



**Brunswick Exploration Inc.**

**Financial statements**

**For the years ended  
December 31, 2023 and 2022**

In Canadian Dollars

## Independent Auditor's Report

To the Shareholders of  
Brunswick Exploration Inc.

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### Opinion

We have audited the financial statements of Brunswick Exploration Inc. (hereafter "the Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of loss and comprehensive loss, the statements of shareholders' equity and the statements of cash flows for the years then ended, and notes to financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting standards").

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### **Information other than the financial statements and the auditor's report thereon**

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Karine Desrochers.

*Raymond Chabot Grant Thornton LLP<sup>1</sup>*

Montréal  
February 28, 2024

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<sup>1</sup> CPA auditor, public accountancy permit no. A127023

# Brunswick Exploration Inc.

## Statements of Financial Position

<i>(in Canadian dollars)</i>	December 31, 2023	December 31, 2022
	\$	\$
<b>ASSETS</b>		
<u>Current</u>		
Cash and cash equivalents (Note 7)	12,194,726	8,053,328
Mining tax credit receivables (Note 8)	778,926	-
Sales taxes receivable	163,651	180,692
Other receivables	36,473	84,304
Prepaid expenses and deposits	322,428	161,909
	<b>13,496,204</b>	<b>8,480,233</b>
<u>Non-current</u>		
Exploration and evaluation assets (Note 8)	10,098,910	2,993,950
Right of use asset	51,000	42,500
Equipment and intangible assets	40,509	42,439
<b>TOTAL ASSETS</b>	<b>23,686,623</b>	<b>11,559,122</b>
<b>LIABILITIES</b>		
<u>Current</u>		
Accounts payable and accrued liabilities	1,079,475	496,822
Convertible debentures (Note 9)	-	301,779
Deferred premium on flow-through shares (Note 10)	312,863	671,108
Current portion of lease obligation	51,000	-
	<b>1,443,338</b>	<b>1,469,709</b>
<u>Non-current</u>		
Lease obligation	-	42,500
<b>TOTAL LIABILITIES</b>	<b>1,443,338</b>	<b>1,512,209</b>
<b>EQUITY</b>		
Share capital	49,732,052	33,655,545
Warrants	3,154,271	1,274,117
Stock options	1,414,088	622,460
Contributed surplus	2,539,929	2,539,929
Deficit	(34,597,055)	(28,045,138)
Equity attributable to shareholders	<b>22,243,285</b>	<b>10,046,913</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>23,686,623</b>	<b>11,559,122</b>

Commitments and contingencies (Note 21)  
Subsequent event (Note 22)

*The accompanying notes form an integral part of these financial statements.*

/s/ Robert Wares

Robert Wares, Executive Chairman

/s/ Killian Charles

Killian Charles, President and  
Chief Executive Officer

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

<i>(in Canadian dollars)</i>	For the years ended December 31,	
	2023	2022
	\$	\$
<b>Expenses</b>		
Administrative expenses (Note 15)	2,582,357	1,180,958
Interest expense (Note 9)	31,554	68,468
Stock-based compensation (Note 13)	701,166	189,383
Interest revenue	(635,401)	(72,667)
Interest and other financial expenses	109,393	-
Depreciation of equipment and intangible assets	30,130	15,693
Impairment of exploration and evaluation assets (Note 8)	3,100,305	4,308,284
<b>Net loss and comprehensive loss before tax</b>	<b>(5,919,504)</b>	<b>(5,690,119)</b>
Income tax recovery (Note 17)	718,783	138,732
<b>Net loss and comprehensive loss</b>	<b>(5,200,721)</b>	<b>(5,551,387)</b>
<b>Per Share (Note 14)</b>		
Basic and diluted	(0.03)	(0.04)
Weighted average number of common shares – basic and diluted	185,626,983	147,372,237

*The accompanying notes form an integral part of these financial statements.*

# Brunswick Exploration Inc.

## Statements of Shareholders' Equity

For the years ended December 31, 2023 and 2022 (in Canadian dollars, except for number of shares)

	Issued and outstanding common shares Number	Share capital \$	Warrants \$	Stock options \$	Contributed surplus \$	Deficit \$	Total equity \$
<b>Balance as at January 1, 2023</b>	<b>173,126,071</b>	<b>33,655,545</b>	<b>1,274,117</b>	<b>622,460</b>	<b>2,539,929</b>	<b>(28,045,138)</b>	<b>10,046,913</b>
Acquisition of exploration and evaluation assets (Note 8)	1,976,593	1,652,375	-	-	-	-	1,652,375
Share issue costs on the acquisition of mining properties	-	-	-	-	-	(58,779)	(58,779)
Units issued pursuant to a brokered private placement (Note 11)	8,823,530	5,952,223	1,547,778	-	-	-	7,500,001
Brokered Units share issue costs	-	-	149,251	-	-	(897,037)	(747,786)
Units issued pursuant to a non-brokered private placement (Note 11)	2,448,472	1,656,827	424,374	-	-	-	2,081,201
Non-brokered Units issue costs	-	-	3,367	-	-	(85,536)	(82,169)
Flow through financing (Note 11)	5,112,771	5,700,001	-	-	-	-	5,700,001
Deferred premium on flow-through shares	-	(382,716)	-	-	-	-	(382,716)
Flow through issue costs (Note 11)	-	-	-	-	-	(307,177)	(307,177)
Settlement of convertible debentures (Note 9)	444,444	333,333	-	-	-	-	333,333
Share issue costs on the settlement of convertible debentures	-	-	-	-	-	(2,667)	(2,667)
Exercised Warrants (Note 12)	2,043,255	1,132,777	(244,616)	-	-	-	888,161
Exercised stock options (Note 13)	100,000	31,687	-	(10,687)	-	-	21,000
Share-based compensation (Note 13)	-	-	-	802,315	-	-	802,315
Net loss and comprehensive loss	-	-	-	-	-	(5,200,721)	(5,200,721)
<b>Balance as at December 31, 2023</b>	<b>194,075,136</b>	<b>49,732,052</b>	<b>3,154,271</b>	<b>1,414,088</b>	<b>2,539,929</b>	<b>(34,597,055)</b>	<b>22,243,285</b>



# Brunswick Exploration Inc.

## Statements of Shareholders' Equity *(continued)*

For the years ended December 31, 2023 and 2022 (in Canadian dollars, except for number of shares)

	Issued and outstanding common shares	Share capital	Warrants	Stock options	Contributed surplus	Deficit	Total equity
	Number	\$	\$	\$	\$	\$	\$
<b>Balance as at January 1, 2022</b>	<b>131,381,712</b>	<b>23,148,277</b>	<b>579,614</b>	<b>417,232</b>	<b>2,510,607</b>	<b>(21,831,143)</b>	<b>4,824,587</b>
Acquisition of exploration and evaluation assets (Note 8)	162,500	47,000	-	-	-	-	47,000
Units issued pursuant to a private placement (Note 11)	6,142,401	884,104	190,816	-	-	-	1,074,920
Issuance of flow-through shares (Note 11)	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 11)	5,771,143	748,312	261,638	-	-	-	1,009,950
Private placement share issue costs	-	-	-	-	-	(7,203)	(7,203)
Units issued pursuant to a private placement offering (Note 11)	8,023,810	4,168,552	831,448	-	-	-	5,000,000
Offering of flow-through shares (Note 11)	962,000	500,240	-	-	-	-	500,240
Deferred premium on flow-through shares	-	(715,036)	-	-	-	68,056	(646,980)
Units and flow-through share issue costs	-	-	-	-	-	(588,696)	(588,696)
Reimbursement of convertible debenture (Note 9)	952,380	333,333	-	-	-	-	333,333
Exercised Warrants (Note 12)	8,392,500	2,443,302	(560,077)	-	-	-	1,883,225
Expired Warrants	-	-	(29,322)	-	29,322	-	-
Share-based compensation (Note 13)	-	-	-	205,228	-	-	205,228
Net loss and comprehensive loss	-	-	-	-	-	(5,551,387)	(5,551,387)
<b>Balance as at December 31, 2022</b>	<b>173,126,071</b>	<b>33,655,545</b>	<b>1,274,117</b>	<b>622,460</b>	<b>2,539,929</b>	<b>(28,045,138)</b>	<b>10,046,913</b>

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

# Brunswick Exploration Inc.

## Statements of Cash Flows

<i>(in Canadian dollars)</i>	For the years ended December 31,	
	2023	2022
	\$	\$
<b>Operating activities</b>		
Net loss	(5,200,721)	(5,551,387)
Adjustments		
Share-based compensation (Note 13)	701,166	189,383
Depreciation of equipment and intangible assets	30,130	15,693
Impairment of exploration and evaluation assets (Note 8)	3,100,305	4,308,284
Non-cash interest on convertible debenture (Note 9)	31,554	68,468
Income tax recovery (Note 17)	(718,783)	(138,732)
Changes in working capital items (Note 20)	379,958	350,911
<b>Net cash flows used in operating activities</b>	<b>(1,676,391)</b>	<b>(757,380)</b>
<b>Investing activities</b>		
Investments in exploration and evaluation assets	(9,183,497)	(3,841,277)
Refundable credits received	70,580	129,650
Investments in equipment and intangible assets	(28,200)	(34,424)
<b>Net cash flows used in investing activities</b>	<b>(9,141,117)</b>	<b>(3,746,051)</b>
<b>Financing activities</b>		
Issuance of Units pursuant to a private placement (Note 11)	7,500,001	-
Issuance of Units pursuant to a non-brokered private placement (Note 11)	2,081,201	1,009,950
Issuance of flow-through shares pursuant to a non-brokered private placement (Note 11)	5,700,001	-
Issuance of Units and flow-through shares pursuant to a private placement (Note 11)	-	3,342,445
Issuance of Units and flow-through shares pursuant to a private placement offering (Note 11)	-	5,500,240
Share issue costs	(1,231,458)	(668,387)
Exercised Warrants (Note 12)	888,161	1,883,225
Exercised stock options (Note 13)	21,000	-
<b>Net cash flows provided by financing activities</b>	<b>14,958,906</b>	<b>11,067,473</b>
Net increase in cash and cash equivalents	4,141,398	6,564,042
<b>Cash, beginning of year</b>	<b>8,053,328</b>	<b>1,489,286</b>
<b>Cash and cash equivalents, end of year</b>	<b>12,194,726</b>	<b>8,053,328</b>

### Supplemental disclosure (Note 20)

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

# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 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

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The accounting policies, methods of computation and presentation applied in these financial statements are consistent with those of the previous financial year. These financial statements were approved by the Company's Board of Directors (the "Board") on February 28, 2024.

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these financial statements are as follows:

(a) *Basis of measurement*

The financial statements are prepared on a going concern basis and under the historical cost convention using the accrual basis of accounting, except for certain financial instrument and cash flow information.

(b) *Foreign currency translation*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Canadian dollars, which is the Company's functional currency.

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the exchange rate prevailing at the date of the transaction. At each statement of financial position date, monetary assets and liabilities are translated using the year-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate at the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in the statement of income (loss) and comprehensive income (loss) under foreign exchange loss (gain).

(c) *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the management team that makes strategic decisions.

# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

#### (d) Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

#### (e) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

#### (i) Financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Amortized cost;
- At fair value through profit or loss; and
- At fair value through other comprehensive loss.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income. All income and expenses relating to financial assets that are recognized in profit or loss are presented within interest expense or interest income.

#### i. Amortized cost

Financial assets classified at amortized cost are financial assets that are held within a business model whose objective is achieved by collecting contractual cash flows and meet the criteria of the contractual cash flow test performed to determine whether cash flows are solely payments of principal and interest. After initial recognition, they are measured at amortized cost using the effective interest method, less a provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The elements in this category include cash and cash equivalents and other receivables.

#### ii. Impairment of financial assets

A loss allowance for expected credit losses is recognized in net loss for financial assets measured at amortized cost. At each financial position date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and, if any, FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has deteriorated significantly since initial recognition and whose credit risk is low.

**Brunswick Exploration Inc.**  
**Notes to Financial Statements**  
**For the years ended December 31, 2023 and 2022 (in Canadian dollars)**

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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

(e) Financial instruments (continued)

(ii) Financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified into the following categories upon initial recognition:

- Amortized cost; and
- At fair value through profit or loss.

i. Amortized cost

Financial liabilities classified at amortized cost are financial assets that are not classified in the "At fair value through profit or loss" category. They are initially recognized at fair value less transaction costs directly attributable. Thereafter, they are measured at amortized cost using the effective interest method, and the corresponding adjustment is attributed to net loss. Financial liabilities at amortized cost include:

- Accounts payable and accrued liabilities; and
- Convertible debentures.

All interest-related charges are reported in profit or loss within interest expense.

(f) Impairment of non-financial assets (except exploration and evaluation assets)

The carrying value of non-current assets is reviewed regularly and whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Non-current assets that are not depreciated are subject to an annual impairment test. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The recoverable amount is the higher of an asset's fair value less cost to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized in net loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the estimated recoverable amount, but not exceeding the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in net loss.

(g) Exploration and evaluation expenditures, and exploration and evaluation assets

Exploration and evaluation expenditures are costs incurred in the course of the initial search for mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights, expenses related to the exploration and evaluation of mining properties, less refundable governmental credits and tax credits related to these expenses, are recognized as exploration and evaluation assets.

Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of defining and extracting a mineral resource.

The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as mining properties and are carried at cost less any accumulated impairment losses. No depreciation expense is recognized for these assets during the exploration and evaluation phase.

# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(g) Exploration and evaluation expenditures, and exploration and evaluation assets (continued)

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts and the difference is then immediately recognized in profit or loss.

When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss.

To date, neither the technical feasibility nor the commercial viability of extracting a mineral resource has been demonstrated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (CGUs).

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or CGU is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single CGU. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- The right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- No further exploration or evaluation expenditures in the area are planned or budgeted;
- No commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the areas; and
- Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the CGU's carrying amount exceeds its recoverable amount. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value in use.

An impairment charge is reversed if the CGU's recoverable amount exceeds its carrying amount.

(h) Equipment and intangible assets

Equipment and intangible assets are accounted for at cost less accumulated depreciation and impairment losses. Depreciation is recognized according to the straight-line method. The depreciable amount is determined after deducting the residual value of equipment and intangible assets. The periods generally applicable are as follows:

5 years	Office equipment
5 to 10 years	Machinery and equipment
3 years	Computer equipment
4 years	Rolling stock
5 years	Software

The residual value, the depreciation method and the useful life of each asset are reviewed at the end of each financial reporting period.

Equipment and intangible assets are reviewed for impairment in accordance with IAS 36 *Impairment of Assets* when there are indicators that the carrying value may not be recoverable.

# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

#### (i) Share based compensation

The Company offers a share based compensation plan for its eligible directors, employees and consultants.

All goods and services received in exchange for the grant of any share-based compensation are measured at their fair value. Where employees are rewarded using share-based compensation, the fair value of the services rendered by the employees is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is evaluated at the grant date.

All equity-settled share-based compensation is recognized as an expense in net loss with a corresponding credit to stock option in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of stock options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

Estimates are subsequently revised if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current year.

Upon exercise of stock options, the proceeds received net of any directly attributable transaction costs are credited to share capital. Share-based compensation is recorded at fair value as determined by the Black-Scholes option-pricing model.

#### (j) Equity

Share capital represents the amount received when the shares were issued. If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded as warrants and stock options.

In addition, if shares are issued for the acquisition of a mining property or some other form of non-monetary asset, they are measured at their fair value unless this fair value cannot be estimated reliably, in which case the fair value is estimated according to the quoted price on the day of the conclusion of the agreement.

Proceeds from unit placements are allocated between shares and warrants issued according to the respective fair values.

Issuance of flow-through shares represents in substance an issue of ordinary shares and the sale of the right to tax deductions to the investors.

When the flow-through shares or flow-through units are issued, the sale of the right to tax deductions is deferred and presented as other liabilities in the statement of financial position.

The proceeds received from flow-through shares are allocated between share capital and deferred premium on flow-through shares using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance, and the residual proceeds are allocated to deferred premium on flow-through shares.

The proceeds received from flow-through units are allocated between share capital, warrants and deferred premium on flow-through units using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance. Subsequently, proceeds are allocated to warrants at fair value as determined by the Black-Scholes option-pricing model and the residual proceeds are allocated to deferred premium on flow-through shares.

# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

#### (k) Income taxes

The Company uses the deferred tax assets and liabilities method. According to this method, deferred income taxes are determined using the difference between the accounting and tax bases of assets and liabilities. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates at the statement of financial position date and that are expected to apply when the deferred income taxes are expected to be recovered or settled. Deferred income tax assets are recognized when it is probable that the asset will be realized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### (l) Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The diluted net loss per share is equal to the basic net loss per share due to the anti-dilutive effect of the stock options and warrants.

#### (m) Provision and contingent liabilities

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Timing or amount of the outflow may still be uncertain. If the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the related asset, as soon as the obligation to incur such costs arises and to the extent that such cost can be reasonably estimated.

### 4. ACCOUNTING STANDARDS ISSUED BUT NOT APPLIED

At the date of authorization of these financial statements, the Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than December 31, 2023. These updates are not expected to have a significant impact on the Company's financial statements and are therefore not discussed herein.

### 5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

### 5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

#### a) Going concern

The assessment of the Company's ability to continue on a going concern basis, to obtain sufficient funds to cover ongoing expenses and to meet its obligations for the coming year involves a large part of judgment based on past experience and other factors, including expectations of future events that are considered reasonable in the circumstances.

#### b) Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases. When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or CGU must be estimated.

In assessing impairment, management makes estimates and assumptions regarding future circumstances, whether an economically viable operation can be established, the probability that the expenses will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development, and renewal of permits. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the capitalized amount is written-off in the statement of comprehensive loss in the period information becomes available.

#### c) Impairment of equipment and intangible assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process that often involves judgment and a number of estimates and interpretations. In assessing impairment, management estimates the recoverable amount of each cash-generating asset based on discounted future cash flows. There was no impairment recorded in the reporting periods.

#### d) Fair value of stock options and warrants

Determining the fair value of stock options and warrants (collectively, the "Instruments") requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own common shares, the probable life and the time of exercise of the Instruments and expected extinguishments. The model used by the Company is the Black-Scholes valuation model. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results.

### 6. SEGMENT REPORTING

The chief operating decision-maker organizes and manages the business under a single operating segment, consisting of acquiring, exploring and evaluating mining property assets. All the Company's assets and liabilities are attributable to this single operating segment. As at December 31, 2023 and 2022, the Company's assets and liabilities were entirely in Canada.

### 7. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
	\$	\$
Cash	1,244,726	2,245,328
Cash equivalents	10,950,000	5,808,000
	<u>12,194,726</u>	<u>8,053,328</u>

Cash equivalents at December 31, 2023 are comprised of redeemable term deposits bearing a weighted-average interest rate of 5.6% (4.8% at December 31, 2022), and having various maturity dates until March 2024.

**Brunswick Exploration Inc.**  
**Notes to Financial Statements**  
**For the years ended December 31, 2023 and 2022 (in Canadian dollars)**

**8. EXPLORATION AND EVALUATION ASSETS**

The Company has incurred the following costs on its exploration and evaluation assets for the years ended December 31, 2023 and 2022:

Property	Balance at January 1, 2023	Additions	Tax credits	Impairment	Balance at December 31, 2023
	\$	\$		\$	\$
<b>Québec (Note 8(a))</b>					
Pontiac Lithium Project					
Mining rights	54,261	-	-	-	54,261
Exploration expenses	761,764	7,787	-	(769,551)	-
	<u>816,025</u>	<u>7,787</u>	<u>-</u>	<u>(769,551)</u>	<u>54,261</u>
North Shore Lithium Project					
Mining rights	68,583	24,016	-	(45,000)	47,599
Exploration expenses	175,278	138,542	-	(313,820)	-
	<u>243,861</u>	<u>162,558</u>	<u>-</u>	<u>(358,820)</u>	<u>47,599</u>
Mirage Project					
Mining rights	-	1,530,781	-	-	1,530,781
Exploration expenses	-	3,071,508	(778,925)	-	2,292,583
	<u>-</u>	<u>4,602,289</u>	<u>(778,925)</u>	<u>-</u>	<u>3,823,364</u>
Mythril/Elrond Properties					
Mining rights	50,000	112,994	-	-	162,994
Exploration expenses	-	397,777	-	-	397,777
	<u>50,000</u>	<u>510,771</u>	<u>-</u>	<u>-</u>	<u>560,771</u>
Anatacau/Plex Properties					
Mining rights	-	991,480	-	-	991,480
Exploration expenses	-	2,135,987	-	-	2,135,987
	<u>-</u>	<u>3,127,467</u>	<u>-</u>	<u>-</u>	<u>3,127,467</u>
Other Quebec Properties					
Mining rights	301,997	154,844	-	-	456,841
Exploration expenses	22,307	288,932	-	-	311,239
	<u>324,304</u>	<u>443,776</u>	<u>-</u>	<u>-</u>	<u>768,080</u>
<b>Ontario (Note 8(b))</b>					
Hearst Project					
Mining rights	148,254	-	-	(135,000)	13,254
Exploration expenses	213,390	447,255	-	(517,120)	143,525
	<u>361,644</u>	<u>447,255</u>	<u>-</u>	<u>(652,120)</u>	<u>156,779</u>
Other Ontario Properties					
Mining rights	112,126	26,600	-	(9,300)	129,426
Exploration expenses	217,370	182,078	-	(113,166)	286,282
	<u>329,496</u>	<u>208,678</u>	<u>-</u>	<u>(122,466)</u>	<u>415,708</u>
<b>Newfoundland (Note 8(c))</b>					
Mining rights	86,255	-	-	(86,255)	-
Exploration expenses	296,559	18,590	(37,014)	(278,135)	-
	<u>382,814</u>	<u>18,590</u>	<u>(37,014)</u>	<u>(364,390)</u>	<u>-</u>
<b>Nova Scotia (Note 8(d))</b>					
Mining rights	113,620	195	-	(76,065)	37,750
Exploration expenses	250,872	26,356	-	(190,648)	86,580
	<u>364,492</u>	<u>26,551</u>	<u>-</u>	<u>(266,713)</u>	<u>124,330</u>
<b>New Brunswick (Note 8(e))</b>					
Mining rights	6,160	43,710	-	(13,220)	36,650
Exploration expenses	99,747	274,597	(33,566)	(95,907)	244,871
	<u>105,907</u>	<u>318,307</u>	<u>(33,566)</u>	<u>(109,127)</u>	<u>281,521</u>
<b>Saskatchewan (Note 8(f))</b>					
Mining rights	-	128,397	-	(74,458)	53,939
Exploration expenses	590	810,071	-	(125,570)	685,091
	<u>590</u>	<u>938,468</u>	<u>-</u>	<u>(200,028)</u>	<u>739,030</u>
<b>Manitoba (Note 8(g))</b>					
Mining rights	14,817	31,974	-	(46,791)	-
Exploration expenses	-	210,299	-	(210,299)	-
	<u>14,817</u>	<u>242,273</u>	<u>-</u>	<u>(257,090)</u>	<u>-</u>
<b>Summary</b>					
Mining rights	956,073	3,044,991	-	(486,089)	3,514,975
Exploration expenses	2,037,877	8,009,779	(849,505)	(2,614,216)	6,583,935
	<u>2,993,950</u>	<u>11,054,770</u>	<u>(849,505)</u>	<u>(3,100,305)</u>	<u>10,098,910</u>

**Brunswick Exploration Inc.**  
**Notes to Financial Statements**  
**For the years ended December 31, 2023 and 2022 (in Canadian dollars)**

**8. EXPLORATION AND EVALUATION ASSETS (continued)**

Property	Balance at Jan. 1, 2022	Additions	Tax credits	Impairment	Balance at December 31, 2022
	\$	\$		\$	\$
<b>Québec (Note 8(a))</b>					
Pontiac Lithium Project					
Mining rights	-	54,261	-	-	54,261
Exploration expenses	-	761,764	-	-	761,764
	-	816,025	-	-	816,025
North Shore Lithium Project					
Mining rights	-	68,583	-	-	68,583
Exploration expenses	-	175,278	-	-	175,278
	-	243,861	-	-	243,861
Mythril/Elrond Properties					
Mining rights	-	50,000	-	-	50,000
Exploration expenses	-	-	-	-	-
	-	50,000	-	-	50,000
Waconichi					
Mining rights	2,584	-	-	(2,584)	-
Exploration expenses	823,407	4,473	-	(827,880)	-
	825,991	4,473	-	(830,464)	-
Lac Edouard					
Mining rights	108,652	45,000	-	(153,652)	-
Exploration expenses	866,589	54,608	-	(921,197)	-
	975,241	99,608	-	(1,074,849)	-
Other Quebec Properties					
Mining rights	16,482	285,515	-	-	301,997
Exploration expenses	8,255	14,052	-	-	22,307
	24,737	299,567	-	-	324,304
<b>Ontario (Note 8(b))</b>					
Hearst Project					
Mining rights	-	148,254	-	-	148,254
Exploration expenses	-	213,390	-	-	213,390
	-	361,644	-	-	361,644
Other Ontario Projects					
Mining rights	-	112,126	-	-	112,126
Exploration expenses	-	217,370	-	-	217,370
	-	329,496	-	-	329,496
<b>Newfoundland (Note 8(c))</b>					
Mining rights	-	86,255	-	-	86,255
Exploration expenses	-	296,559	-	-	296,559
	-	382,814	-	-	382,814
<b>Nova Scotia (Note 8(d))</b>					
Mining rights	-	113,620	-	-	113,620
Exploration expenses	-	250,872	-	-	250,872
	-	364,492	-	-	364,492
<b>New Brunswick (Note 8(e))</b>					
Bathurst					
Mining rights	141,503	2,130	-	(143,633)	-
Exploration expenses	702,231	192,131	-	(894,362)	-
	843,734	194,261	-	(1,037,995)	-
Fundy					
Mining rights	210,750	29,219	(129,650)	(110,319)	-
Exploration expenses	962,873	4,825	-	(967,698)	-
	1,173,623	34,044	(129,650)	(1,078,017)	-
Other NB Properties					
Mining rights	17,580	78,250	-	(89,670)	6,160
Exploration expenses	10,737	286,299	-	(197,289)	99,747
	28,317	364,549	-	(286,959)	105,907
<b>Other Properties (Note 8(f)(g))</b>					
Mining rights	-	14,817	-	-	14,817
Exploration expenses	-	590	-	-	590
	-	15,407	-	-	15,407
<b>Summary</b>					
Mining rights	497,551	1,088,030	(129,650)	(499,858)	956,073
Exploration expenses	3,374,092	2,472,211	-	(3,808,426)	2,037,877
	3,871,643	3,560,241	(129,650)	(4,308,284)	2,993,950

# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

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

#### (a) Québec

Pontiac Lithium Project: In March 2022, the Company staked claims throughout the Southern Abitibi region of Québec, collectively known as the “Pontiac Lithium Project”. During the year ended December 31, 2023, the Company impaired \$769,551 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 (\$ nil during the year ended December 31, 2022).

North Shore Lithium Project: On April 19, 2022, the Company announced that claims 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 decided to discontinue exploration and evaluation activities on these properties. During the year ended December 31, 2023, the Company impaired \$358,820 of costs incurred on these properties 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 (\$ nil during the year ended December 31, 2022).

Mirage Project: 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. With this option BRW could 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 must complete \$1,000,000 in work expenditures over a three-year period.

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.

On November 22, 2023, BRW 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. In addition, the Company completed the \$1,000,000 in work expenditure requirements and have therefore acquired 100% interest in these claims.

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 (the “Definitive Agreement”), to purchase certain claims contiguous to the Mirage Project as well as an additional regional lithium grassroots claim package.

**Brunswick Exploration Inc.**  
**Notes to Financial Statements**  
**For the years ended December 31, 2023 and 2022 (in Canadian dollars)**

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**8. EXPLORATION AND EVALUATION ASSETS (continued)**

(a) Québec (continued)

Mirage Project (continued)

The terms of the 1Minerals transaction are as follows:

- Purchase transaction to buy 100% interest in claims held by 1Minerals.
- Cash payment of \$500,000 was completed as at December 31, 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 (MRE)
  - \$750,000 upon publication of a preliminary economic assessment ("PEA")
  - \$1,250,000 upon publication of a positive Feasibility Study ("FS")
- 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.

Mythril/Elrond Properties: On November 22, 2022, the Company signed 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 Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

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

#### (a) Québec (continued)

Anatacau/Plex Properties: 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”). 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, 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.

#### Other Québec Properties:

The Company owns other staked claims with lithium potential in the Province of Québec. In addition to these claims, the Company held interests in the following properties in Québec:

Waconichi: On September 1, 2020, the Company staked the Waconichi base metal property, located 40 km northeast of the town of Chibougamau, Québec. During the year ended December 31, 2022, the Company impaired \$830,464 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 Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

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

#### (a) Québec (continued)

Lac Edouard: On February 19, 2021, in addition to completing staking, the Company concluded option and purchase agreements with a private company and prospectors to acquire a 100% interest in the Lac Edouard Project, located 40 km northeast of La Tuque, Québec.

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

- Upon closing of the formal agreement, the Company paid \$15,000;
- Upon the first-year anniversary of the closing, In February 2022, the Company paid \$45,000 and completed \$100,000 in exploration expenditures;
- Upon the second-year anniversary of the closing, the Company must pay \$50,000 and complete an additional \$150,000 in exploration expenditures; and
- Upon the third-year anniversary of the closing, the Company must pay \$60,000 and complete an additional \$250,000 in exploration expenditures.

During the year ended December 31, 2022, the Company impaired \$1,074,849 of costs incurred on this property related to specific areas where claims are not expected to be renewed, where the Company has decided to discontinue exploration and evaluation activities or the assets carrying amount exceeds its recoverable amount.

#### (b) Ontario

Hearst Project: On October 3, 2022, the Company announced that it has staked and optioned multiple claim groups near Hearst, Ontario (the “Hearst Project”). 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. Cash totaling \$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 their properties. During the year ended December 31, 2023, the Company impaired \$652,120 of costs incurred on these properties 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 (\$ nil during the year ended December 31, 2022).

#### Other Ontario Properties:

The Company owns other staked claims with lithium potential in the Province of Ontario. During the year ended December 31, 2023, the Company impaired \$122,466 of costs incurred on these properties 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 (\$ nil during the year ended December 31, 2022).

#### (c) Newfoundland

On May 17, 2022, the Company announced the staking of multiple claim groups in southern Newfoundland located near the areas of Port aux Basques, Hermitage and Rencontre East. During the year ended December 31, 2023, the Company impaired \$364,390 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 (\$ nil during the year ended December 31, 2022).

# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

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

#### (d) Nova Scotia

In March 2022, the Company staked multiple claim groups in west central Nova Scotia, located 30 km from Halifax. In addition to this claim package, in June 2022, BRW acquired 100% interest in a property from a prospector 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. During the year ended December 31, 2023, the Company impaired \$266,713 of costs incurred on these properties 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 (\$ nil during the year ended December 31, 2022).

#### (e) New Brunswick

In December 2021 and March 2022, the Company staked claims located in southeastern and central New Brunswick, collectively known as the Caledonia and Catamaran projects. During the year ended December 31, 2023, the Company impaired \$109,127 of costs incurred on these properties 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 (\$286,959 during the year ended December 31, 2022). In addition to these claims, the Company held interests in the following properties in New Brunswick:

Bathurst: In August 2020, BRW entered into an option agreement, which was amended in April 2021 and approved by the TSXV on August 3, 2021 (the "Effective Date") with Osisko Metals Incorporated ("Osisko Metals") whereby it can acquire a majority interest in the Brunswick Belt exploration property located in the eastern portion of the Bathurst mining camp. This option allowed the Company to earn an interest of up to 51% by spending an aggregate of \$10,000,000 in two stages over a five-year period. During the year ended December 31, 2022, the Company decided that it did not intend to continue with this option agreement and impaired \$1,037,995 of costs incurred on this property.

Fundy: In October 2020, the Company staked gold-silver properties located west of Saint John, New Brunswick. In tandem with this staking program, on October 14, 2020, the Company closed an option agreement (amended on April 19, 2021), relating to additional claims. During the year ended December 31, 2022, the Company impaired \$1,078,017 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.

#### (f) Saskatchewan

On January 17, 2023, the Company announced the staking of multiple claim groups in Saskatchewan 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, 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. ("SRI") 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.



# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

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

#### (f) Saskatchewan (continued)

On February 20, 2023, the Company signed 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 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 (29,069 Common Shares) was completed in March 2023. The Company notified SRI and EPL that BRW has decided to discontinue exploration and evaluation activities on these properties. During the year ended December 31, 2023, the Company impaired \$200,028 of costs incurred on these properties related to specific areas where claims are not expected to be renewed, where the Company decided to discontinue exploration and evaluation activities or the assets carrying amount exceeds its recoverable amount (\$ nil during the year ended December 31, 2022).

#### (g) 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, located roughly 20 km north-west of Lynn Lake, near the border with Saskatchewan. During the year ended December 31, 2023, the Company impaired \$257,090 of costs incurred on these properties related to specific areas where claims are not expected to be renewed, where the Company decided to discontinue exploration and evaluation activities or the assets carrying amount exceeds its recoverable amount (\$ nil during the year ended December 31, 2022).

### 9. 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 1<sup>st</sup> and September 1<sup>st</sup> 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:

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

# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

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

	December 31, 2023	December 31, 2022
	\$	\$
Balance – beginning of the year	671,108	-
Liability related to flow-through shares issued	360,538	809,840
Reversal of liability related to flow-through shares	(718,783)	(138,732)
Balance – end of year	312,863	671,108

### 11. 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

Financing activities for the year ended December 31, 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”) were issued. 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 Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 11. SHARE CAPITAL (continued)

#### Financing activities for the year ended December 31, 2023 (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 \$3,367 fair value of the Compensation Warrants.

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 with the Offering, share issue costs totaled \$329,355. An amount of \$360,538 (net of share issue costs of \$22,178) was allocated to the deferred premium on flow-through shares (Note 10).

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

#### Financing activities for the year ended December 31, 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.

# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 11. SHARE CAPITAL (continued)

Financing activities for the year ended December 31, 2022 (continued):

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 10).

#### 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

#### c) December 2022

On December 22, 2022, the Company completed private placements (the "Placements") for aggregate gross proceeds of \$5,500,240.

Under the brokered private placement (the "Brokered Offering"), the Company raised gross proceeds of \$5,000,000 from the sale of the following:

- 2,666,667 Québec flow-through units (each, a "Québec FT Unit") at a price of \$0.75 per Québec FT Unit for gross proceeds of \$2,000,000; and
- 5,357,143 flow-through units of the Company (each, a "National FT Unit") at a price of \$0.56 per National FT Unit for gross proceeds of \$3,000,000.

Each Québec FT Unit and National FT Unit consists of one Common Share and one-half of one Warrant. Each whole Warrant shall entitle the holder to purchase one Common Share at a price of \$0.75 at any time on or before December 22, 2025.

# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

### 11. SHARE CAPITAL (continued)

Financing activities for the year ended December 31, 2022 (continued):

Gross proceeds from the Brokered Offering were allocated between share capital (\$4,168,552) and the Warrants (\$831,448) 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	\$0.75
Share price at date of grant	\$0.44
Risk-free interest rate	3.77%
Expected life of Warrants	3 years
Annualized expected volatility	90%
Dividend rate	-
Fair value per Warrant	\$0.21

Concurrently, the Company completed a non-brokered private placement (the “Non-Brokered Offering”), raising gross proceeds of \$500,240 from the sale of 962,000 flow-through shares a price of \$0.52 per flow-through share. Share issue costs of the Placements and the Non-Brokered Offering totaled \$588,696. An amount of \$646,980 (net of share issue costs of \$68,056) was allocated to the deferred premium on flow-through shares (Note 10).

### 12. 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	<b>9,811,175</b>	<b>0.44</b>
Issued	5,908,204	1.23
Exercised	(2,043,255)	0.43
Balance – December 31, 2023	<b>13,676,124</b>	<b>0.78</b>

The Warrants outstanding at December 31, 2023, are as follows:

Exercise price (\$)	Number	Expiry date	Weighted average remaining contractual life (years)
0.23	1,708,270	May 17, 2025	1.38
0.23	2,852,000	July 12, 2025	1.53
0.75	3,207,650	December 22, 2025	1.98
0.85	264,705	March 9, 2026	2.19
1.25	4,411,764	March 9, 2026	2.19
0.85	7,500	March 24, 2026	2.23
1.25	878,647	March 24, 2026	2.23
1.25	345,588	March 31, 2026	2.25
	13,676,124		

# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

### 13. 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 for the years ended December 31, 2023 and 2022:

	Number	Weighted average exercise price (\$)
Balance – January 1, 2022	4,000,000	0.27
Granted	2,900,000	0.23
Balance – December 31, 2022	6,900,000	0.25
Granted	2,400,000	0.83
Exercised	(100,000)	0.21
Balance – December 31, 2023	<b>9,200,000</b>	<b>0.40</b>
Exercisable Options – December 31, 2023	<b>4,133,330</b>	<b>0.27</b>

Options outstanding at December 31, 2023 are as follows:

Exercise price (\$)	Number outstanding	Number exercisable	Weighted average remaining life (Years)
\$0.48	500,000	500,000	0.4
\$0.50	200,000	200,000	1.1
\$0.21	2,000,000	1,475,000	1.7
\$0.20	300,000	225,000	1.9
\$0.37	400,000	400,000	2.3
\$0.13	400,000	266,667	2.9
\$0.40	100,000	100,000	3.2
\$0.21	2,500,000	833,330	3.5
\$0.32	400,000	133,333	3.9
\$0.83	2,250,000	-	4.3
\$0.80	150,000	-	5.0
	<b>9,200,000</b>	<b>4,133,330</b>	

For the years ended December 31, 2023 and 2022, the Company determined the fair value of the options using the Black-Scholes valuation method. The volatility was determined by reference to historical data of the Common Shares over the expected average life of the stock options. The following weighted average assumptions were used to value the stock options:

	2023	2022
Share price	\$0.83	\$0.23
Exercise price	\$0.83	\$0.23
Risk-free interest rate	3.00%	3.48%
Expected volatility	90.0%	90.0%
Dividend yield	-	-
Expected life	5.0 years	4.9 years
Weighted average fair value at grant date	\$0.587	\$0.154

For the year ended December 31, 2023, the share-based compensation costs amounted to \$802,315 (\$205,228 for the year ended December 31, 2022) for which \$701,166 was recorded in the income statement (\$189,383 for the year ended December 31, 2022) and \$101,149 was capitalized to exploration assets (\$15,845 for the year ended December 31, 2022). The offsetting credit is recorded as contributed surplus.

# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

### 14. NET LOSS PER SHARE

Due to the net loss for the years ended December 31, 2023 and 2022, all potentially dilutive common shares (Notes 12 and 13) are deemed to be antidilutive and thus diluted net loss per share is equal to the basic net loss per share for these periods.

### 15. ADMINISTRATIVE EXPENSES

	For the years ended December 31,	
	2023	2022
	\$	\$
Salaries	1,012,355	481,393
Investor relations	546,734	231,341
Professional fees	363,254	172,330
Office	233,970	132,699
Travel	230,890	112,596
Regulatory fees	195,154	50,599
	<u>2,582,357</u>	<u>1,180,958</u>

### 16. 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 years ended December 31, 2023 and 2022:

	2023	2022
	\$	\$
Salaries and short-term employee benefits (including management fees)	598,000	348,514
Share-based compensation	608,000	177,186
	<u>1,206,000</u>	<u>525,700</u>

During the years ended December 31, 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 common officers and directors.

During the year ended December 31, 2023, OGR invoiced an amount of \$82,000 in relation to professional services and rental of offices (\$53,000 for the year ended December 31, 2022). As at December 31, 2023, \$8,000 is included in trade and other payables (\$9,000 as at December 31, 2022).

During the year ended December 31, 2023, an amount of \$39,000 was invoiced by Falco for professional services (\$39,000 during the year ended December 31, 2022). As at December 31, 2023, \$4,000 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.

# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

### 17. INCOME TAXES

A reconciliation of income taxes at statutory rates (26.5%) with the taxes reported in the statement of loss and comprehensive loss for the year ended December 31, 2023 (26.5% for the year ended December 31, 2022), is as follows:

	<b>2023</b>	<b>2022</b>
	\$	\$
Net loss before income taxes	(5,919,504)	(5,690,119)
Expected income tax recovery	(1,568,669)	(1,507,882)
Non-deductible expenses	192,347	62,970
Recognition of previously unrecognized tax benefits	(82,880)	963,732
Flow-through share exploration expenditures	740,419	342,448
Net deferred income tax recovery	(718,783)	(138,732)

As at December 31, 2023, deductible timing differences for which the Company has not recognized deferred tax asset are as follows:

	<b>Federal</b>	<b>Provincial</b>
	\$	\$
Property and equipment and Intangibles assets	83,697	83,697
Mining properties	880,362	873,684
Financing fees	1,474,304	1,474,304
Non-capital losses	8,127,295	13,757,562
Capital losses	4,924,681	4,924,681
	<b>15,490,339</b>	<b>21,113,928</b>

As at December 31, 2023, the Company has tax losses that can be used to reduce future taxable income. These losses expire as follows:

<b>Expiry year</b>	<b>Federal</b>	<b>Provincial</b>
	\$	\$
2029	-	123,659
2030	-	792,215
2031	-	1,122,027
2032	-	194,017
2033	-	418,638
2034	-	222,066
2035	-	894,058
2036	-	1,065,161
2037	42,968	849,495
2038	1,698,301	1,698,301
2039	1,553,988	1,553,988
2041	938,559	938,559
2042	1,386,933	1,378,832
2043	2,506,546	2,506,546
	<b>8,127,295</b>	<b>13,757,562</b>

The ability to realize the tax benefits is dependent upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. Accordingly, deferred tax assets in the amount of \$4,751,653 have not been recognized.



# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

### 18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to various financial risks resulting from its operations. The Company's management manages the financial risks. The Company does not enter into financial instrument agreements, including derivative financial instruments for speculative purposes. The main financial risks to which the Company is exposed as well as its policies for managing such risk are detailed below:

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and other receivables. The Company reduces its credit risk by investing its cash in a Canadian institution with an A+ credit rating and by exchanging services with companies in good financial position.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities that are settled by delivering cash. To date, BRW has incurred significant operating losses and cash outflows related to its exploration activities. The Company has funded its operations in the past mainly through the issuance of equity. Management believes that it has sufficient funds to meet its obligations and existing commitments for at least the next 12 months. BRW's business plan is dependent on raising additional funds to pursue exploration and development of its projects, which may be completed in a number of ways, including the issuance of equity instruments or other types of arrangements. While Management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future, that these sources of funding will be available to the Company, or that they will be available on terms that are acceptable to the Company.

The following tables present contractual maturities (including interest payments where applicable) of the Company's liabilities as at December 31, 2023 and 2022:

	<b>2023</b>	
	<b>Less than one year</b>	<b>More than one year</b>
	<b>\$</b>	<b>\$</b>
Accounts payable and accrued liabilities	628,429	-
Lease liability	51,000	-
<b>Total</b>	<b>679,429</b>	<b>-</b>

  

	<b>2022</b>	
	<b>Less than one year</b>	<b>More than one year</b>
	<b>\$</b>	<b>\$</b>
Accounts payable and accrued liabilities	469,822	-
Convertible debentures	333,333	-
Lease liability	42,500	-
<b>Total</b>	<b>845,655</b>	<b>-</b>

# Brunswick Exploration Inc.

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022 (in Canadian dollars)

### 18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

#### Fair Value

Financial instruments that are not measured at fair value at the statement of financial position date consist of cash and cash equivalents, other receivables, accounts payable and accrued liabilities and convertible debentures. The fair values of cash and cash equivalents, other receivables, accounts payable and accrued liabilities (except tax payable, salaries payable, vacations payable and deductions at source payable), approximate their carrying values due to their short-term nature. The fair value of convertible debentures, which are level 2 and are not materially different from its carrying value because there was no material change in the assumptions used for fair value determination at inception, using the discounted cash flow method.

The fair value hierarchy has the following levels:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs for assets or liabilities that are not based on observable market data.

There were no transfers between levels during the years ended December 31, 2023 and 2022.

### 19. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure its ability to continue as a going concern, to increase the value of the assets of the business, and to provide an adequate return to its shareholders. These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, with or without partners. The Company monitors capital on the basis of the carrying amount of its equity. Capital for the reporting year is summarized in the statement of changes in equity.

The Company is not exposed to any externally imposed capital requirements, except when the Company issues flow-through shares for which an amount should be used for exploration work. See Note 21 for more information related to this.

The Company finances its exploration and evaluation activities principally by raising additional capital either through convertible debentures, share capital issuance or public offerings. When financing conditions are not optimal, the Company may enter into option agreements or use other solutions to continue its activities, or it may slow down its activities until conditions improve.

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

Changes in non-cash working capital items:	For the year ended December 31,	
	2023	2022
	\$	\$
Sales taxes and other receivables	64,872	462,126
Prepaid expenses and deposits	(160,519)	(70,267)
Accounts payable and accrued liabilities	475,605	(40,948)
	<b>379,958</b>	<b>350,911</b>

Other information not otherwise disclosed:	For the year ended December 31,	
	2023	2022
	\$	\$
Exploration and evaluation asset expenditures included in trade and other payables:		
Beginning of year	202,732	546,613
End of year	379,263	202,732
Share issue costs included in trade and other payables:		
Beginning of year	69,481	-
End of year	-	69,481
Interest paid	-	101,781

**Brunswick Exploration Inc.**  
**Notes to Financial Statements**  
**For the years ended December 31, 2023 and 2022 (in Canadian dollars)**

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**21. 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 December 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 December 31, 2023, this obligation is complete.

In November 2023, the Company received \$5,700,001 following the issuance of flow-through shares for which the Company will renounce tax deductions as at December 31, 2023. As at December 31, 2023, \$5,000,000 remains to be incurred by December 31, 2024.

**22. SUBSEQUENT EVENT**

On February 2, 2024, the Company granted stock options to directors, officers, employees and consultants to purchase up to an aggregate of 2,845,000 Common Shares. Grants are subject to a three-year vesting period and a five-year term at an exercise price of \$0.60 per Common Share.