</b>	<b>(2,977,991)</b>	<b>3,274,600</b>

- (a) Waconichi, Québec: On September 1, 2020, the Company staked the Waconichi base metal property, located 40 km northeast of the town of Chibougamau in the northern section of the Abitibi greenstone belt, Eeyou Istchee, Québec. This property comprises 260 map-staked claims (14,297 ha). During the three-month and nine-month periods ended September 30, 2022, the Company wrote-off \$830,464 (nil in 2021) of costs incurred on this property, related to specific areas where claims are not expected to be renewed, where the Company has decided to discontinue exploration and evaluation activities or the assets carrying amount exceeds its recoverable amount.
- (b) Lac Edouard, Québec: On February 19, 2021, in addition to completing staking, the Company concluded option and purchase agreements from a private company and prospectors to acquire a 100% interest in the Lac Edouard Project, located 40 km northeast of the town of La Tuque, Québec.

The Company optioned 25 claims (1,375 ha) from Les Ressources Tectonic Inc (“Tectonic”), allowing the Company to acquire a 100% interest in this property over a three-year period for total cash consideration of \$170,000 and exploration expenditures of \$500,000 under the following terms:

- Upon closing of the formal agreement, the Company paid \$15,000;
- Upon the first-year anniversary of the closing, the Company paid \$45,000 and completed \$100,000 in exploration;
- Upon the second-year anniversary of the closing, the Company will pay \$50,000 and will have completed and additional \$150,000 in exploration; and
- Upon the third-year anniversary of the closing, the Company will pay \$60,000 and will have completed and additional \$250,000 in exploration.

During the three-month period ended September 30, 2022, the Company informed Tectonic that it did not intend to continue with this option agreement. During the three-month and nine-month periods ended September 30, 2022, the Company wrote-off \$1,072,449 (nil in 2021) of costs incurred on this property, related to specific areas where claims are not expected to be renewed, where the Company has decided to discontinue exploration and evaluation activities or the assets carrying amount exceeds its recoverable amount.



# Brunswick Exploration Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the three-month and nine-month periods ended September 30, 2022 and 2021

(Unaudited, in Canadian dollars)

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### 4. EXPLORATION AND EVALUATION ASSETS (continued)

- c) Bathurst, New-Brunswick: In August 2020, BRW entered into an option agreement, which was amended in April 2021 and approved by the TSXV on August 3, 2021 (the "Effective Date") with Osisko Metals Incorporated ("Osisko Metals") whereby it can acquire a majority interest in the Brunswick Belt exploration property located in the eastern portion of the Bathurst mining camp. This property covers 72 km of the prolific Brunswick Belt and includes the Key Anacon and Gilmour South base metal deposits. This option allows the Company to earn an interest of up to 51% by spending an aggregate of \$10,000,000 in two stages over a five-year period. This option agreement has two distinct earn-in requirements:
- The First Option: BRW can acquire an initial 15% interest in this property by making a \$100,000 cash payment (completed in 2020) and financing a total of \$2,000,000 in exploration work no later than the second anniversary of the Effective Date.
  - The Second Option: BRW can acquire an additional 36% interest (a total interest of 51%), by financing a total of \$10,000,000 (taking into account the amount of \$2,000,000 incurred as part of the First Option) in exploration work in accordance with the following schedule:
    - A cumulative total of \$4,000,000 no later than the Effective Date;
    - A cumulative total of \$6,500,000 no later than the Effective Date;
    - A cumulative total of \$10,000,000 no later than the Effective Date.

Upon completion of any or all phases (at the Company's discretion), a joint venture may be formed between the Company and Osisko Metals. Osisko Metals is considered a related party due to common officers and directors.

- d) Fundy, New-Brunswick: In October 2020, the Company staked a gold-silver property totaling 37,260 ha on properties located west of Saint John, New Brunswick. In tandem with this staking program, on October 14, 2020, the Company closed an option agreement (amended on April 19, 2021), relating to 6 claims (2,639 ha). During the three-month period ended September 30, 2022, the Company informed this option holder that it not intend to continue with this option agreement. During the three-month and nine-month periods ended September 30, 2022, the Company wrote-off \$1,075,078 (nil in 2021) of costs incurred on this property, related to specific areas where claims are not expected to be renewed, where the Company has decided to discontinue exploration and evaluation activities or the assets carrying amount exceeds its recoverable amount.
- e) Critical Minerals: BRW launched a grassroots critical minerals exploration program in eastern Canada with the following transactions:
- In December 2021, the staking of claims (6,527 ha), located in southeastern and central New Brunswick, collectively known as the Caledonia and Catamaran projects. In March 2022, BRW expanded on these claims with the staking of an additional 42,737 ha.
  - In March 2022, the staking of 618 claims (35,440 ha) throughout the Southern Abitibi region of Québec, collectively known as the Pontiac Lithium Project.
  - In March 2022, the staking of multiple claim groups in west central Nova Scotia (115,837 ha), all within the huge peraluminous South Mountain Batholith, located roughly 30 km from Halifax. In addition to this claim package, BRW announced the acquisition from a prospector of a property which contains 60 claims (971 ha). This purchase closed in June 2022 and the Company acquired a 100% interest in this property for a total consideration of \$15,000 in cash and 100,000 common shares (fair value of \$22,000).

# Brunswick Exploration Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the three-month and nine-month periods ended September 30, 2022 and 2021

(Unaudited, in Canadian dollars)

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### 4. EXPLORATION AND EVALUATION ASSETS (continued)

e) Critical Minerals (continued):

- On April 19, 2022, the Company announced that a total of 300 claims (16,121 ha) were acquired or optioned (collectively, the “North Shore Lithium Project”) in Québec. The claim package includes an option agreement with Kintavar Exploration Inc. (“Kintavar”) for their BJB property. On August 12, 2022, the Company signed an option agreement, subject to TSXV approval, to acquire 100% of the BJB property with the following terms:
  - i. Total payment of \$1,045,000 over the four-year period:
    - Cash payment of \$45,000 upon signing of the agreement which was paid in October 2022;
    - Payment of \$100,000 at the first-year anniversary;
    - Payment of \$200,000 at the second-year anniversary;
    - Payment of \$300,000 at the third-year anniversary;
    - Payment of \$400,000 at the fourth-year anniversary;
    - Each anniversary payment will be a combination of cash and shares with a minimum 20% in cash and up to a maximum of 80% (BRW’s choice).
  - ii. BRW will commit to the following exploration expenditures totaling \$2,000,000 over the four-year period:
    - Aggregate of \$150,000 at the first-year anniversary;
    - Aggregate of \$400,000 at the second-year anniversary;
    - Aggregate of \$800,000 at the third-year anniversary;
    - Aggregate of \$2,000,000 at the fourth-year anniversary.
  - iii. 2% NSR of which the first 1% can be bought back for \$1,000,000. BRW will retain a Right of First Refusal on the second 1% tranche.
  - iv. Additional milestone payments:
    - Payment of \$250,000 upon completion of a Mineral Resource Estimate;
    - Payment of \$750,000 upon completion of Preliminary Economic Assessment;
    - Each milestone payment will be a mixture of cash and shares with a minimum 20% in cash and up to a maximum of 80% (Kintavar’s choice).
- On May 17, 2022, the Company announced the staking of multiple claim groups in southern Newfoundland which contains 1,327 claims (33,093 ha) located near the areas of Port aux Basques, Hermitage and Rencontre East.
- On June 14, 2022, BRW announced its acquisition of additional pegmatite fields in the James Bay region of Québec. A total of approximately 810 claims (42,892 ha), were staked and are collectively known as the James Bay Lithium Project. All claims are located within 45 km of the James Bay road network.

### 5. CONVERTIBLE DEBENTURES

#### Convertible debentures 2015

In June 2015, the Company completed a private placement in the form of convertible debentures for gross proceeds of \$2,000,000 for which a finder’s fee of \$65,000 was paid. These debentures were bearing interest at a rate of 12%, payable semi-annually, on June 1<sup>st</sup> and December 1<sup>st</sup> of each year. Each debenture was convertible at any time prior to the maturity date at the discretion of the subscriber for common shares at a conversion price of \$0.65 per common share. These debentures matured on June 8, 2020 and the outstanding balance of \$500,000 was repaid as at December 31, 2021.

# Brunswick Exploration Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the three-month and nine-month periods ended September 30, 2022 and 2021

(Unaudited, in Canadian dollars)

### 5. CONVERTIBLE DEBENTURES (continued)

#### Convertible debentures 2018

On September 27, 2018, the Company completed a private placement in the form of convertible debentures (the "2018 Debentures") for gross proceeds of \$1,000,000 (the "Principal"), with a maturity date of September 1, 2021 (the "Maturity Date"). The 2018 Debentures were bearing interest at a rate of 12%, payable semi-annually, on March 1<sup>st</sup> and September 1<sup>st</sup> of each year. These debenture were convertible at any time prior to the Maturity Date at the discretion of the subscriber (the "Subscriber") for common shares at a conversion price of \$0.40 per share.

At its discretion and up to a maximum of three times before the due date, the Company had the option to pay accrued interest by issuing shares based on the market price on the date of the payment. After the end of the third year, the Company had the right to force the conversion of these debentures in the event that BRW's common shares were traded at more than \$1.00 per share for more than 10 consecutive days.

At the date of issue, the fair value of the conversion option was determined to be \$145,000. The fair value of these debentures was determined by discounting the cash flows related to these debentures at a rate of 19.5%, which is the interest rate that the Company would have expected to pay if these debentures did not have a conversion option, representing the excess of the fair value of debentures and their nominal value. Therefore, the fair value of these debentures was \$855,000 at the initial transaction date.

In September 2021, the Company and the Subscriber agreed to a repayment schedule (the "Amendment") for the Principal and interest owing at the Maturity Date. As per the Amendment, the Company will repay the balance over three annual payments and no additional interest will apply to the 2018 Debentures subsequent to the Maturity Date. A gain of \$131,969 was recognized at the time of the Amendment in the income statement for the year ended December 31, 2021, using a discount rate of 12% (the interest rate that the Company would have expected to pay if the Amendment was not signed). The first payment was made in November 2021. Transactions affecting convertible debentures were as follows:

	September 30, 2022	December 31, 2021
	\$	\$
Balance, beginning of period	566,644	1,458,151
Reimbursement of debenture	-	(833,333)
Gain on amendment of the 2018 Debenture	-	(131,969)
Interest accretion	52,935	73,795
Balance, end of period	619,579	566,644
Balance, short-term	310,000	264,865
Balance, long-term	309,579	301,779

### 6. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

	September 30, 2022
	\$
Balance – beginning of period	-
Liability related to flow-through shares issued	162,860
Recognition of liability related to flow-through shares	(103,452)
Balance – end of period	59,408

# Brunswick Exploration Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the three-month and nine-month periods ended September 30, 2022 and 2021

(Unaudited, in Canadian dollars)

### 7. SHARE CAPITAL AND WARRANTS

#### Share capital

Authorized:

Unlimited number of common shares, voting and participating, without par value

Unlimited number of preferred shares, non-voting, without par value, issuable in series

On May 20, 2022, the Company completed a brokered private placement of an aggregate of (i) 6,142,401 units of the Company (each, a "Unit") at a price of \$0.175 per Unit, and (ii) 11,337,625 shares of the Company ("Flow-Through Shares") at an issue price of \$0.20 per Flow-Through Share, for aggregate gross proceeds of \$3,342,445 (collectively, the "Offerings") and share issue costs totaled \$141,596. The fair value of the 11,337,625 Flow-Through Shares was estimated to be \$2,097,461. An amount of \$162,860 (net of share issue costs of \$7,204) was allocated to the deferred premium on flow-through shares (Note 6).

Each Unit consists of one common share of the Company (each, a "Common Share") and one-half of one Common Share purchase warrant of the Company (each whole warrant, a "Warrant"). Following the close of the Offerings, each Warrant entitled the holder thereof to acquire one Common Share at a price of \$0.23 for a 24-month period. On June 21, 2022, the Company extended the life of these Warrants by 12-months and the Warrants now expire on May 17, 2025.

On July 11, 2022, the Company completed a non-brokered private placement for aggregate gross proceeds of \$1,009,950, consisting of the issuance of 5,771,143 Units at a price of \$0.175 per Unit (the "July Offering") and share issue costs totaled \$7,203. Each Unit consists of one Common Share and one-half of one Warrant. Each Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.23 for a 36-month period following the closing date of the July Offering.

#### Warrants

The following table sets out the activity in Warrants:

	Number of Warrants	Weighted average exercise price (\$)
Balance – January 1, 2022	8,750,000	0.22
Issued	5,956,769	0.23
Exercised	(5,835,000)	0.20
Expired	(515,000)	0.20
Balance – September 30, 2022	<b>8,356,769</b>	<b>0.25</b>

### 8. STOCK OPTIONS

The Company has adopted a share-based compensation plan (the "Plan") under which members of the Board may award stock options ("Options") to directors, staff members and consultants. On April 26, 2022, the Board approved an amendment to the Plan to increase the number of Common Shares reserved for issuance under the Plan from 5,000,000 to 13,000,000. The following table sets out the activity in Options:

	Number of Options	Weighted average exercise price (\$)
Balance – January 1, 2022	4,000,000	0.27
Issued	2,500,000	0.21
Balance – September 30, 2022	<b>6,500,000</b>	<b>0.25</b>
Exercisable Options – September 30, 2022	<b>1,800,000</b>	<b>0.35</b>

# Brunswick Exploration Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the three-month and nine-month periods ended September 30, 2022 and 2021

(Unaudited, in Canadian dollars)

### 8. STOCK OPTIONS (continued)

On June 22, 2022, the Company approved a grant of Options to certain directors, officers, key employees and key consultants to purchase up to an aggregate of 2,500,000 Common Shares. This grant is subject to a three-year vesting period and a five-year term at an exercise price of \$0.21 per share.

The Options, when granted, are accounted for at their fair value determined by the Black-Scholes option pricing model based on the following weighted average assumptions for the nine-month period ended September 30, 2022:

Share price at date of grant	\$0.21
Exercise price at date of grant	\$0.21
Risk-free interest rate	3.40%
Expected life of Options	5.0 years
Annualized expected volatility	90%
Dividend rate	0%
Weighted average fair value per Option	\$0.15

For the three-month period ended September 30, 2022, the share-based compensation costs amounted to \$77,831 (\$27,705 for the three-month period ended September 30, 2021) for which \$71,653 was recorded in the income statement for the three-month period ended September 30, 2022 (\$27,705 in the three-month period ended September 30, 2021) and \$6,178 was capitalized to exploration assets (nil in the three-month period ended September 30, 2021). The offsetting credit is recorded as contributed surplus.

For the nine-month period ended September 30, 2022, the share-based compensation costs amounted to \$127,792 (\$94,196 for the nine-month period ended September 30, 2021) for which \$117,822 was recorded in the income statement for the nine-month period ended September 30, 2022 (\$94,196 in the nine-month period ended September 30, 2021) and \$9,970 was capitalized to exploration assets (nil in the nine-month period ended September 30, 2021). The offsetting credit is recorded as contributed surplus.

On November 9, 2022, the Company approved a grant of Options to a consultant to purchase up to an aggregate of 400,000 Common Shares. This grant is subject to a three-year vesting period and a five-year term at an exercise price of \$0.32 per share.

### 9. NET LOSS PER SHARE

Due to the net loss from continued operations for the three-month and nine-month periods ended September 30, 2022 and 2021, all potentially dilutive Common Shares (Notes 7 and 8) are deemed to be antidilutive and thus diluted net loss per share is equal to the basic net loss per share for these periods.

### 10. ADMINISTRATIVE EXPENSES

	Three-months ended September 30,		Nine-months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Salaries	109,043	110,398	300,201	255,138
Management fees	-	18,800	-	101,300
Investor relations	62,440	57,851	169,389	143,689
Professional fees	25,348	16,056	127,597	188,640
Office	19,035	45,440	75,131	108,795
Travel	6,895	151	64,120	828
Regulatory fees	16,431	2,291	45,019	40,156
Misappropriation of assets (a)	-	-	-	677,870
Total	239,192	250,987	781,457	1,516,416

# Brunswick Exploration Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the three-month and nine-month periods ended September 30, 2022 and 2021

(Unaudited, in Canadian dollars)

### 10. ADMINISTRATIVE EXPENSES (continued)

- (a) In June 2021, Management identified certain transactions, which raised suspicions of misappropriation of Company assets by a former employee relating to prior transactions, which were brought to the attention of the Company's Board, auditors and external legal counsel. Management performed a formal investigation and based on key findings, the Company identified unauthorized transactions totaling \$979,000 having taken place between April 2018 and June 2021. Of these amounts, \$473,993 had been recognized in expenses at the time the transactions were entered into and had no impact on the consolidated net loss as previously reported for each of the periods ended December 31, 2018, 2019 and 2020.

On August 13, 2021, the Company entered into a transaction agreement with the former employee, who acknowledged the misappropriation of assets and has agreed to a reimbursement timeline. In December 2021, the Company was reimbursed \$200,000 related to this transaction agreement. The Company recognized a 100% credit loss on this receivable for a net accounting value of nil as at September 30, 2022 and December 31, 2021 and will record future reimbursement payments in the statement of comprehensive loss as funds are received.

Administrative expenses of \$677,870 include unauthorized transactions made in the nine-month period ended September 30, 2021 (nil for the nine-month period ended September 30, 2022).

### 11. RELATED PARTIES

Related party transactions and balances, not otherwise disclosed, are summarized below:

Key management includes directors and officers of the Company. The compensation paid or payable to key management for employee services is presented below for the three-month and nine-month periods ended September 30, 2022 and 2021:

	Three-months ended September 30,		Nine-months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Salaries and short-term employee benefits (including management fees)	65,500	67,500	196,500	269,167
Share-based compensation	69,198	31,860	115,367	86,576
	<b>134,698</b>	99,360	<b>311,867</b>	355,743

During the three-month and nine-month periods ended September 30, 2022 and 2021, the Company undertook transactions with certain related companies. Osisko Metals, Osisko Gold Royalties Ltd ("OGR") and Falco Resources Ltd. ("Falco") are related parties as they have common officers and directors.

During the three-month and nine-month periods ended September 30, 2022, amounts of \$7,000 and \$18,000, respectively, were invoiced by Osisko Metals for professional services (nil during the three-month and nine-month periods ended September 30, 2021). As at September 30, 2022, \$18,000 is included in trade and other payables (\$48,000 as at December 31, 2021).

During the three-month and nine-month periods ended September 30, 2022, OGR invoiced \$13,000 and \$37,000, respectively, in relation to professional services and rental of offices (\$13,100 and \$43,000, respectively, for the three-month and nine-month periods ended September 30, 2021). As at September 30, 2022, \$10,000 is included in trade and other payables (\$30,000 as at December 31, 2021).

During the three-month and nine-month periods ended September 30, 2022, amounts of \$9,750 and \$29,250, respectively, were invoiced by Falco for professional services (nil during the three-month and nine-month periods ended September 30, 2021). As at September 30, 2022, \$8,000 is included in trade and other payables (nil as at December 31, 2021).

# Brunswick Exploration Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the three-month and nine-month periods ended September 30, 2022 and 2021

(Unaudited, in Canadian dollars)

### 11. RELATED PARTIES (continued)

As at September 30, 2022 and December 31, 2021, interest payable on the 2018 Debentures amounted to \$114,000. Interest incurred on the 2018 Debentures for the three-month and nine-month periods ended September 30, 2022 was nil (\$20,000 and \$80,000 for the three-month and nine-month periods ended September 30, 2021, respectively).

Management is of the opinion that these transactions were undertaken under the same conditions as transactions with non-related parties. These operations were incurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 12. SUPPLEMENTAL DISCLOSURE – STATEMENTS OF CASH FLOW

Changes in non-cash working capital items:	Nine-months ended September 30,	
	2022	2021
	\$	\$
Sales taxes receivable	579,134	(215,430)
Prepaid expenses	(50,726)	(30,016)
Accounts payable and accrued liabilities	10,181	334,593
	<b>538,589</b>	<b>89,147</b>

Other information not otherwise disclosed:	Nine-months ended September 30,	
	2022	2021
	\$	\$
Exploration and evaluation asset expenditures included in trade and other payables		
Beginning of period	546,613	97,544
End of period	513,552	438,619

### 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value

The following presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for assets or liabilities that are not based on observable data (unobservable inputs).

The fair value of the investments in shares have been estimated by reference to their quoted prices at the reporting date. Investments measured at fair value in the statement of financial position as at September 30, 2022 and December 31, 2021 are classified in level 1.

### 14. DISCONTINUED ACTIVITIES

#### Sale of Burkina Subsidiaries

In April 2019, the Company entered into a share purchase agreement with CINI SOLUTIONS for the sale of all the shares of two of the Company's wholly owned subsidiaries; Komet SA and Guiro. The sale was concluded on January 20, 2021 and the Company recorded a gain of \$1,107,256 on this transaction. The parties have been discharged of all responsibilities as at this date and the closing of this transaction allows the Company to cease all activities in Africa.

# Brunswick Exploration Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the three-month and nine-month periods ended September 30, 2022 and 2021

(Unaudited, in Canadian dollars)

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### 15. COMMITMENTS AND CONTINGENCIES

#### Flow-through shares

The Company is partially financed through the issuance of flow-through shares, and accordingly, the Company is engaged to complete mining exploration activities. These tax rules also set deadlines for carrying out the exploration work no later than the first of the following dates:

- a. Two years following the flow-through placements;
- b. One year after the Company has renounced the tax deductions relating to the exploration work.

In December 2020, the Company received \$1,998,115 following the issuance of flow-through shares for which the Company renounced tax deductions as at December 31, 2020. As at September 30, 2022, this commitment is complete.

In May 2022, the Company received \$2,267,525 following the issuance of flow-through shares for which the Company will renounce tax deductions as at December 31, 2022. As at September 30, 2022, \$1,030,000 remains to be incurred by December 31, 2023.

### 16. SUBSEQUENT EVENTS

#### Hearst Project

On October 3, 2022, the Company announced that it has staked and optioned multiple claim groups near Hearst, Ontario (the "Hearst Project") for a total of 226 claims (29,805 ha). The claim package includes two option agreements; the Lowther Pegmatite Option Agreement and the Lowther Regional Option with the following terms:

#### *Lowther Pegmatite Option Agreement:*

This option allows BRW to acquire a 100% interest in the Property, from a private prospector, for a total consideration of \$735,000 in cash and \$1,000,000 in work expenditures over a 4-year period upon closing of this agreement, under the following terms:

- A cash payment of \$35,000 within five (5) business days of the effective date of this agreement, which was paid in October 2022;
- A cash payment of \$50,000 and an aggregate of \$50,000 in work expenditures, on or before the 1<sup>st</sup> year anniversary of the effective date;
- A cash payment of \$150,000 and an aggregate of \$200,000 in work expenditures, on or before the 2<sup>nd</sup> year anniversary of the effective date;
- A cash payment of \$200,000 and an aggregate of \$400,000 in work expenditures, on or before the 3<sup>rd</sup> year anniversary of the effective date;
- A cash payment of \$300,000 and an aggregate of \$1,000,000 in work expenditures, on or before the 4<sup>th</sup> year anniversary of the effective date.

#### *Lowther Regional Option Agreement:*

This option allows BRW to acquire a 100% interest in this property, from Last Resort Resources Limited ("Last Resort"), for a total consideration of \$300,000 in cash over a 2-year period upon closing of this agreement, under the following terms:

- A cash payment of \$100,000 within ten (10) business of the effective date of this agreement which was paid in October 2022;
- A cash payment of \$100,000, on or before the 1<sup>st</sup> year anniversary of the effective date;
- A cash payment of \$100,000, on or before the 2<sup>nd</sup> year anniversary of the effective date.

BRW will grant Last Resort a 2% NSR on all mineral production from this property, of which half of the NSR may be repurchased by BRW for \$1,000,000. The repurchase will remain valid for a period of five years following the exercise of this option. The Company will retain a further right to repurchase the remaining 1% NSR for \$2,000,000 for a period of two years following the initial repurchase.



# Brunswick Exploration Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the three-month and nine-month periods ended September 30, 2022 and 2021

(Unaudited, in Canadian dollars)

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### 16. SUBSEQUENT EVENTS

#### James Bay Option

On November 10, 2022, the Company announced the signing of a letter of intent for an option agreement with Midland Exploration Inc. ("Midland") to acquire a maximum 85% interest in potential lithium-cesium-tantalum mineralization of the Mythril and Elrond properties (the "Midland Properties"), located in the James Bay region of Québec.

The Mythril and Elrond property package contains a total of 511 claims (26,290 ha). The first part of the option (the "First Option") allows BRW to acquire an initial 50% interest in the rare mineral potential of the Midland Properties (exclusive of base and precious metals) for a total consideration of \$500,000 in cash and shares over a 3 year period, upon closing (the "Effective Date") of the option agreement under the following terms:

- An initial payment of \$50,000, half of which is in shares, within five business days of the Effective Date;
- A payment of \$100,000, half of which is in shares, on or before the 1<sup>st</sup> year anniversary of the Effective Date;
- A payment of \$140,000, half of which is in shares, on or before the 2<sup>nd</sup> year anniversary of the Effective Date;
- A payment of \$210,000 in shares, on or before the 3<sup>rd</sup> year anniversary of the Effective Date.

In order to exercise the First Option for the initial 50% interest; BRW shall fund an aggregate amount of \$1,500,000 in work expenditures in accordance with the following schedule:

- A firm commitment of \$300,000, on or before the 1<sup>st</sup> year anniversary of the Effective Date;
- An aggregate of \$600,000, on or before the 2<sup>nd</sup> year anniversary of the Effective Date;
- An aggregate of \$1,500,000, on or before the 3<sup>rd</sup> year anniversary of the Effective Date.

The part of the option (the "Second Option") allows BRW to acquire a further 35% interest in the Properties for a total consideration of \$200,000 in cash or shares over a 2 year period upon exercise of the First Option under the following terms:

- An amount of \$100,000 in cash, shares or a combination of both at BRW's choosing on or before the 1<sup>st</sup> year anniversary of the exercise of the First Option;
- An amount of \$100,000 in cash, shares or a combination of both at BRW's choosing on or before the 2<sup>nd</sup> year anniversary of the exercise of the First Option.

In order to exercise the Second Option to acquire a further 35% interest; BRW shall fund an aggregate amount of \$2,000,000 in work expenditures in accordance with the following schedule:

- An aggregate of \$1,000,000, on or before the 1<sup>st</sup> year anniversary of the exercise of the first option;
- An aggregate of \$2,000,000, on or before the 2<sup>nd</sup> year anniversary of the exercise of the first option.

Upon execution of the second option, BRW will retain a right of first refusal on Midland's 15% ownership. Furthermore, Midland will not be expected to fund its pro-rata of the exploration budget following the exercise of the second option until construction of a mine.

This agreement will be subject to approval by the TSXV.

#### Debt settlement

On November 10, 2022, the Company announced that it had entered into a debt settlement agreement (the "Debt Settlement"), to settle a \$333,333 payment due in November 2022 in relation to the 2018 Debentures (see also Note 5), by issuing 952,380 Common Shares at a deemed issue price of \$0.35 per Common Share to the Subscriber.

The issuance of the Common Shares pursuant to the Debt Settlement is subject to approval by the TSXV. The Common Shares issued pursuant to the Debt Settlement are subject to a statutory hold period of four months and one day from the date of issuance of the Common Shares in accordance with applicable securities laws.