



Brunswick Exploration Inc.

CONDENSED INTERIM FINANCIAL STATEMENTS

**For the three-month and nine-month periods ended
September 30, 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>	September 30, 2023 (unaudited)	December 31, 2022 (audited)
	\$	\$
ASSETS		
<u>Current</u>		
Cash and cash equivalents (Note 4)	9,811,073	8,053,328
Short-term investments (Note 5)	769,420	-
Sales taxes receivable	557,858	180,692
Prepaid expenses and deposits	451,628	161,909
Other receivables from related companies	-	84,304
	11,589,979	8,480,233
<u>Non-current</u>		
Exploration and evaluation assets (Note 6)	9,067,549	2,993,950
Right of use asset	10,625	42,500
Equipment and intangible assets	48,433	42,439
TOTAL ASSETS	20,716,586	11,559,122
LIABILITIES		
<u>Current</u>		
Accounts payable and accrued liabilities	1,815,400	496,822
Convertible debentures (Note 7)	-	301,779
Deferred premium on flow-through shares (Note 8)	40,448	671,108
Lease obligation	10,625	-
	1,866,473	1,469,709
<u>Non-current</u>		
Lease obligation	-	42,500
TOTAL LIABILITIES	1,866,473	1,512,209
EQUITY		
Share capital	43,609,818	33,655,545
Warrants	3,157,314	1,274,117
Stock options	1,179,428	622,460
Contributed surplus	2,539,929	2,539,929
Deficit	(31,636,376)	(28,045,138)
Equity attributable to shareholders	18,850,113	10,046,913
TOTAL LIABILITIES AND EQUITY	20,716,586	11,559,122

Commitments and contingencies (Note 17)
Subsequent events (Note 18)

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-month periods ended September 30,		Nine-month periods ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Expenses				
Administrative expenses (Note 13)	583,644	239,192	1,827,369	781,457
Interest expense (Note 7)	-	18,369	31,554	52,935
Stock-based compensation (Note 11)	332,924	71,653	489,963	117,822
Impairment of exploration and evaluation assets (Note 6)	904,232	2,148,000	1,284,973	2,977,991
Interest revenue	(168,833)	(23,804)	(477,186)	(28,941)
Depreciation of equipment and intangible assets	7,924	3,741	22,205	10,078
Net loss and comprehensive loss before tax	(1,659,891)	(2,457,151)	(3,178,878)	(3,911,342)
Income tax recovery	346,804	88,698	630,663	103,452
Net loss and comprehensive loss	(1,313,087)	(2,368,453)	(2,548,215)	(3,807,890)
Per Share (Note 12)				
Basic and diluted – continued activities	(0.01)	(0.02)	(0.01)	(0.03)
Weighted average number of common shares – basic and diluted	187,966,790	154,977,717	183,795,784	142,185,849

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 and nine-month periods ended September 30, 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 mining properties (Note 6)	1,124,100	889,875	-	-	-	-	889,875
Share issue costs on the acquisition of mining properties	-	-	-	-	-	(57,779)	(57,779)
Units issued pursuant to a brokered private placement (Note 9)	8,823,530	5,952,223	1,547,778	-	-	-	7,500,001
Units share issue costs	-	-	149,251	-	-	(897,037)	(747,786)
Units issued pursuant to a non-brokered private placement (Note 9)	2,448,472	1,656,827	424,374	-	-	-	2,081,201
Private placement Unit issue costs	-	-	3,366	-	-	(85,536)	(82,170)
Settlement of convertible debentures (Note 7)	444,444	333,333	-	-	-	-	333,333
Share issue costs on the settlement of convertible debentures	-	-	-	-	-	(2,671)	(2,671)
Exercised Warrants (Note 10)	2,009,684	1,122,015	(241,572)	-	-	-	880,443
Share-based compensation (Note 11)	-	-	-	556,968	-	-	556,968
Net loss and comprehensive loss	-	-	-	-	-	(2,548,215)	(2,548,215)
Balance as at September 30, 2023	187,976,301	43,609,818	3,157,314	1,179,428	2,539,929	(31,636,376)	18,850,113
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
Acquisition of mining properties (Note 6)	100,000	22,000	-	-	-	-	22,000
Units issued pursuant to a private placement (Note 9)	6,142,401	884,104	190,816	-	-	-	1,074,920
Issuance of flow-through shares (Note 9)	11,337,625	2,267,525	-	-	-	-	2,267,525
Deferred premium on flow-through shares	-	(170,064)	-	-	-	7,204	(162,860)
Units and flow-through share issue costs	-	-	-	-	-	(141,969)	(141,969)
Units issued pursuant to a non-brokered private placement (Note 9)	5,771,143	748,312	261,638	-	-	-	1,009,950
Private placement share issue costs	-	-	-	-	-	(7,203)	(7,203)
Exercised Warrants	5,835,000	1,502,742	(332,742)	-	-	-	1,170,000
Expired Warrants	-	-	(29,322)	-	29,322	-	-
Share-based compensation (Note 11)	-	-	-	127,792	-	-	127,792
Net loss and comprehensive loss	-	-	-	-	-	(3,807,890)	(3,807,890)
Balance as at September 30, 2022	160,567,881	28,402,896	670,004	545,024	2,539,929	(25,781,001)	6,376,852

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

Brunswick Exploration Inc. Condensed Statements of Cash Flows

<i>(Unaudited, in Canadian dollars)</i>	Nine-month periods ended September 30,	
	2023	2022
	\$	\$
Operating activities		
Net loss	(2,548,215)	(3,807,890)
Adjustments		
Share-based compensation (Note 11)	489,963	117,822
Depreciation of equipment and intangible assets	22,205	10,078
Non-cash interest on convertible debenture (Note 7)	31,554	52,935
Income tax recovery	(630,660)	(103,452)
Impairment of exploration and evaluation assets (Note 6)	1,284,973	2,977,991
Changes in working capital items (Note 15)	(404,989)	538,589
Net cash flows used in operating activities	(1,755,169)	(213,927)
Investing activities		
Investments in exploration and evaluation assets	(5,299,504)	(2,464,628)
Refundable tax credits received	50,500	115,650
Investments in equipment and intangible assets	(28,199)	(12,424)
Increase in short-term investments (Note 5)	(769,420)	-
Net cash flows used in investing activities	(6,046,623)	(2,361,402)
Financing activities		
Issuance of Units pursuant to a private placement (Note 9)	7,500,001	-
Issuance of Units pursuant to a non-brokered private placement (Note 9)	2,081,201	1,009,950
Issuance of Units and flow-through shares pursuant to a private placement (Note 9)	-	3,342,445
Share issue costs	(902,108)	(149,172)
Exercised Warrants	880,443	1,170,000
Net cash flows provided by financing activities	9,559,537	5,373,223
Net increase in cash and cash equivalents	1,757,745	2,797,894
Cash and cash equivalents, beginning of period	8,053,328	1,489,286
Cash and cash equivalents, end of period	9,811,073	4,287,180

Supplemental disclosure (Note 15)

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 and nine-month periods ended September 30, 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-Montréal, Suite 300, Montréal, 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 Accounting Standard 34, *Interim Financial Reporting* as issued by International Accounting Standards Board. They do not include all information required in annual financial statements in accordance with *International Financial Reporting Standards*. 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 November 27, 2023.

3. SIGNIFICANT ACCOUNTING POLICIES AND JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Significant accounting policies

The condensed interim financial statements have been prepared in accordance with the accounting policies adopted in the Company’s most recent annual financial statements for the year ended December 31, 2022.

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 and nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

4. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022
	\$	\$
Cash	858,743	2,245,328
Cash equivalents	8,952,330	5,808,000
	<u>9,811,073</u>	<u>8,053,328</u>

Cash equivalents at September 30, 2023 are comprised of redeemable term deposits bearing a weighted-average interest rate of 5.4%, and having various maturity dates until December 2023.

5. SHORT-TERM INVESTMENTS

As at September 30, 2023, the Company held short-term investments totalling \$769,420 comprised of redeemable term deposits (\$ nil as at December 31, 2022).

6. EXPLORATION AND EVALUATION ASSETS

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

Property	Balance at January 1, 2023	Additions	Tax credits	Impairment	Balance at September 30, 2023
	\$	\$		\$	\$
Québec					
Mining rights	474,841	1,609,417	-	(45,000)	2,039,258
Exploration expenses	959,349	3,790,377	-	(4,094)	4,745,632
	<u>1,434,190</u>	<u>5,399,794</u>	<u>-</u>	<u>(49,094)</u>	<u>6,784,790</u>
Ontario					
Mining rights	260,380	26,600	-	(139,100)	147,880
Exploration expenses	430,760	594,372	-	(525,116)	500,016
	<u>691,140</u>	<u>620,972</u>	<u>-</u>	<u>(664,216)</u>	<u>647,896</u>
Newfoundland					
Mining rights	86,255	14,927	(17,000)	(84,182)	-
Exploration expenses	296,559	-	-	(296,559)	-
	<u>382,814</u>	<u>14,927</u>	<u>(17,000)</u>	<u>(380,741)</u>	<u>-</u>
Nova Scotia					
Mining rights	113,620	7,115	-	-	120,735
Exploration expenses	250,872	22,589	-	-	273,461
	<u>364,492</u>	<u>29,704</u>	<u>-</u>	<u>-</u>	<u>394,196</u>
New Brunswick					
Mining rights	6,160	43,423	-	-	49,583
Exploration expenses	99,747	157,111	(33,500)	-	223,358
	<u>105,907</u>	<u>200,534</u>	<u>(33,500)</u>	<u>-</u>	<u>272,941</u>
Saskatchewan					
Mining rights	-	128,397	-	(74,458)	53,939
Exploration expenses	-	781,609	-	(116,464)	665,145
	<u>-</u>	<u>910,006</u>	<u>-</u>	<u>(190,922)</u>	<u>719,084</u>
Manitoba					
Mining rights	14,817	31,888	-	-	46,705
Exploration expenses	590	201,247	-	-	201,837
	<u>15,407</u>	<u>233,135</u>	<u>-</u>	<u>-</u>	<u>248,542</u>
Summary					
Mining rights	956,073	1,861,767	(17,000)	(342,740)	2,458,100
Exploration expenses	2,037,877	5,547,305	(33,500)	(942,233)	6,609,449
	<u>2,993,950</u>	<u>7,409,072</u>	<u>(50,500)</u>	<u>(1,284,973)</u>	<u>9,067,549</u>

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month and nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

6. 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 to acquire 100% of the BJB Property. As part of this option agreement, the Company made an initial cash payment of \$45,000 in October 2022. In September 2023, Kintavar was informed that BRW has decided to discontinue exploration and evaluation activities on these properties and as such, during the nine-month period ended September 30, 2023, the Company impaired \$49,094 of costs incurred on these properties.
- On June 14, 2022, BRW announced the staking of 810 claims (42,892 ha) in the James Bay region of Québec, collectively known as 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 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 \$50,000 in cash and 48,544 Common Shares (fair value of \$50,000) was paid in November 2023;
 - A payment of \$140,000, half in Common Shares, on or before the second year anniversary;
 - A payment of \$210,000 in Common Shares, on or before the third year anniversary.

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

- A firm commitment of \$300,000 was completed before the first year anniversary;
- An aggregate of \$600,000, on or before the second year anniversary;
- An aggregate of \$1,500,000, on or before the third year anniversary.

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 right of first refusal ("ROFR") on Midland's 15% ownership.

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month and nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Québec (continued)

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. ("ODEV"), to acquire a 90% interest in the Anatacau Property (the "Anatacau Option") which contains 704 claims (37,058 ha). 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. The Expanded Option Agreement was signed on March 1, 2023 and approved by the TSX-V on June 14, 2023 (the "Effective Date").

The Expanded Option Agreement allows BRW to acquire a 90% interest in the Anatacau and PLEX project packages for a total consideration of 8,000,000 Common Shares over a two-year period under the following terms:

- An initial payment of 1,000,000 Common Shares was completed in June 2023 (fair value of \$790,000);
- 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.

On August 21, 2023, BRW announced a transaction with ODEV through Osisko GP in which the Company has to option to acquire a 75% undivided interest in 8 claims in the immediate area of the Mirage Project under the following terms:

- Option transaction to earn 75% interest in claims held by Osisko GP.
- Osisko GP's remainder interest (25%) to be free carried to a final construction decision.
- This option will be exercisable concurrently with the successful completion of the existing Option Agreement between Brunswick Exploration and Osisko GP covering the option to acquire a 90% interest in the PLEX and Anatacau Projects.

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month and nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Québec (continued)

- In addition to the staking of claims in the James Bay region of Québec, on January 5, 2023, the Company completed an option agreement with Globex Mining Enterprises (“Globex”) (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 this claim block from Globex 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 was completed in June 2023, \$12,500 in cash and \$12,500 in Common Shares (14,824 Common Shares);
 - A payment of \$125,000, on or before the first year anniversary;
 - A payment of \$100,000, on or before the second year anniversary;
 - A payment of \$200,000, on or before the third year anniversary.

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

Upon successful completion of this option agreement, BRW 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 (fair value of \$11,125).

- On August 21, 2023, BRW announced a transaction with 1Minerals Corp. (“1Minerals”), amended on September 29, 2023, to purchase certain claims contiguous to the Mirage Project as well as an additional regional lithium grassroots claim package. The terms of the transaction are as follows:
 - Purchase transaction to buy 100% interest in claims held by 1Minerals.
 - Cash payment of \$500,000 was paid as at September 30, 2023.
 - Further payment of \$3,000,000 in cash, Common Shares or a combination of both at BRW’s discretion on signing of Definitive Agreement under the following schedule:
 - \$500,000 (587,554 Common Shares) were issued on October 16, 2023.
 - \$500,000 on the first-year anniversary of the signing of the Definitive Agreement.
 - \$500,000 on the second-year anniversary of the signing of the Definitive Agreement.
 - \$750,000 on the third-year anniversary of the signing of the Definitive Agreement.
 - \$750,000 on the fourth-year anniversary of the signing of the Definitive Agreement.
 - Milestone payments, in cash under the following schedule:
 - \$250,000 upon publication of a mineral resource estimate
 - \$750,000 upon publication of a preliminary economic assessment
 - \$1,250,000 upon publication of a positive Feasibility Study
 - Gross Royalty of 3% on spodumene concentrate sales, of which the first 1% can be repurchased for \$1,000,000 and the second 1% can be repurchased for \$3,000,000.

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month and nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

6. 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).

The Lowther Pegmatite Option Agreement allowed BRW to acquire a 100% interest in this property for a total consideration of \$735,000 in cash or in Common Shares and \$1,000,000 in work expenditures over a four-year period upon closing of this agreement. A cash payment of \$35,000 was paid in October 2022.

The Lowther Regional Option Agreement allowed BRW to acquire a 100% interest in this property for a total consideration of \$300,000 in cash over a two-year period upon closing of this agreement. A cash payment of \$100,000 was paid in October 2022.

The Company has notified the owners of the Lowther Pegmatite and the Lowther Regional properties that BRW has decided to discontinue exploration and evaluation activities on these properties and as such, during the nine-month period ended September 30, 2023, the Company impaired \$664,216 of costs incurred on these properties.

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. During the nine-month period ended September 30, 2023, the Company impaired \$380,741 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.

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 (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.

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month and nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

6. 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 allowed 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). An initial payment of \$35,000 (\$8,750 in cash and the issuance of 26,040 Common Shares) was completed in March 2023.

- On March 20, 2023, the Company executed an option agreement with Eagle Plains Resources Ltd. for the acquisition of three mining claims located near Creighton, Saskatchewan, adjacent to the Hanson Lake Project. This option agreement allowed BRW to acquire a 100% interest in these mining claims, 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. An initial payment of \$25,000, via the issuance of 29,069 Common shares was completed in March 2023.

The Company has notified Searchlight Resources Inc. and Eagle Plains Resources Ltd that BRW has decided to discontinue exploration and evaluation activities on these properties and as such, during the nine-month period ended September 30, 2023, the Company impaired \$190,922 of costs incurred on these properties.

Manitoba

- On January 17, 2023, the Company announced the staking of claim groups in the Lynn Lake area of Manitoba. The Company also applied for three 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. These properties are collectively known as the "Lynn Lake Project".

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(Unaudited, in Canadian dollars)

7. 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.

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 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.

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.

Transactions affecting the Debentures were as follows:

	September 30, 2023	December 31, 2022
	\$	\$
Balance, beginning of period	301,779	566,644
Interest accretion	31,554	68,468
Reimbursement of the Debenture	(333,333)	(333,333)
Balance, end of period	-	301,779

8. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

	September 30, 2023	December 31, 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	(630,660)	(138,732)
Balance – end of period	40,448	671,108

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month and nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

9. 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

Transactions completed during the nine-month period ended September 30, 2023

- 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 respective fair value approach. 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 assumptions:

Warrant exercise price	\$1.23
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 \$897,037, which includes the \$149,251 fair value of the Broker Warrants.

- 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 respective fair value approach. 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.

Brunswick Exploration Inc.

Notes to Condensed Interim Financial Statements

For the three-month and nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

9. SHARE CAPITAL (continued)

The fair value of these Warrants and Compensation Warrants were determined by the Black-Scholes option pricing model based on the following weighted 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 \$85,536, which includes the \$3,366 fair value of the Compensation Warrants.

Transactions completed during the nine-month period ended September 30, 2022

a) May 2022

On May 20, 2022, the Company completed a brokered private placement of an aggregate of (i) 6,142,401 units of the Company (each, a "Unit") at a price of \$0.175 per Unit (the "Unit Offering"), and (ii) 11,337,625 Common Shares ("Flow-Through Shares") at an issue price of \$0.20 per Flow-Through Share, for aggregate gross proceeds of \$3,342,445 (collectively, the "Offerings"). Each Unit consists of one Common Share and one-half of one Common Share purchase warrant of the Company (each whole warrant, a "Warrant"). Following the close of the Offerings, each Warrant entitled the holder thereof to acquire one Common Share at a price of \$0.23 for a 24-month period. On June 21, 2022, the Company extended the life of these Warrants by 12-months and the Warrants now expire on May 17, 2025.

Gross proceeds from the Unit Offering were allocated between share capital (\$884,104) and the Warrants (\$190,816) using the residual method. The fair value of these Warrants were determined by the Black-Scholes option pricing model based on the following weighted average assumptions:

Warrant exercise price	\$0.23
Share price at date of grant	\$0.185
Risk-free interest rate	2.53%
Expected life of Warrants	2 years
Annualized expected volatility	90%
Dividend rate	-
Fair value per Warrant	\$0.08

In connection with the Offerings, share issue costs totaled \$141,969. An amount of \$162,860 (net of share issue costs of \$7,204) was allocated to the deferred premium on flow-through shares (Note 8).

b) July 2022

On July 11, 2022, the Company completed a non-brokered private placement for aggregate gross proceeds of \$1,009,950, consisting of the issuance of 5,771,143 Units at a price of \$0.175 per Unit (the "July Offering") and share issue costs totaled \$7,203. Each Unit consists of one Common Share and one-half of one Warrant. Each Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.23 for a 36-month period following the closing date of the July Offering. Gross proceeds from the July Offering were allocated between share capital (\$748,312) and the Warrants (\$261,638) using the residual method. The fair value of these Warrants were determined by the Black-Scholes option pricing model based on the following weighted average assumptions:

Warrant exercise price	\$0.23
Share price at date of grant	\$0.215
Risk-free interest rate	3.00%
Expected life of Warrants	3 years
Annualized expected volatility	90%
Dividend rate	-
Fair value per Warrant	\$0.12

Brunswick Exploration Inc.

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(Unaudited, in Canadian dollars)

10. 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	(2,009,684)	0.44
Balance – September 30, 2023	13,709,695	0.78

11. 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
Issued	2,250,000	0.83
Balance – September 30, 2023	9,150,000	0.39
Exercisable Options – September 30, 2023	3,891,663	0.28

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.

The Options, when granted, are accounted for at their fair value determined by the Black-Scholes option pricing model based on the following weighted average assumptions for the six-month period ended September 30, 2023:

Share price at date of grant	\$0.83
Exercise price at date of grant	\$0.83
Risk-free interest rate	3.00%
Expected life of Options	5.0 years
Annualized expected volatility	90%
Dividend rate	0%
Weighted average fair value per Option	\$0.59

For the three-month period ended September 30, 2023, the share-based compensation costs amounted to \$387,775 (\$77,831 for the three-month period ended September 30, 2022) for which \$332,924 was recorded in the income statement for the three-month period ended September 30, 2023 (\$71,653 in the three-month period ended September 30, 2022) and \$54,851 was capitalized to exploration assets (\$6,178 in the three-month period ended September 30, 2022). The offsetting credit is recorded as contributed surplus.

For the nine-month period ended September 30, 2023, the share-based compensation costs amounted to \$556,968 (\$127,792 for the nine-month period ended September 30, 2022) for which \$489,963 was recorded in the income statement for the nine-month period ended September 30, 2023 (\$117,822 in the nine-month period ended September 30, 2022) and \$67,005 was capitalized to exploration assets (\$9,970 in the nine-month period ended September 30, 2022). The offsetting credit is recorded as contributed surplus.

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(Unaudited, in Canadian dollars)

12. NET LOSS PER SHARE

Due to the net loss from continued operations for the three-month and nine-month periods ended September 30, 2023 and 2022, all potentially dilutive common shares (Notes 10 and 11) are deemed to be antidilutive and thus diluted net loss per share is equal to the basic net loss per share for these periods.

13. ADMINISTRATIVE EXPENSES

	Three-months ended September 30,		Nine-months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Salaries	193,402	109,043	614,307	300,201
Investor relations	118,186	62,440	416,788	169,389
Professional fees	112,189	25,348	389,896	127,597
Regulatory fees	90,973	16,431	153,304	45,019
Office	43,954	19,035	140,655	75,131
Travel	24,940	6,895	112,419	64,120
Total	583,644	239,192	1,827,369	781,457

14. RELATED PARTIES

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

Key management includes directors and officers of the Company. The compensation paid or payable to key management for employee services is presented below for the three-month and nine-month periods ended September 30, 2023 and 2022:

	Three-months ended September 30,		Nine-months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Salaries and short-term employee benefits	95,000	65,500	283,750	196,500
Share-based compensation	300,151	69,198	416,151	115,367
	395,151	134,698	699,901	311,867

During the three-month and nine-month periods ended September 30, 2023 and 2022, the Company undertook transactions with certain related companies. Osisko Gold Royalties Ltd ("OGR") and Falco Resources Ltd. ("Falco") are related parties as they have a significant influence on the Company due to common officers and directors.

During the three-month and nine-month periods ended September 30, 2023, OGR invoiced \$20,000 and \$61,000, respectively, in relation to professional services and rental of offices (\$13,000 and \$37,000, respectively, for the three-month and nine-month periods ended September 30, 2022). As at September 30, 2023, \$8,000 is included in trade and other payables (\$9,000 as at December 31, 2022).

During the three-month and nine-month periods ended September 30, 2023, amounts of \$9,750 and \$29,250, respectively, were invoiced by Falco for professional services (\$9,750 and \$29,250 during the three-month and nine-month periods ended September 30, 2022). As at September 30, 2023, \$3,000 is included in trade and other payables (\$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.

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(Unaudited, in Canadian dollars)

15. SUPPLEMENTAL DISCLOSURE – STATEMENTS OF CASH FLOW

Changes in non-cash working capital items:	Nine-months ended September 30,	
	2023	2022
	\$	\$
Sales taxes and other receivables	(292,862)	579,134
Prepaid expenses	(289,719)	(50,726)
Accounts payable and accrued liabilities	177,592	10,181
	(404,989)	538,589

Other information not otherwise disclosed:	Nine-months ended September 30,	
	2023	2022
	\$	\$
Exploration and evaluation asset expenditures included in trade and other payables		
Beginning of period	202,732	546,613
End of period	1,413,202	513,552
Share issue costs included in trade and other payables:		
Beginning of period	69,481	-
End of period	-	-

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value

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

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

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

The fair value of the investments in shares have been estimated by reference to their quoted prices at the reporting date. Investments measured at fair value in the statement of financial position as at September 30, 2023 and December 31, 2022 are classified in level 1.

17. 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:

- Two years following the flow-through placements;
- 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 September 30, 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 September 30, 2023, \$400,000 remains to be incurred by December 31, 2023.

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18. SUBSEQUENT EVENTS

Financing

On November 17, 2023, the Company closed a non-brokered private placement (the "Offering") for aggregate gross proceeds of \$5,700,001 from the sale of the following:

- 1,519,057 Common Shares sold to Québec purchasers as "flow-through shares" within the meaning of the Income Tax Act (Canada) (the "Tax Act") and the Taxation Act (Québec) (each, a "Québec FT Share") at a price of \$1.15 per Québec FT Share for gross proceeds of \$1,746,916; and
- 3,593,714 Common Shares sold to Canadian purchasers as "flow-through shares" within the meaning of the Tax Act (each, a "National FT Share") at a price of \$1.10 per National FT Share for gross proceeds of \$3,953,085.

In connection to the Offering, the Corporation paid cash finders fees of \$260,756 to arm's length third parties.

The Offering was carried out pursuant to prospectus exemptions of applicable securities laws and is subject to final acceptance by the TSX-V. All securities issuable pursuant to the Offering are subject to a statutory 4-month and one day hold period expiring on March 18, 2024 in accordance with applicable securities legislation.

Insiders of the Corporation have participated in the Offering and subscribed to an aggregate of 232,218 Common Shares.

Closing of the Mirage Project Option with Globex

On November 22, 2023, completed all remaining cash payments (\$212,250) and issued 216,395 Common shares (fair value of \$212,500) to Globex related to the Mirage Project option (see also Note 6). In addition, the Company completed the \$1,000,000 in work expenditure requirements and have therefore acquired 100% interest in these claims.