



BRUNSWICK EXPLORATION INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

**For the three-month periods ended
March 31, 2023 and 2022**

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 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 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 Statements of Financial Position

<i>(in Canadian dollars)</i>	March 31, 2023 (unaudited)	December 31, 2022 (audited)
	\$	\$
ASSETS		
<u>Current</u>		
Cash and cash equivalents (Note 4)	16,504,962	8,053,328
Sales taxes receivable	166,406	180,692
Other receivables from related companies	84,304	84,304
Prepaid expenses and deposits	465,080	161,909
	17,220,752	8,480,233
<u>Non-current</u>		
Exploration and evaluation assets (Note 5)	3,695,964	2,993,950
Right of use asset	31,875	42,500
Intangible assets	64,883	42,439
TOTAL ASSETS	21,013,474	11,559,122
LIABILITIES		
<u>Current</u>		
Accounts payable and accrued liabilities	581,957	496,822
Convertible debentures (Note 6)	310,795	301,779
Deferred premium on flow-through shares (Note 7)	636,254	671,108
Lease obligation	31,875	-
	1,560,881	1,469,709
<u>Non-current</u>		
Lease obligation	-	42,500
TOTAL LIABILITIES	1,560,881	1,512,209
EQUITY		
Share capital	42,450,053	33,655,545
Warrants	3,139,895	1,274,117
Stock options	701,675	622,460
Contributed surplus	2,539,929	2,539,929
Deficit	(29,378,959)	(28,045,138)
Equity attributable to shareholders	19,452,593	10,046,913
TOTAL LIABILITIES AND EQUITY	21,013,474	11,559,122

Commitments and contingencies (Note 16)
Subsequent events (Note 17)

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

/s/ Robert Wares
Robert Wares, Chairman

/s/ Killian Charles
Killian Charles, President and
Chief Executive Officer

Brunswick Exploration Inc.
Condensed Statements of Loss and Comprehensive Loss

<i>(unaudited, in Canadian dollars)</i>	Three-months ended March 31,	
	2023	2022
	\$	\$
Administrative expenses (Note 12)	553,904	175,755
Stock-based compensation costs (Note 10)	74,081	20,455
Interest expense (Note 6)	9,016	16,932
Depreciation of intangible assets	6,357	2,053
Interest revenue	(118,825)	(1,072)
Net loss and comprehensive loss	(524,533)	(214,123)
Income tax recovery	34,854	-
Net loss and comprehensive loss	(489,679)	(214,123)
Per Share (Note 11)		
Basic and diluted	(0.00)	(0.00)
Weighted average number of common shares – basic and diluted	176,552,817	131,381,712

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

Brunswick Exploration Inc.
Condensed Statements of Shareholders' Equity
For the three-month periods ended March 31, 2023 and 2022
(Unaudited, in Canadian dollars, except for number of shares)

	Issued and outstanding common shares	Share capital	Warrants	Stock options	Contributed surplus	Deficit	Total equity
	Number	\$	\$	\$	\$	\$	\$
Balance as at January 1, 2023	173,126,071	33,655,545	1,274,117	622,460	2,539,929	(28,045,138)	10,046,913
Acquisition of exploration and evaluation assets (Note 5)	109,276	87,375	-	-	-	(14,229)	73,146
Units issued pursuant to a brokered private placement (Note 8)	8,823,530	5,952,223	1,547,778	-	-	-	7,500,001
Units share issue costs	-	-	126,651	-	-	(772,628)	(645,977)
Units issued pursuant to a non-brokered private placement (Note 8)	2,448,472	1,656,827	424,374	-	-	-	2,081,201
Private placement Unit issue costs	-	-	3,366	-	-	(57,285)	(53,919)
Exercised Warrants (Note 9)	1,984,684	1,098,083	(236,391)	-	-	-	861,692
Share-based compensation (Note 10)	-	-	-	79,215	-	-	79,215
Net loss and comprehensive loss	-	-	-	-	-	(489,679)	(489,679)
Balance as at March 31, 2023	186,492,033	42,450,053	3,139,895	701,675	2,539,929	(29,378,959)	19,452,593
Balance as at January 1, 2022	131,381,712	23,148,277	579,614	417,232	2,510,607	(21,831,143)	4,824,587
Stock-based compensation	-	-	-	22,123	-	-	22,123
Net loss and comprehensive loss	-	-	-	-	-	(214,123)	(214,123)
Balance as at March 31, 2022	131,381,712	23,148,277	579,614	439,355	2,510,607	(22,045,266)	4,632,587

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

Brunswick Exploration Inc.
Condensed Statements of Cash Flows
For the three-month periods ended March 31, 2023 and 2022

<i>(Unaudited, in Canadian dollars)</i>	Three-month periods ended March 31,	
	2023	2022
	\$	\$
Operating activities		
Net loss	(489,679)	(214,123)
Adjustments		
Share-based compensation (Note 10)	74,081	20,455
Depreciation of intangible assets	6,357	2,053
Non-cash interest on convertible debenture (Note 6)	9,016	16,932
Income tax recovery	(34,854)	-
Changes in working capital items (Note 14)	(218,260)	302,137
Net cash flows (used in) provided by operating activities	(653,339)	127,454
Investing activities		
Investments in exploration and evaluation assets	(577,341)	(815,292)
Investments in intangible assets	(28,801)	-
Net cash flows used in investing activities	(606,142)	(815,292)
Issuance of Units pursuant to a private placement (Note 8)	7,500,001	-
Issuance of Units pursuant to a non-brokered private placement (Note 8)	2,081,201	-
Share issue costs	(731,779)	-
Exercised Warrants (Note 9)	861,692	-
Net cash flows provided by financing activities	9,711,115	-
Net increase (decrease) in cash and cash equivalents	8,451,634	(687,838)
Cash and cash equivalents, beginning of period	8,053,328	1,489,286
Cash and cash equivalents, end of period	16,504,962	801,448

Supplemental disclosure (Note 14)

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

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month periods ended March 31, 2023 and 2022 (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.

The Company is listed on the Toronto Venture Exchange ("TSX-V") under the symbol "BRW". On April 20, 2023, the Company's common shares ("Common Shares") began trading on the OTCQB Venture Market, a U.S. market operated by OTC Markets Group Inc. in New York, under the symbol "BRWXF". The Company is focused on exploration and development of energy transition metal properties in 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 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 financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These unaudited condensed interim 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 financial statements should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2022, which have been prepared in accordance with IFRS.

These unaudited interim financial statements were approved by the Company's Board of Directors (the "Board") on May 25, 2023.

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 Financial Statements

For the three-month periods ended March 31, 2023 and 2022 (Unaudited, in Canadian dollars)

4. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022
	\$	\$
Cash	1,746,962	2,245,328
Cash equivalents	14,758,000	5,808,000
	<u>16,504,962</u>	<u>8,053,328</u>

Cash equivalents at March 31, 2023 are comprised of redeemable term deposits bearing a weighted-average interest rate of 5.0%, and having various maturity dates until June 30, 2023.

5. EXPLORATION AND EVALUATION ASSETS

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

Property	Balance at January 1, 2023	Additions	Balance at March 31, 2023
	\$	\$	\$
Québec			
Mining rights	474,841	158,135	632,976
Exploration expenses	959,349	190,878	1,150,227
	<u>1,434,190</u>	<u>349,013</u>	<u>1,783,203</u>
Ontario			
Mining rights	260,380	26,600	286,980
Exploration expenses	430,760	44,158	474,918
	<u>691,140</u>	<u>70,758</u>	<u>761,898</u>
Newfoundland			
Mining rights	86,255	-	86,255
Exploration expenses	296,559	12,838	309,397
	<u>382,814</u>	<u>12,838</u>	<u>395,652</u>
Nova Scotia			
Mining rights	113,620	7,115	120,735
Exploration expenses	250,872	17,969	268,841
	<u>364,492</u>	<u>25,084</u>	<u>389,576</u>
New Brunswick			
Mining rights	6,160	162	6,322
Exploration expenses	99,747	24,665	124,412
	<u>105,907</u>	<u>24,827</u>	<u>130,734</u>
Saskatchewan			
Mining rights	-	116,516	116,516
Exploration expenses	-	60,907	60,907
	<u>-</u>	<u>177,423</u>	<u>177,423</u>
Manitoba			
Mining rights	14,817	28,911	43,728
Exploration expenses	590	13,160	13,750
	<u>15,407</u>	<u>42,071</u>	<u>54,478</u>
Summary			
Mining rights	956,073	337,439	1,293,512
Exploration expenses	2,037,877	364,575	2,402,452
	<u>2,993,950</u>	<u>702,014</u>	<u>3,695,964</u>

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month periods ended March 31, 2023 and 2022 (Unaudited, in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

BRW launched a grassroots critical minerals exploration program throughout eastern Canada with the following transactions per province:

Québec

- In March 2022, BRW staked of 618 claims (35,440 ha) throughout the Southern Abitibi region of Québec, collectively known as the Pontiac Lithium Project.
- On April 19, 2022, the Company announced that 300 claims (16,121 ha) were acquired or optioned (collectively, the “North Shore Lithium Project”) in the North Shore of Québec, near Johan Beetz Bay. 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 payments of \$1,045,000 over the four-year period:
 - An initial cash payment of \$45,000 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 Common Shares with a minimum 20% in cash and up to a maximum of 80% (BRW’s choice). The number of Common Shares to be issued is calculated based on 10-day VWAP.
 - ii. BRW will complete 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% net smelter return (“NSR”) royalty of which the first 1% can be bought back for \$1,000,000. BRW will retain a right of first refusal (“ROFR”) 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 Common Shares with a minimum 20% in cash and up to a maximum of 80% (Kintavar’s choice).
- On June 14, 2022, BRW announced the staking of 810 claims (42,892 ha) in the James Bay region of Québec (collectively, the “James Bay Lithium Project”).
- On December 2, 2022, the Company closed an option agreement with Midland Exploration Inc. (“Midland”) to acquire a maximum of 85% interest in the Mythril and Elrond properties (the “Midland Properties”), located in the James Bay region of Québec. The Midland Properties contain 514 claims (26,290 ha). The first part of the 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 Common Shares over a three-year period, upon closing of the option agreement under the following terms:
 - An initial payment of \$25,000 in cash and 62,500 Common Shares (fair value of \$25,000) was completed during the year ended December 31, 2022;
 - A payment of \$100,000, half in Common Shares, on or before the first year anniversary of the effective date;
 - A payment of \$140,000, half in Common Shares, on or before the second year anniversary of the effective date;
 - A payment of \$210,000 in Common Shares, on or before the third year anniversary of the effective date.

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month periods ended March 31, 2023 and 2022 (Unaudited, in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Québec (continued)

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:

- An aggregate of \$300,000, on or before the first year anniversary of the effective date;
- An aggregate of \$600,000, on or before the second year anniversary of the effective date;
- An aggregate of \$1,500,000, on or before the third year anniversary of the effective date.

The second part of the option allows BRW to acquire a further 35% interest in these properties for a total consideration of \$200,000 in cash or Common Shares over a two-year period upon exercise of the first option under the following terms:

- An amount of \$100,000 in cash, Common Shares or a combination of both at BRW's choosing on or before the first year anniversary of the exercise of the first option;
- An amount of \$100,000 in cash, Common Shares or a combination of both at BRW's choosing on or before the second 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 first year anniversary of the exercise of the first option;
- An aggregate of \$2,000,000, on or before the second year anniversary of the exercise of the first option.

Common Shares to be issued by the Company as consideration under this option agreement will be subject to a minimum value of \$0.24 per Common Share with no maximum value. Upon execution of the second option, BRW will retain a ROFR on Midland's 15% ownership.

- On November 28, 2022, the Company announced the signing of an agreement with Osisko Baie-James General Partnership ("Osisko GP"), an affiliated entity of Osisko Development Corp., to acquire a 90% interest in the Anatacau Property ("Anatacau Option") which contains 704 claims (37,058 ha).

The Anatacau Option allows BRW to acquire a 90% interest in this property for a total consideration of 4,000,000 Common Shares over a two-year period, upon closing of the Anatacau Option under the following terms:

- An initial payment of 500,000 Common Shares, within five business days of the effective date;
- A payment of 1,500,000 Common Shares, on or before the first year anniversary of the effective date;
- A payment of 2,000,000 Common Shares, on or before the second year anniversary of the effective date.

In order to exercise this option; BRW shall fund an aggregate amount of \$3,000,000 in work expenditures in accordance with the following schedule:

- An aggregate of \$500,000 before the first year anniversary of the effective date;
- An aggregate of \$1,000,000 before the second year anniversary of the effective date;
- An aggregate of \$2,000,000 before the third year anniversary of the effective date; and
- An aggregate of \$3,000,000 before the fourth year anniversary of the effective date.

Upon execution of this option, the Company will retain a ROFR on Osisko GP's 10% ownership. Furthermore, Osisko GP is not be expected to fund its pro-rata share of the exploration budget following the exercise of this option until the construction of a mine.

On December 5, 2022, BRW announced the expansion of the Anatacau Option (the "Expanded Option Agreement") to also acquire a 90% interest in the PLEX Project (375 claims, 19,175 ha), located in the James Bay region of Québec.

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month periods ended March 31, 2023 and 2022 (Unaudited, in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Québec (continued)

The Expanded Option Agreement allows BRW to acquire a 90% interest in the PLEX Project package for a total consideration of 8,000,000 Common Shares over a two-year period, upon closing of this option agreement under the following terms:

- An initial payment of 1,000,000 Common Shares, within five business days of the effective date;
- A payment of 3,000,000 Common Shares, on or before the first year anniversary of the effective date;
- A payment of 4,000,000 Common Shares, on or before the second year anniversary of the effective date.

In order to exercise this option; BRW will complete \$6,000,000 in work expenditures in accordance with the following schedule:

- An aggregate of \$1,000,000 before the first year anniversary of the effective date;
- An aggregate of \$2,000,000 before the second year anniversary of the effective date;
- An aggregate of \$4,000,000 before the third year anniversary of the effective date;
- An aggregate of \$6,000,000 before the fourth year anniversary of the effective date.

Upon execution of this option, BRW will retain a ROFR on Osisko GP's 10% ownership. Furthermore, Osisko GP will not be expected to fund its pro-rata share of the exploration budget following the exercise of this option until the construction of a mine. The Expanded Option Agreement was signed on March 1, 2023 and is subject to TSX-V approval.

- In January 24, 2023, the Company announced the staking of additional claims in the James Bay region of Québec. The Company also optioned a claim block from Globex Mining Enterprises ("Globex") that is adjacent to these newly staked claims (all staked and optioned claims, the "Mirage Project"). The Mirage Project includes an option on the "*Lac Escalé*" claim block from Globex. This option allows BRW to acquire a 100% interest in the Lac Escalé Project for a total consideration of \$500,000, to be paid half in cash and half in Common Shares (at a minimum price of \$0.45 per Common Share), over a three-year period, under the following terms:
 - A payment of \$50,000 was completed in February 2023, \$25,000 in cash and \$25,000 in Common Shares (41,667 Common Shares);
 - A payment of \$25,000, on or before the sixth month anniversary of the effective date;
 - A payment of \$125,000, on or before the first year anniversary of the effective date;
 - A payment of \$100,000, on or before the second year anniversary of the effective date;
 - A payment of \$200,000, on or before the third year anniversary of the effective date.

In order to exercise this option, BRW will complete \$1,000,000 in work expenditures in accordance with the following schedule:

- An aggregate of \$100,000 on or before the first year anniversary of the effective date;
- An aggregate of \$300,000 on or before the second year anniversary of the effective date;
- An aggregate of \$1,000,000 on or before the third year anniversary of the effective date.

Upon successful completion of this option agreement, Brunswick Exploration will enter into a royalty agreement granting a 3% Gross Metal Royalty ("GMR") to Globex of which 1% of the GMR may be purchased by BRW for \$1,000,000, resulting in a net GMR of 2%. This royalty shall also apply to any mineral rights newly staked by either party within 1 km of the current claim boundaries. On the fifth anniversary of the coming into force of this royalty agreement or 5 years following total expenditures of \$4,000,000, whichever comes first, BRW will start paying Globex an annual \$100,000 advance royalty payment deductible from eventual production royalty.

In addition, on February 11, 2023, BRW purchased claims from an individual near the Mirage Project for \$5,000 in cash and by the issuance of 12,500 Common Shares (value of \$11,125).

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month periods ended March 31, 2023 and 2022 (Unaudited, in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Ontario

- 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 (signed on September 21, 2022) and the Lowther Regional Option (dated September 27, 2022) with the following terms:

Lowther Pegmatite Option Agreement: This option allows BRW to acquire a 100% interest in this property, from a private prospector, for a total consideration of \$735,000 in cash or in Common Shares. The number of Common Shares to be issued is calculated based on 10-day VWAP. In addition, BRW must incur \$1,000,000 in work expenditures over a four-year period upon closing of this agreement, under the following terms:

- A cash payment of \$35,000, 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 first 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 second 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 third 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 fourth 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 two-year period upon closing of this agreement, under the following terms:

- A cash payment of \$100,000, which was paid in October 2022;
- A cash payment of \$100,000, on or before the first year anniversary of the effective date;
- A cash payment of \$100,000, on or before the second year anniversary of the effective date.

BRW will grant Last Resort a 2% NSR royalty on all mineral production from this property, of which half of the NSR royalty 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 royalty for \$2,000,000 for a period of two years following the initial repurchase.

Newfoundland

On May 17, 2022, the Company announced the staking of multiple claim groups (1,327 claims, 33,093 ha) in southern Newfoundland located near the areas of Port aux Basques, Hermitage and Rencontre East.

Nova Scotia

In March 2022, the Company staked multiple claim groups in west central Nova Scotia (115,837 ha), located 30 km from Halifax. In addition to this claim package, in June 2022, BRW acquired 100% interest in a property from a prospector which contains 60 claims (971 ha) for a total consideration of \$15,000 in cash and 100,000 Common Shares (fair value of \$22,000). BRW also granted a 2% NSR royalty on these claims for which the first half (1%) may be repurchased upon payment of \$1,000,000. Furthermore, ten additional claims (6,172 ha) were purchased from a prospector for a one time payment of \$5,715 in the New Ross area. Three claims (890 ha) were also acquired by map staking near the Caledonia area in Eastern mainland Nova Scotia.

New Brunswick

In December 2021, the Company staked claims (6,527 ha), located in south-eastern 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. During the year ended December 31, 2022, the Company impaired \$286,959 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 Financial Statements

For the three-month periods ended March 31, 2023 and 2022 (Unaudited, in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Saskatchewan

- On January 17, 2023, the Company announced the staking of multiple claim groups in Saskatchewan (36 claims, 79,892 ha) located around the communities of Creighton, La Ronge, and Southend in central Saskatchewan. In addition, on February 22, 2023, BRW executed an option agreement for the Hanson Lake Project (12 claims, 16,103 ha), located roughly 55 km west of Creighton, Saskatchewan.

This option agreement allows BRW to acquire a 100% interest in the Hanson Lake Project from Searchlight Resources Inc. for a total consideration of \$735,000 over a four-year period. The total amount is payable in cash, Common Shares or a combination of both (BRW's discretion, subject to a minimum 25% cash component), under the following terms:

- An initial payment of \$35,000 (\$8,750 in cash and by the issuance of 26,040 Common Shares) was completed in March 2023;
- A payment of \$50,000, on or before the first year anniversary of the effective date;
- A payment of \$150,000, on or before the second year anniversary of the effective date;
- A payment of \$200,000, on or before the third year anniversary of the effective date;
- A payment of \$300,000, on or before the fourth year anniversary of the effective date.

In order to exercise this option, BRW will complete \$1,000,000 in work expenditures in accordance with the following schedule:

- An aggregate of \$50,000, on or before the first year anniversary of the effective date;
- An aggregate of \$200,000, on or before the second year anniversary of the effective date;
- An aggregate of \$400,000, on or before the third year anniversary of the effective date;
- An aggregate of \$1,000,000, on or before the 4th year anniversary of the effective date.

After this option has been exercised, additional milestone payments occur with the following schedule:

- Payment of \$250,000 in cash, Common Shares or combination of both (at BRW's discretion) on filing of a Mineral Resource Estimate;
- Payment of \$250,000 in cash, Common Shares or combination of both (at BRW's discretion) on filing of a Preliminary Economic Assessment.

BRW will grant a 2% NSR royalty of which half (1%) of the NSR royalty may be repurchased by the Company for \$1,000,000. The second half of the NSR royalty (1%) may be repurchased for \$2,000,000.

- On March 20, 2023, the Company executed an option agreement with Eagle Plains Resources Ltd. ("EPL") for the acquisition of three mining claims located near Creighton, Saskatchewan, adjacent to the Hanson Lake Project. This option agreement allows BRW to acquire a 100% interest in the mining claims from EPL, for a total consideration of \$70,000 over a two-year period. The total amount is payable in cash, Common Shares or a combination of both, at BRW's discretion, according to the following schedule:
 - A payment of \$25,000 (paid by the issuance of 29,069 Common Shares in March 2023);
 - A payment of \$20,000, on the first anniversary of this agreement;
 - A payment of \$25,000, on the second anniversary date of this agreement.

In order to exercise this option, BRW will complete \$100,000 in work expenditures in accordance with the following schedule:

- An aggregate of \$25,000, on or before December 31, 2023;
- An aggregate of \$75,000, on or before December 31, 2024.

After this option has been exercised, additional milestone payments occur with the following schedule:

- Payment of \$250,000 in cash, Common Shares or combination of both (BRW's discretion) on filing of a Mineral Resource Estimate;
- Payment of \$250,000 in cash, Common Shares or combination of both (BRW's discretion) on filing of a Preliminary Economic Assessment;
- BRW will grant a 2% NSR royalty of which half (1%) of the NSR royalty may be repurchased by BRW for \$1,000,000.

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month periods ended March 31, 2023 and 2022 (Unaudited, in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Manitoba

- January 17, 2023, the Company announced the staking of claim groups in the Lynn Lake area of Manitoba (the "Lynn Lake Project"). The Company has applied for 3 Mineral Exploration Licenses with a total surface area of 27,163 ha, located roughly 20 km north-west of Lynn Lake, near the border with Saskatchewan.

6. CONVERTIBLE DEBENTURES

On September 27, 2018, the Company completed a private placement in the form of convertible debentures (the "Debentures") for gross proceeds of \$1,000,000 (the "Principal"), with a maturity date of September 1, 2021 (the "Maturity Date"). The Debentures were bearing interest at a rate of 12%, payable semi-annually, on March 1st and September 1st of each year. These debentures 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 Common 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 Common 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 Common Shares were traded at more than \$1.00 per Common 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 would repay the balance over three annual payments and no additional interest would apply to the Debentures subsequent to the Maturity Date. A gain of \$131,969 was recognized at the time of the Amendment in the consolidated statement of loss 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.

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 Debentures, by issuing 952,380 Common Shares at a deemed issue price of \$0.35 per Common Share to the Subscriber.

Transactions affecting convertible debentures were as follows:

	2023	2022
	\$	\$
Balance, beginning of period	301,779	566,644
Reimbursement of debenture	-	(333,333)
Interest accretion	9,016	68,468
Balance, end of period	310,795	301,779

7. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

	2023	2022
	\$	\$
Balance – beginning of the period	671,108	-
Liability related to flow-through shares issued	-	809,840
Reversal of liability related to flow-through shares	(34,854)	(138,732)
Balance – end of period	636,254	671,108

Brunswick Exploration Inc.

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8. SHARE CAPITAL

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 March 9, 2023, the Company closed a bought deal private placement (the "March Offering") for gross proceeds of \$7,500,001. Under the March Offering, the Company sold 8,823,530 Units at a price of \$0.85 per Unit. Each Unit consists of one Common Share and one-half Warrant, which entitles the holder to purchase one Common Share at a price of \$1.25 at any time on or before March 9, 2026.

Gross proceeds from the March Offering were allocated between share capital (\$5,952,223) and the Warrants (\$1,547,778) using the residual method. In consideration of their services in connection with the March Offering, the underwriters received 264,705 broker warrants (each, a "Broker Warrant"). Each Broker Warrant entitles the holder to purchase one Common Share at a price of \$0.85 at any time on or before March 9, 2026. The fair value of these Warrants and Broker Warrants were determined by the Black-Scholes option pricing model based on the following weighted average assumptions:

Warrant exercise price	\$1.25
Share price at date of grant	\$0.92
Risk-free interest rate	3.53%
Expected life of Warrants	3 years
Annualized expected volatility	90%
Dividend rate	-
Fair value per Warrant/Broker Warrant	\$0.48

In connection with the March Offering, share issue costs totaled \$772,628.

- On March 24, 2023, BRW closed a first tranche of a non-brokered private placement for aggregate gross proceeds of \$1,493,701, consisting of the issuance of 1,757,295 Units at a price of \$0.85 per Unit. On March 31, 2023, BRW closed a second tranche of a non-brokered private placement for aggregate gross proceeds of \$587,500, consisting of the issuance of 691,177 Units at a price of \$0.85 per Unit. Each Unit consists of one Common Share and one-half Warrant. Each Warrant entitles the holder to acquire one Common Share at a price of \$1.25 for a 36-month period following the closing date of these placements.

Gross proceeds from these placements were allocated between share capital (\$1,656,827) and the Warrants (\$424,374) using the residual method. In consideration of their services in connection with these placements, 7,500 compensation warrants (each, a "Compensation Warrant"). Each Compensation Warrant entitles the holder to purchase one Common Share at a price of \$0.85 at any time on or before March 24, 2026. The fair value of these Warrants and Compensation Warrants were determined by the Black-Scholes option pricing model based on the following weighted average assumptions:

Warrant exercise price	\$1.25
Share price at date of grant	\$0.88
Risk-free interest rate	3.53%
Expected life of Warrants	3 years
Annualized expected volatility	90%
Dividend rate	-
Fair value per Warrant/Compensation Warrant	\$0.45

In connection to these placements, share issue costs totaled \$57,285.

Brunswick Exploration Inc.

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For the three-month periods ended March 31, 2023 and 2022 (Unaudited, in Canadian dollars)

9. 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	9,968,675	0.44
Exercised	(8,392,500)	0.22
Expired	(515,000)	0.20
Balance – December 31, 2022	9,811,175	0.44
Issued	5,908,204	1.23
Exercised	(1,984,684)	0.43
Balance – March 31, 2023	13,734,695	0.78

10. STOCK OPTIONS

The Company has adopted a share-based compensation plan (the “Plan”) under which 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 Option activity:

	Number	Weighted average exercise price (\$)
Balance – January 1, 2022	4,000,000	0.27
Issued	2,900,000	0.23
Balance – December 31, 2022	6,900,000	0.25
Balance – March 31, 2023	6,900,000	0.25
Exercisable Options – March 31, 2023	2,533,333	0.29

For the three-month period ended March 31, 2023, the share-based compensation costs amounted to \$79,215 (\$22,123 for the three-month period ended March 31, 2022) for which \$74,081 was recorded in the income statement for the three-month period ended March 31, 2023 (\$20,455 in the three-month period ended March 31, 2022) and \$5,134 was capitalized to exploration assets (\$1,668 in the three-month period ended March 31, 2022). The offsetting credit is recorded as contributed surplus.

11. NET LOSS PER SHARE

Due to the net loss from continued operations for the three-month periods ended March 31, 2023 and 2022, all potentially dilutive common shares (Notes 9 and 10) are deemed to be antidilutive and thus diluted net loss per share is equal to the basic net loss per share for these periods.

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month periods ended March 31, 2023 and 2022 (Unaudited, in Canadian dollars)

12. ADMINISTRATIVE EXPENSES

	For the three-month period ended March 31,	
	2023	2022
	\$	\$
Salaries	161,110	78,573
Investor relations	131,665	48,123
Professional fees	128,942	11,315
Office	41,236	25,910
Travel	55,951	2,442
Regulatory	35,000	9,392
Total	553,904	175,755

13. 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 periods ended March 31, 2023 and 2022:

	2023	2022
	\$	\$
Salaries and short-term employee benefits	93,750	65,500
Share-based compensation	58,864	20,455
	152,614	85,955

During the three-month periods ended March 31, 2023 and 2022, the Company undertook transactions with certain related companies. Osisko Gold Royalties Ltd ("OGR") and Falco Resources Limited ("Falco") are related parties as they have a significant influence on the Company due to common officers and directors.

During the three-month period ended March 31, 2023, OGR invoiced an amount of \$23,000 in relation to professional services and rental of offices (\$12,500 during the three-month period ended March 31, 2022). As at March 31, 2023, \$11,000 is included in trade and other payables (\$9,000 as at December 31, 2022).

During the three-month period ended March 31, 2023, an amount of \$10,000 was invoiced by Falco for professional services (\$ nil during the three-month period ended March 31, 2022), of which \$7,000 is included in trade and other payables as at March 31, 2023 (\$4,000 as at December 31, 2022).

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.

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month periods ended March 31, 2023 and 2022 (Unaudited, in Canadian dollars)

14. SUPPLEMENTAL DISCLOSURE – STATEMENTS OF CASH FLOW

Changes in non-cash working capital items:	Three-months ended March 31,	
	2023	2022
	\$	\$
Sales taxes and other receivable	14,286	288,368
Prepaid expenses and deposits	(303,171)	10,969
Accounts payable and accrued liabilities	70,625	2,800
	(218,260)	302,137

Other information not otherwise disclosed:	Three-months ended March 31,	
	2023	2022
	\$	\$
Exploration and evaluation asset expenditures included in trade and other payables		
Beginning of period	202,732	546,613
End of period	249,128	237,123
Share issue costs included in trade and other payables:		
Beginning of year	69,481	546,613
End of year	37,598	237,123

15. 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).

16. 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 May 2022, the Company received \$2,267,525 following the issuance of flow-through shares for which the Company renounced tax deductions as at December 31, 2022. As at March 31, 2023, this obligation is complete.

In December 2022, the Company received \$5,500,240 following the issuance of flow-through shares for which the Company renounced tax deductions as at December 31, 2022. As at March 31, 2023, \$5,400,000 remains to be incurred by December 31, 2023.

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Notes to Condensed Interim Financial Statements

For the three-month periods ended March 31, 2023 and 2022 (Unaudited, in Canadian dollars)

17. SUBSEQUENT EVENTS

On April 25, 2023, BRW granted Options to certain directors, officers, key employees and key consultants to purchase up to an aggregate of 2,250,000 Common Shares, which will vest over a three-year period and a five-year term at an exercise price of \$0.83 per Common Share.

On May 11, 2023, the Company announced that it had entered into a debt settlement agreement with the Subscriber to settle the remaining \$333,333 due in relation to the Debentures, by issuing 444,444 Common Shares at a deemed issue price of \$0.75 per Common Share.