



**Brunswick Exploration Inc.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED  
JUNE 30, 2022**

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## CORPORATE INFORMATION

### **Board of Directors**

Robert Wares, Chairman  
Pierre Colas, Director  
André Le Bel, Director  
Mathieu Savard, Director  
Amy Satov, Director  
Jeff Hussey, Director

### **Chief Executive Officer**

Robert Wares

### **President**

Killian Charles

### **Chief Financial Officer**

Anthony Glavac

### **Auditors**

Raymond Chabot Grant Thornton LLP

### **Share Transfer Agent**

TSX Trust

## MANAGEMENT'S DISCUSSION AND ANALYSIS

*The following management discussion and analysis (the "MD&A") of the operations and financial position of Brunswick Exploration Inc. ("Brunswick Exploration" or the "Company") for the three-month and six-month periods ended June 30, 2022, should be read in conjunction with Brunswick Exploration's audited consolidated financial statements as at and for the year ended December 31, 2021 (the "Annual Financial Statements"). The MD&A is intended to supplement and complement the Company's unaudited condensed consolidated interim financial statements and related notes as of June 30, 2022, and for the three-month and six-month periods ended June 30, 2022 and 2021 (the "Financial Statements").*

*The Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Consequently, all comparative financial information presented in the MD&A reflects the consistent application of IFRS.*

*Brunswick Exploration's management ("Management") is responsible for the preparation of the financial statements and other financial information relating to the Company included in this MD&A. The Board of Directors (the "Board") is responsible for ensuring that Management fulfills its responsibilities for financial reporting. In furtherance of the foregoing, the Board has appointed an Audit Committee composed entirely of independent directors. The Audit Committee meets with Management in order to discuss results of operations and the financial condition of the Company prior to making recommendations and submitting the financial statements to the Board for its consideration and approval for issuance to shareholders. The information included in the MD&A is as of August 23, 2022, the date when the Board approved the Financial Statements, following the recommendation of the Audit Committee. All monetary amounts included in this report are expressed in Canadian dollars, the Company's reporting and functional currency, unless otherwise noted. The MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the "Cautionary Statement Regarding Forward-Looking Statements" section.*

### 1. OVERVIEW OF THE COMPANY

Brunswick Exploration Inc. is a Canadian junior exploration and evaluation company listed on the TSX Venture Exchange ("TSXV") under the symbol "BRW".

The Company is focused on grassroots exploration for metals necessary to decarbonization and energy transition with a particular focus on lithium, tin, nickel and copper. The Company is focused on rapidly advancing the most extensive grassroots lithium exploration claim package in Eastern Canada.

In addition, the Company's exploration projects include gold-polymetallic vein systems in southern New Brunswick (the "Fundy Gold Project") and base metals volcanogenic massive sulfide (VMS) in the Bathurst Mining Camp in northern New Brunswick (the "Brunswick Belt Project"), in the Chibougamau region of Québec (the "Waconichi Project") and the Lac Édouard nickel-copper project in La Tuque, Québec (the "Lac Édouard Project").

The address of the Company's registered office is 1100, Avenue des Canadiens-de-Montreal, Suite 300, Montreal, Québec, Canada.

## 2. HIGHLIGHTS

### 2.1 SIX-MONTHS ENDED JUNE 30, 2022

- On March 3, 2022, announced the launch of a major, long-term, grassroots lithium exploration program in Québec and the Maritime provinces, with initial staking of several prospective claim blocks throughout the Southern Abitibi region of Québec.
- On March 14, 2022, announced the staking of multiple claim groups in central New Brunswick, totaling 42,737 ha.
- On March 22, 2022, announced the staking of multiple claim groups in west central Nova Scotia, totaling 115,837 ha.
- On April 19, 2022, announced that a total of 300 claims (16,121 ha) were acquired or optioned in on the North Shore of the province of Quebec (collectively, the “North Shore Lithium Project”).
- On April 26, 2022, the Board approved an amendment to the Company’s stock option plan (the “Stock Option Plan”) to increase the number of common shares of the Corporation reserved for issuance under the Stock Option Plan from 5,000,000 to 13,000,000.
- On May 17, 2022, announced the staking of 1,327 claims (33,093 ha) located near the areas of Port aux Basques, Hermitage and Rencontre East in Newfoundland.
- On May 20, 2022, closed non-brokered private placements for aggregate gross proceeds of \$3.3 million (the “Placement”).
- On June 6, 2022, announced the start the 2022 lithium exploration campaign in Eastern Canada.
- On June 14, 2022, announced the acquisition of additional pegmatite fields in the James Bay region of Quebec. A total of approximately 810 claims, separated into 22 blocks and totaling 42,892 ha, were staked.
- On June 21, 2022, the Company received approval from the TSXV on the extension of 3,071,199 common share purchase warrants (the “Warrants”) which were issued as part of the Placement. The Warrants, originally set to expire on May 17, 2024, will now expire on May 17, 2025.

### 2.2. SUBSEQUENT TO JUNE 30, 2022

- On July 12, 2022, closed a non-brokered private placements for aggregate gross proceeds of \$1.0 million (the “Offering”).

### 2.3. OUTLOOK

The Company’s exploration strategy is focused on the potential grassroots discovery of precious and energy transition metals deposits. The Company will continue to focus on early stages assets in Eastern Canada with minimal pre-existing exploration work.

### 3. MINERAL PROPERTIES

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	Impairment	Balance at June 30, 2022
	\$	\$	\$	\$	\$	\$
Waconichi						
Mining rights	2,584	-	2,584	-	(2,584)	-
Exploration expenses	109,813	713,594	823,407	4,000	(827,407)	-
	112,397	713,594	825,991	4,000	(829,991)	-
Lac Edouard						
Mining rights	-	108,652	108,652	45,000	-	153,652
Exploration expenses	-	866,589	866,589	49,280	-	915,869
	-	975,241	975,241	94,280	-	1,069,521
Bathurst						
Mining rights	100,000	41,503	141,503	-	-	141,503
Exploration expenses	-	702,231	702,231	-	-	702,231
	100,000	743,734	843,734	-	-	843,734
Fundy						
Mining rights	151,454	59,296	210,750	22,500	-	233,250
Exploration expenses	171,505	791,368	962,873	139,435	-	1,102,308
	322,959	850,664	1,173,623	161,935	-	1,335,558
Critical Minerals						
Mining rights	-	34,062	34,062	472,681	-	506,743
Exploration expenses	-	18,992	18,992	584,181	-	603,173
	-	53,054	53,054	1,056,862	-	1,109,916
<b>Summary</b>						
Mining rights	254,038	243,513	497,551	540,181	(2,584)	1,035,148
Exploration expenses	281,318	3,092,774	3,374,092	776,896	(827,407)	3,323,581
	<b>535,356</b>	<b>3,336,287</b>	<b>3,871,643</b>	<b>1,317,077</b>	<b>(829,991)</b>	<b>4,358,729</b>

#### 3.1 Brunswick Belt Project

In August 2020, the Company signed an option agreement (the "Option Agreement") with Osisko Metals Incorporated ("Osisko Metals"), which was amended in April 2021 and approved by the TSXV on August 3, 2021 (the "Effective Date") whereby it can acquire a majority interest in the Brunswick Belt Project, located in the eastern portion of the Bathurst Mining Camp in New Brunswick, Canada. This property covers 72 km of the prolific Brunswick Belt and includes the Key Anacon and Gilmour South base metal deposits. This option will allow the Company to earn an interest of up to 51% by spending an aggregate of \$10 million in two stages over a five-year period.

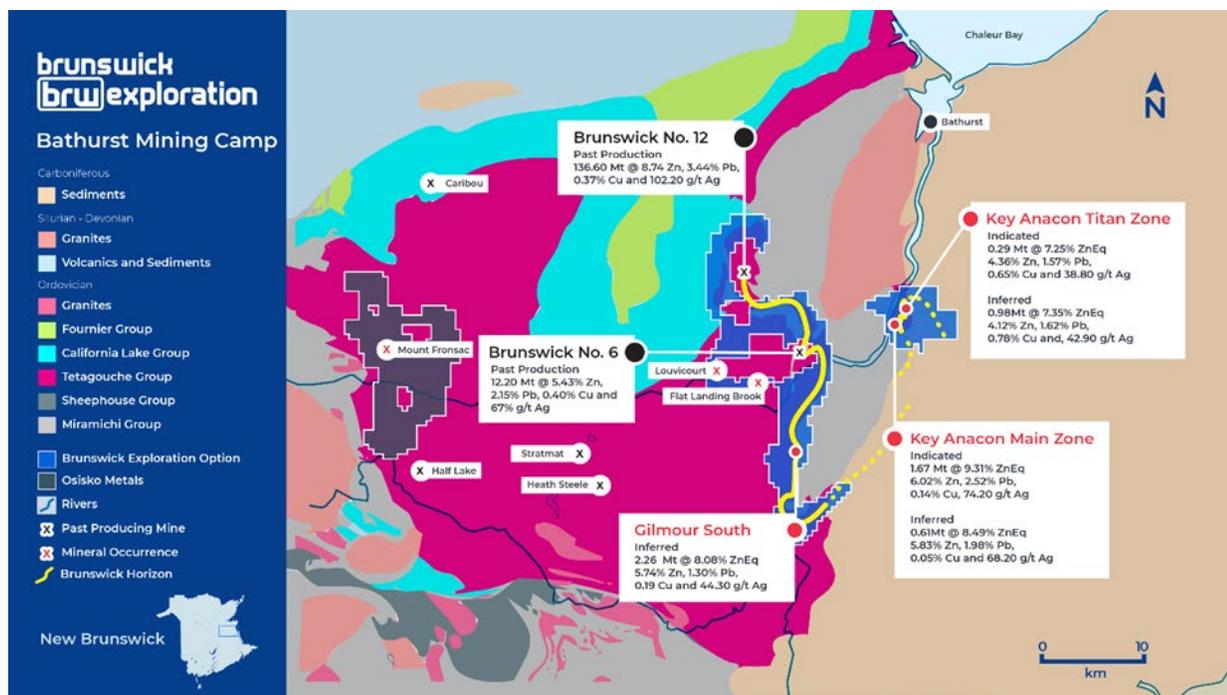
The Option Agreement has two distinct earn-in requirements:

- Option Stage 1: The Company can acquire an initial 15% interest in this property by making a \$0.1 million cash payment (completed in 2020) and financing a total of \$2.0 million in exploration work no later than the second anniversary of the Effective Date.
- Option Stage 2: The Company can acquire an additional 36% interest (a total interest of 51%), by financing a total of \$10.0 million (taking into account the amount of \$2.0 million incurred as part of Option 1) in exploration work (including expenses under Option 1) in accordance with the following schedule:
  - a cumulative total of \$4.0 million no later than the third anniversary of the Effective Date;
  - a cumulative total of \$6.5 million no later than the fourth anniversary of the Effective Date;
  - a cumulative total of \$10.0 million no later than the fifth anniversary of 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.

The new lithological model along the Brunswick Belt from Brunswick No.12 to Gilmour South has generated new target areas that are completely unexplored (Figure 1). Many of these target areas were unknown to previous operators and represent the culmination of extensive compilation work over the previous three years by Osisko Metals. This model has been wireframed and includes 100 geological sections spanning 3-4 km over a strike length of 60 km. Many of the targets have coincident resistivity, electromagnetic, magnetic, gravity and/or geochemical anomalies. This interpretation has identified 8 km of unexplored Brunswick Belt along strike from the past-producing Brunswick No.6 mine (historical production 12.2 Mt @ 5.43% Zn, 2.15% Pb, 0.40% Cu, 67.00 g/t Ag). Several drill targets have been identified and the Company completed a 1,600 m drill program in late October 2021 to test coincident geophysical and geological anomalies that correspond to the preferred stratigraphy that hosted the prolific Brunswick No.12 and Brunswick No.6. This program is planned to continue in the spring of 2023.

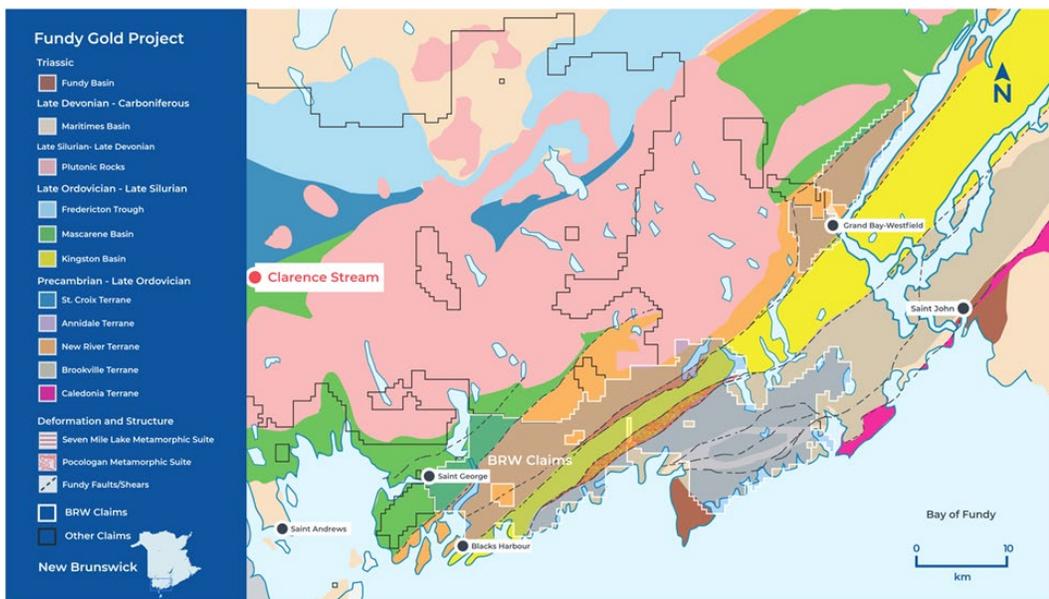
**FIGURE 1**



## 3.2 Fundy Gold Project

In October 2020, the Company staked and optioned a regional gold-silver property totalling 37,260 ha in southern New Brunswick. On November 26, 2020, the Company staked at the periphery of its initial claim package and increased its land position to 53,000 ha. The Company also optioned the Menzies Lake property (the “ML Property”), adjacent to the current land holdings and increased the land position to 54,049 ha (see Figure 2). The newly acquired grounds form the basis of the Fundy Gold Project. This project is located west of Saint John, New Brunswick, Canada and covers approximately 40 km of strike length along the Fundy Shear Zone, a regional, deep-rooted, sparsely explored Appalachian fault system.

**FIGURE 2**



### Option agreement terms

In tandem with the staking program, Brunswick Exploration entered into an option related to 5 claims totalling 89 units and 1,914 ha with a prospector. Under the terms of this agreement, the Company can acquire a 100% interest in the properties. In addition, in April 2021, the Company acquired the ML Property (27 units, 614 ha) and amended the initial option agreement. The Company may acquire a 100% interest in these claims in exchange for:

- At each the closing and the amendment dates, the Company paid \$10,000 (\$20,000 total).
- On the first anniversary of the closing, the Company made a payment of \$22,500 and an issuance of 12,000 common shares were completed.
- On the second anniversary of the closing, the Company will pay \$22,500 and issue 22,000 common shares.
- On the third anniversary of the closing, the Company will pay \$22,500 and issue 22,000 common shares.
- On the fourth anniversary of the closing, the Company will pay \$32,500 and issue 54,000 common shares.
- On the fifth anniversary of the closing, the Company will pay \$35,000 and issue 110,000 common shares.

The timeline can be accelerated at the Company's option. No minimum exploration expenses have to be incurred to complete the acquisition. The Company will also grant a 2% net smelter ("NSR") royalty on the claims covered by this option agreement. The first half (1%) of the NSR may be redeemed following payment by the Company of \$1.0 million to the vendor. The second half may be redeemed following payment by the Company of \$2.0 million.

### 3.3 Critical Mineral Portfolio

Between December 2021 and June 2022, the Company staked a portfolio of mineral claims in Eastern Canada focused on lithium and tin exploration (Figures 3 and 4).

Brunswick Exploration currently employs a three phased approach to its critical mineral portfolio. The phases are:

1. **Compilation and target generation:** Brunswick Exploration identifies areas for staking based on favourable geologic terranes, geochemistry and historical mapping.
2. **Pegmatite Sorting:** once S-type pegmatites are identified following compilation work, Brunswick Exploration sends field crews to sort pegmatites. Personnel in the field can rapidly sort high priority targets using key geological and geochemical markers.
3. **Drill Test:** Once spodumene bearing pegmatites are identified, Brunswick Exploration can proceed with drill testing to better understand the grade and size of the pegmatite.

Currently, all of Brunswick Exploration's Critical Mineral Portfolio is in Phase 2. The Company expects to continue compiling and generating targets in Canada.

#### New Brunswick

On December 2, 2021, the Company staked multiple claims totalling 6,527 ha in southeastern and central New Brunswick, collectively known as the Caledonia and Catamaran Projects. The properties are located roughly 30 km south of Moncton and 15 km west of Doaktown. On March 14, 2022, the Company staked additional claim groups in central New Brunswick totalling 42,737 ha. The properties are an expansion to the Catamaran Project and include the Hawkshaw Project located roughly 30 km southeast of Plaster Rock and 24 km northwest of Fredericton. Prospecting began in early Q2-2022 and a regional till program commenced in early August 2022.

#### Nova Scotia

On March 22, 2022, the Company staked the South Mountain Batholith (the "SMB Project") project in west central Nova Scotia. This property contains multiple claim groups totalling 115,837 ha and are located roughly 30 km west of Halifax. Prospecting began in early Q2-2022 and is on-going.

In addition to the SMB Project, the Company acquired 60 claims (971 ha) located near New Ross, Nova Scotia by way of a purchase agreement with a local prospector for a total consideration of \$15,000 in cash and 100,000 common shares. In addition, Brunswick Exploration granted a 2% NSR on these claims for which the first half (1%) of the NSR may be repurchased upon payment of \$1.0 million and the second half (1%) of the NSR may be repurchased upon payment of \$2.0 million.

This property was strategically acquired to assess the potential of historical showings discovered from the 1890's to 1960's containing anomalous lithium and tin in diamond drill holes, grabs and soil samples in areas of greisen and pegmatitic dykes. Prospecting was completed in July 2022 and soil sampling is scheduled at the end of Q3-2022.

### Newfoundland

On May 17, 2022, the Company announced the staking of multiple claim groups in southern Newfoundland, comprising three different project areas located in Newfoundland (see Figure 4). The total package comprises 9 licenses and 1,327 claims with a total surface area of 33,093 ha located near the areas of Port aux Basques, Hermitage and Rencontre East. The properties contain over 40 mapped S-type pegmatites that have seen no exploration for lithium. Claims were staked based on preferred geologic environments, government of Newfoundland till and rock samples, historical mapping and assessment reports. These project areas are also in close proximity to the Avalonia / Ganderia boundary that extends from Piedmont Lithium in the Carolinas to the Cornish Tin region in the United Kingdom. Our initial exploration program in Newfoundland focused on prospecting which was completed at the end of July 2022 and results are pending.

### Québec

On March 3, 2022, Brunswick Exploration announced the staking of several prospective claim blocks throughout the Southern Abitibi region of Québec. A total of 618 claims, separated into 12 blocks and totaling 35,440 ha, were acquired and are collectively known as the Pontiac Lithium Project. The claims cover known pegmatite intrusions, which is the host rock to spodumene, the most common and commercially valuable hard-rock ore of lithium. All claims are located in the Pontiac geological province, south of the Cadillac-Larder Lake break, and are accessible by road from Rouyn-Noranda, Malartic or Val d'Or.

On April 19, 2022, the Company announced the acquisition of the North Shore Lithium Project (300 claims, 16,121 ha), located near Havre St-Pierre, Québec. This claim package includes an option agreement with Kintavar Exploration Inc. ("Kintavar") for their BJB property. Brunswick Exploration has signed a letter of intent ("LOI") to enter into a four-year option agreement to acquire 100% of the BJB property with the following terms:

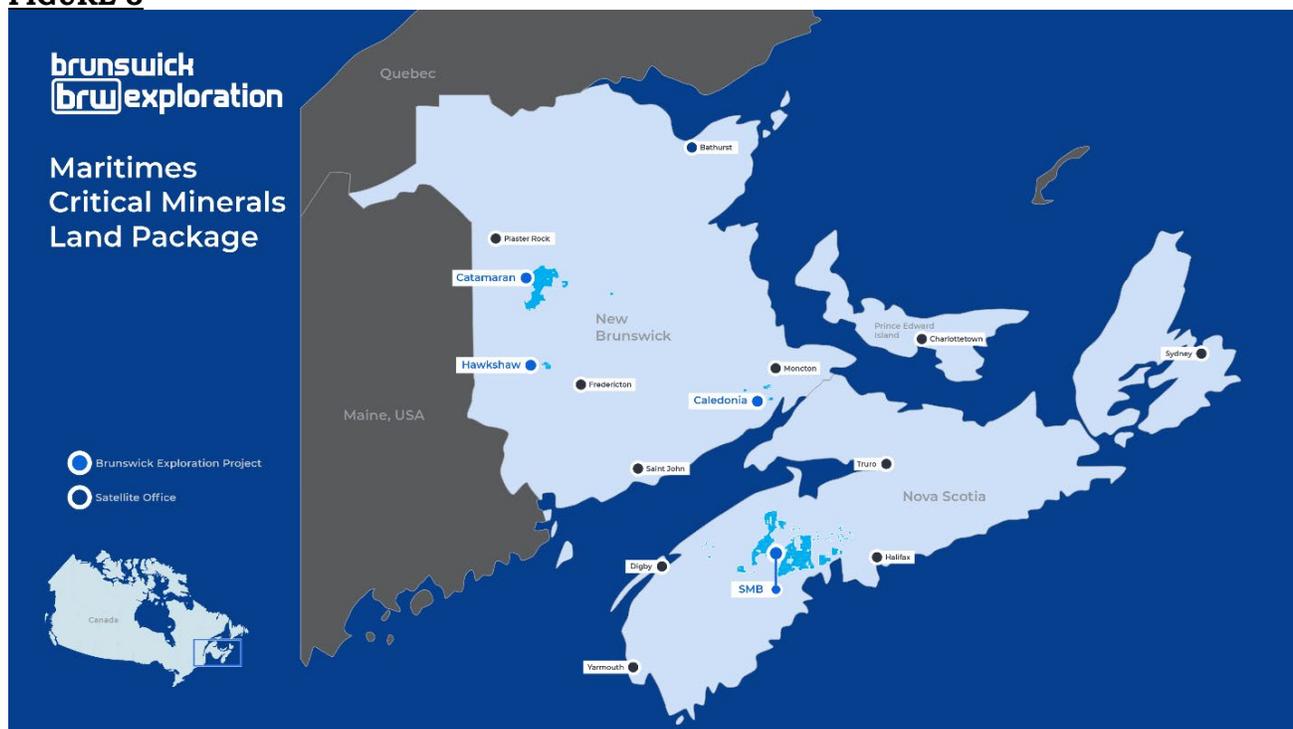
- Total payment of \$1,020,000 over the four-year period:
  - Cash of \$20,000 upon signing of the agreement;
  - Payment of \$100,000 at the first-year anniversary;
  - Payment of \$200,000 at the second-year anniversary;
  - Payment of \$300,000 at the third-year anniversary;
  - Payment of \$400,000 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%.
- Brunswick Exploration will commit to the following exploration expenditures totaling \$2,000,000 over the four-year period:
  - Expenditures of \$150,000 at the first-year anniversary;
  - Expenditures of \$250,000 at the second-year anniversary;
  - Expenditures of \$400,000 at the third-year anniversary;
  - Expenditures of \$1,200,000 at the fourth-year anniversary;
- 2% NSR of which the first 1% can be bought back for \$1,000,000. Brunswick Exploration will retain a Right of First Refusal on the second 1% tranche.
- 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%.

On June 14, 2022, the Company announced its acquisition of additional pegmatite fields in the James Bay region of Quebec. 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.

The James Bay region is prolific for its hard rock lithium endowment, hosting numerous spodumene showings, four deposits with defined resources (Whabouchi (Nemaska Lithium), Rose (Critical Element), Cyr (Alkem) and Moblan (Sayona)), as well as more recent discoveries such as Corvette (Patriot Batteries Metal). The Company's James Bay land package includes approximately 65 large pegmatite dykes with strike lengths between 900 and 7,000 metres, as well as dozens of smaller dykes.

Field work began in June 2022 with two crews deployed. At this time, planned work will initially target the Pontiac and North Shore Lithium project due to ample infrastructure and readily accessible pegmatites. Prospecting is expected to continue into Q4 2022. Depending on results from the summer exploration program, Brunswick Exploration may initiate a small drill program on select targets.

**FIGURE 3**



**FIGURE 4**

### 3.4 Waconichi Project

On September 1, 2020, Brunswick Exploration acquired, through map staking, the Waconichi base metal property, located 40 km northeast of the mining town of Chibougamau, Eeyou Istchee, Québec. This property comprises 260 map-staked claims covering a surface area of 14,297 ha and is accessible by an all-season bush road from Chibougamau. This property was acquired because it includes numerous historical base metal (Zn-Pb-Ag) showings and volcanic geology that is favourable for the discovery of VMS deposits.

During the three-month and six-month periods ended June 30, 2022, the Company wrote-off \$0.8 million (\$ nil in 2021) of costs incurred on this project, 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.

### 3.5 Lac-Edouard Project

On March 1, 2021, the Company announced that it had signed 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, and 125 km northwest of Québec City.

Brunswick Exploration optioned 25 claims representing 1,374.5 ha from Les Ressources Tectonic Inc. This option allows the Company to acquire a 100% interest in the Property over a three-year period for a 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.

The schedule can be accelerated at the Company's discretion. The Company has also granted a 2% NSR royalty on the claims covered by the option agreement. The first half (1%) of the NSR may be repurchased upon payment of \$1.5 million from the Company to the optionor. The Company retains a first right of purchase of the second half of the NSR.

Additionally, Brunswick Exploration purchased a 100% interest in 8 peripheral claims (464 ha) to the optioned property from local prospectors for a cash consideration of \$14,400. The Company also granted a 2% NSR on the purchased claims. The first half (1%) of the NSR may be repurchased upon payment of \$1.0 million from the Company to the vendors. The second half may be purchased for \$2.0 million. If the Company elects to complete both payments, it will have repurchased the entirety of the royalty on the eight purchased claims.

## 4. MISAPPROPRIATION OF ASSETS

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 of directors, 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, \$571,130 had been recognized in expenses at the time the transactions were entered into and had no impact on the consolidated net loss for each of the periods ended December 31, 2018, 2019 and 2020.

Administrative expenses of \$677,870 include unauthorized transactions made in the six-month period ended June 30, 2021.

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 has recognized a 100% credit loss on this receivable for a net accounting value of nil as at June 30, 2022 and December 31, 2021 and will record future reimbursement payments in the statement of comprehensive loss as funds are received.

Management's formal investigation identified the following internal control weaknesses:

- inadequate controls relating to the payment authorization and invoice approval processes, which increased the risk of the Company entering into unauthorized transactions; and
- insufficient segregation of duties which increased the risk of a small number of ill-intentioned individuals colluding to act in ways which are detrimental to the Company.

Management is committed to remediating these internal control weaknesses in a timely manner, with appropriate oversight from the Audit Committee. Since the identification of suspicious transactions, the Company has taken proactive steps to address issues which gave rise to the situation. The Company has enhanced its internal controls by implementing the following changes:

- Enhancing the payment approval procedures and the invoicing signing procedures.
- Revisiting the organizational structure of the Company and making changes.

Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements due to error or fraud. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by individual acts, by collusion of two or more individuals or by unauthorized override of controls. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## 5. RESULTS OF OPERATIONS

### Three-month period ended June 30, 2022 ("Q2-2022")

The Company incurred a net loss of \$1.2 million during Q2-2022, compared to a net loss of \$0.9 million for the three-month period ended June 30, 2021 ("Q2-2021").

The net loss from continued activities for Q2-2022 totaled \$1.2 million and was \$0.3 million higher than Q2-2021. This increase is primarily related to the Q2-2022 impairment charge for \$0.8 million discussed above under the "*Waconichi Project*" heading. In addition, in Q2-2021, the Company had a gain on the sale of investments of \$0.2 million (\$ nil in Q2-2022).

This increase was partially offset by the higher administrative expenses in Q2-2021 (increase of \$0.7 million as compared to Q2-2022). In Q2-2021, administrative expenses were elevated due to the identification and subsequent write-off of misappropriated assets discussed above totalling \$0.7 million.

All other expenditures in Q2-2022 were consistent with Q2-2021.

### Six-month period ended June 30, 2022 ("YTD-2022")

The Company incurred a net loss of \$1.4 million during YTD-2022, compared to a net profit of \$0.1 million for the six-month period ended June 30, 2021 ("YTD-2021").

The net loss from continued activities for YTD-2022 totaled \$1.5 million and was \$0.4 million higher than YTD-2021. This increase is primarily related to the \$0.8 million impairment charge discussed above under the "*Waconichi Project*" heading. In addition, in YTD-2021, the Company had a gain on the sale of investments of \$0.4 million (\$ nil in YTD-2022).

This increase was partially offset by the higher administrative expenses in YTD-2021 (increase of \$0.7 million as compared to YTD-2022). In YTD-2021, administrative expenses were elevated due to the identification and subsequent write-off of misappropriated assets discussed above totalling \$0.7 million.

All other expenditures in YTD-2022 were consistent with YTD-2021.

During YTD-2021, the Company completed the sale of the Burkina Subsidiaries recording a gain of \$1.1 million associated to discontinued operations.

## 6. LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2022, the Company had working capital of \$2.6 million compared to working capital of \$1.2 million as at December 31, 2021. Cash and short-term investments amounted to \$3.0 million as at June 30, 2022, compared to \$1.5 million as at December 31, 2021.

The increase of \$1.5 million in the Company's cash position during YTD-2022 is due to the Placement closed in May 2022 for aggregate net proceeds of \$3.2 million. This is partially offset by investments made in exploration and evaluation activities (\$1.5 million) and by cash flows used in operations (\$0.3 million).

The Company has no history of revenues from its operating activities. The Company is not in commercial production on any of its mineral properties and accordingly does not generate cash from operations. The Company anticipates it will have negative cash flow from operating activities in future years.

The Company has, in the past, financed its activities by raising capital through equity issuances. Until Brunswick Exploration can generate a positive cash flow position in order to finance its exploration programs, the Company will remain reliant on the equity markets for raising capital, in addition to adjusting spending, disposing of assets, and obtaining other non-equity sources of financing.

The Company believes it has sufficient cash resources and the ability to raise funds to meet its exploration and administrative overhead expenses and maintain its planned exploration activities for the next 12 months. However, there is no guarantee that the Company will be able to maintain sufficient working capital in the future due to market, economic, and commodity price fluctuations.

## 7. OUTSTANDING SHARE DATA

As of August 23, 2022, the Company has 155,250,381 issued and outstanding common shares, 6,500,000 outstanding stock options and 14,189,269 outstanding warrants.

## 8. OFF-BALANCE SHEET ITEMS

As of August 23, 2022, the Company has no off-balance sheet arrangements.

## 9. CONTRACTUAL COMMITMENTS AND OBLIGATIONS

In December 2020, the Company received \$2.0 million following the issuance of flow-through shares for which the Company renounced tax deductions as at December 31, 2020. As at June 30, 2022, this commitment is complete.

In May 2022, the Company received \$2.3 million following the issuance of flow-through shares for which the Company will renounce tax deductions as at December 31, 2022. As at June 30, 2022, \$2.1 million remains to be incurred by December 31, 2023.

## 10. SUMMARY QUARTERLY RESULTS

A summary of selected quarterly financial information for the last eight quarters is outlined below:

(for the three months ended)	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
	\$	\$	\$	\$
Cash	2,952,697	801,448	1,489,286	3,210,651
Working capital	2,574,870	521,598	1,231,015	1,793,394
Total assets	7,988,762	5,795,556	6,288,401	6,640,209
Investments in exploration and evaluation assets <sup>(i)</sup>	659,131	815,292	983,247	959,709
Total revenue	-	-	-	-
Net (loss) profit	(1,225,314)	(214,123)	205,278	(315,356)
Basic and diluted net (loss) profit per share <sup>(ii)</sup>	(0.01)	(0.00)	0.00	(0.00)

(for the three months ended)	June 30, 2022	March 31, 2021	December 31, 2020	September 30, 2020
	\$	\$	\$	\$
Cash	4,466,061	5,798,201	5,492,705	82,462
Working capital	2,905,224	4,604,600	5,319,697	438,242
Total assets	6,978,197	7,841,788	10,926,311	5,054,127
Investments in exploration and evaluation assets <sup>(i)</sup>	432,700	509,206	218,511	214,596
Total revenue	-	-	-	-
Net (loss) profit	(903,229)	949,120	(986,539)	1,806,606
Basic and diluted net (loss) profit per share <sup>(ii)</sup>	(0.01)	0.01	(0.01)	0.02

(i) Including the payments of options on properties, on a cash basis.

(ii) Net loss per share is based on each reporting period's weighted average number of shares outstanding, which may differ on a quarter-to-quarter basis. As such, the sum of the quarterly net loss per share amounts may not equal year-to-date net loss per share.

The changes in the Company's cash and working capital are directly impacted by the level of investments made in exploration and evaluation activities, the sales of the Company's Burkina subsidiaries and financings completed during the periods. Over the last eight quarters, the variation in the operating loss per quarter has been impacted by the level of corporate activity at the Company. The timing of non-cash income (such as gains on sales of African assets) are the main reasons for significant quarterly variations (increase or decrease) in net loss over the last eight quarters.

## 11. RELATED PARTY TRANSACTIONS

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 six-month periods ended June 30, 2022 and 2021:

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
Salaries and short-term employee benefits (including management fees)	<b>65,500</b>	121,667	<b>131,000</b>	201,667
Share-based compensation	<b>25,714</b>	18,700	<b>46,169</b>	54,716
	<b>91,214</b>	140,367	<b>177,169</b>	256,383

### Convertible debentures 2018

On September 27, 2018, the Company completed a private placement in the form of convertible debentures for gross proceeds of \$1.0 million (the “Principal”) with a maturity date of September 1, 2021 (the “Maturity Date”). These 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. Each debenture was 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 could pay the 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 the shares of the issuer are traded at more than \$1.00 per share for more than 10 consecutive days.

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. The two parties agreed that 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. The Company recognized a gain of \$0.1 million on the Amendment in the income statement for the year ended December 31, 2021. The first payment was made in November 2021.

### Other related party transactions

On June 22, 2022, the Company approved a grant of stock 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.

## **12. DESCRIPTION OF FINANCING TRANSACTIONS**

On May 20, 2022, the Company the Placement for aggregate gross proceeds of \$3.3 million, consisting of the issuance of (i) 6,142,401 units of the Company (each, a “Unit”) at a price of \$0.175 per Unit, for gross proceeds of \$1.1 million and (ii) 11,337,625 Canadian flow-through shares of the Company (the “FT Shares”), at a price of \$0.20 per FT Share, for gross proceeds of \$2.3 million.

Each Unit consists of one common share of the Company and one-half of Warrant. Each whole Warrant entitled the holder to acquire one common share at a price of \$0.23 for a 24-month period following the closing date of the Offerings. 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 12, 2022, the Company closed the Offering for gross proceeds of \$1.0 million, consisting of 5,771,143 Units of the Company at a price of \$0.175 per Unit.

Each Unit consists of one common share and one-half of one Warrant. Each whole 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 Offering.

## 13. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with the IFRS. The accounting policies, methods of computation and presentation applied in the Financial Statements are consistent with those of the previous financial year.

The Board has approved the Financial Statements on August 23, 2022.

The significant accounting policies of Brunswick Exploration, as well as the accounting standards issued but not yet effective, are detailed in the notes to the Annual Financial Statements, filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

## 14. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Critical judgments in applying the Company's accounting policies are detailed in the Annual Financial Statements, filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

## 15. RISKS FACTORS

An investment in the Company's common shares is subject to a number of risks and uncertainties. An investor should carefully consider the risks described below and the other information filed with the Canadian securities regulators ([www.sedar.com](http://www.sedar.com)), before investing in the Company's common shares. If any of the described risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and investors may lose a significant proportion of their investment.

The following risk factors may not be a definitive list of all risk factors associated with an investment in Brunswick Exploration or in connection with the business and operations of Brunswick Exploration.

### *Industry Conditions*

The exploration for and development of mineral deposits involve significant risks and while the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. All of Brunswick Exploration's properties are in the exploration stage and Brunswick Exploration is presently not exploiting any of its properties and its future success will depend on its capacity to generate revenues from an exploited property.

The discovery of mineral deposits depends on a number of factors, including the professional qualification of its personnel in charge of exploration. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. In the event that Brunswick Exploration wishes to commercially exploit one of its properties, the exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Brunswick Exploration not receiving an adequate return on invested capital. Brunswick Exploration's operations will be subject to all the hazards and risks normally encountered in the exploration and development of mineral deposits.

Mining operations generally involve a high degree of risk, including unusual and unexpected geologic formations. There can be no guarantee that sufficient quantities of minerals will be discovered or that one of Brunswick Exploration's properties will reach the commercial production stage.

### *Regulatory Matters*

Brunswick Exploration's activities are subject to governmental laws and regulations. These activities can be affected at various levels by governmental regulation governing prospecting and development, price control, taxes, labour standards and occupational health, expropriation, mine safety and other matters. Exploration and commercialization are subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of wastewater and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in significant expenditures. Brunswick Exploration may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of Brunswick Exploration's activities and delays in the exploration of properties.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Brunswick Exploration and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

### *Competition*

Brunswick Exploration's activities are directed towards the exploration and evaluation of mineral deposits. There is no certainty that the expenditures to be made by Brunswick Exploration will result in discoveries of commercial quantities of mineral deposits. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. Brunswick Exploration will compete with other interests, many of which have greater financial resources than it will have, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts, and Brunswick Exploration may not be able to successfully raise funds required for any such capital investment.

*Brunswick Exploration's operations are subject to financing risks and additional financing may result in dilution or partial sale of assets*

Brunswick Exploration's operations are subject to financing risks. At the present time, Brunswick Exploration does not have any producing projects and no sources of revenue. Brunswick Exploration's ability to explore for and find potential economic projects, and then to bring them into production, is highly dependent upon its ability to raise equity and debt capital in the financial markets. Any projects that Brunswick Exploration develops will require significant capital expenditures. To obtain such funds, Brunswick Exploration may sell additional securities including, but not limited to, Brunswick Exploration common shares or some form of convertible security, the effect of which could result in a substantial dilution of the equity interests of the Brunswick Exploration shareholders. Alternatively,

Brunswick Exploration may also sell a part of its interest in an asset in order to raise capital. There is no assurance that Brunswick Exploration will be able to raise the funds required to continue its exploration programs and finance the development of any potentially economic deposit that is identified on acceptable terms or at all. The failure to obtain the necessary financing could have a material adverse effect.

#### *Economics of developing mineral properties*

Mineral exploration and development is speculative and involves a high degree of risk. While the discovery of an ore body may result in substantial rewards, few properties which are explored are commercially mineable and ultimately developed into producing mines. There is no assurance that any exploration properties will be commercially mineable.

Should any mineral resources exist, substantial expenditures will be required to confirm mineral reserves which are sufficient to commercially mine and to obtain the required environmental approvals and permitting required to commence commercial operations. The decision as to whether a property contains a commercially viable mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (a) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (b) availability and costs of financing; (c) ongoing costs of production; (d) metal prices; (e) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (f) political climate and/or governmental regulation and control. Development projects are also subject to the successful completion of engineering studies, issuance of necessary governmental permits, and availability of adequate financing. Development projects have no operating history upon which to base estimates of future cash flow.

*Brunswick Exploration may be subject to liability or sustain loss for certain risks and hazards against which it does not or cannot economically insure*

Mining is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Such risk and hazards might impact Brunswick Exploration's business. Consequently, many of the foregoing risks and hazards could result in damage to, or destruction of, Brunswick Exploration's mineral properties or future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of their exploration or development activities, delay in or inability to receive required regulatory approvals, or costs, monetary losses and potential legal liability and adverse governmental action. Brunswick Exploration may be subject to liability or sustain loss for certain risks and hazards against which it does not or cannot insure or against which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material economic harm to Brunswick Exploration.

### *Information systems and cyber security*

Brunswick Exploration relies on its information technology (“IT”) infrastructure to meet its business objectives. Brunswick Exploration uses different IT systems, networks, equipment and software and has adopted security measures to prevent and detect cyber threats. However, Brunswick Exploration and third-party service providers and vendors may be vulnerable to cyber threats, which have been evolving in terms of sophistication and new threats are emerging at an increased rate. Unauthorized third parties may be able to penetrate network security and misappropriate or compromise confidential information, create system disruptions or cause shutdowns to Brunswick Exploration or its counterparties. Although Brunswick Exploration has not experienced any losses relating to external cyber-attacks or other information security breaches, there can be no assurance that there will be no such loss in the future. Significant security breaches or system failures of Brunswick Exploration or its counterparties, especially if such breach goes undetected for a period of time, may result in significant costs, fines or lawsuits and damage to reputation. The significance of any cyber security breach is difficult to quantify, but may in certain circumstances be material and could have a material adverse effect on Brunswick Exploration’s business.

### *Coronavirus (COVID-19)*

Brunswick Exploration faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt, directly or indirectly, its operations and may materially and adversely affect its business and financial conditions.

Brunswick Exploration’s business could be adversely impacted by the effects of the coronavirus or other epidemics. In 2019, a novel strain of the coronavirus emerged in China and the virus spread to several other countries in 2020, including Canada and the U.S., and infections have been reported globally. The extent to which the coronavirus impacts Brunswick Exploration’s business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. In particular, the continued spread of the coronavirus globally could materially and adversely impact Brunswick Exploration’s business including without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, operations and business of third party operators, and other factors that will depend on future developments beyond Brunswick Exploration’s control, which may have a material and adverse effect on its business, financial condition and results of operations. There can be no assurance that Brunswick Exploration’s personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks.

In addition, a significant outbreak of coronavirus could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and the Company’s future prospects.

### *Fluctuation in market value of Brunswick Exploration common shares*

The market price of Brunswick Exploration common shares is affected by many variables not directly related to the corporate performance of Brunswick Exploration, including the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Brunswick Exploration common shares in the future cannot be predicted.

### *Factors beyond the control of Brunswick Exploration*

The potential profitability of mineral properties is dependent upon many factors beyond Brunswick Exploration's control. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of minerals from mined ore (assuming that such mineral deposits are known to exist) may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways Brunswick Exploration cannot predict and are beyond Brunswick Exploration's control, and such fluctuations will impact profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of Brunswick Exploration and they may also negatively impact the project schedule.

## 16. FINANCIAL RISKS

The Company's activities expose it to a variety of financial risks: market risks, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's performance.

A description of the financial risks are included in the Annual Financial Statements, filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

## 17. INTERNAL CONTROL DISCLOSURE

In November 2007, the Canadian Securities Administrators exempted issuers on the TSXV, such as the Company, from certifying disclosure controls and procedures, as well as internal controls over financial reporting as of December 31, 2007, and thereafter. The Company is required to file basic certificates. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109.

## 18. CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements contained in this document that are not historical facts are regarded as forward-looking statements. These statements may involve risk, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Many factors could cause such differences, including: volatility in market metal prices; changes in foreign currency exchange rates and interest rates; unexpected variations in geological conditions of a property or erroneous geological data; environmental risks including increased regulatory constraints; unexpected adverse mining conditions; adverse political conditions, and changes in government regulations and policies. Although Brunswick Exploration has attempted to identify important factors that could cause actual plans, actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause plans, actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual plans, results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

## 19. QUALIFIED PERSON

The scientific and technical information contained in this MD&A for the properties have been reviewed and approved by a Qualified Person ("QP") within the meaning of National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI 43-101").

For the properties held in the province of Québec, the QP is Robert Wares, P.Geo., Chair and Chief Executive Officer and for the properties held in the provinces of New Brunswick, Nova Scotia and Newfoundland and Labrador the QP is Charles Kodors, P. Geo, Manager Atlantic Canada.

## 20. ADDITIONAL INFORMATION

Additional information relating to the Company has been filed on SEDAR and is available at [www.sedar.com](http://www.sedar.com).