

**BROWNSTONE ENERGY INC.**

**EARLY WARNING REPORT FILED PURSUANT TO  
NATIONAL INSTRUMENT 62-103  
SECTION 111 OF THE SECURITIES ACT (BRITISH COLUMBIA)  
SECTION 141 OF THE SECURITIES ACT (ALBERTA)  
SECTION 110 OF THE SECURITIES ACT, 1988 (SASKATCHEWAN)  
SECTION 101 OF THE SECURITIES ACT (ONTARIO)  
SECTION 147.11 OF THE SECURITIES ACT (QUEBEC)  
SECTION 107 OF THE SECURITIES ACT (NOVA SCOTIA)**

- (a) The name and address of the eligible institutional investor.**

GCIC Ltd. (“GCICL”)  
One Adelaide Street East, 29<sup>th</sup> Floor  
Toronto, Ontario  
M5C 2V9

- (b) The net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor’s securityholding percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 or the early warning requirements.**

Since our last report filed on April 12, 2011, GCICL, on behalf of the portfolios of investment funds and private client accounts managed by it, disposed of 3,559,500 common shares of Brownstone Energy Inc. (“Brownstone”). This represents a decrease of GCICL’s position in Brownstone by 3.36% on an undiluted basis and by 3.66% on a partially diluted basis, as at February 29, 2012.

- (c) The designation and number or principal amount of securities and the eligible institutional investor’s securityholding percentage in the class of securities at the end of the month for which the report is made.**

GCICL, on behalf of the portfolios of investment funds and private client accounts managed by it, exercises control or direction over 8,161,000 common shares and 3,380,000 purchase warrants of Brownstone. This represents an approximate 6.29% interest, on an undiluted basis, or an approximate 8.67% interest, on a partially diluted basis assuming the conversion of the purchase warrants into common shares, as at February 29, 2012.

- (d) The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph (c) over which:**

- (i) the eligible institutional investor, either alone or together with any joint actors, has ownership and control,**

Not applicable.

- (ii) **the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by other entities other than the eligible institutional investor or any joint actor, and**

Not applicable.

- (iii) **the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

GCICL, on behalf of the portfolios of investment funds and private client accounts managed by it, exercises control or direction over 8,161,000 common shares and 3,380,000 purchase warrants of Brownstone. This represents an approximate 6.29% interest, on an undiluted basis, or an approximate 8.67% interest, on a partially diluted basis assuming the conversion of the purchase warrants into common shares.

- (e) **The purpose of the eligible institutional investor and any joint actors in acquiring or disposing of ownership of, or control over, the securities, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.**

The securities of Brownstone over which GCICL exercises control or direction, on behalf of the portfolios of investment funds and client accounts managed by it, are held for investment purposes. These investments will be reviewed on a continuing basis and such holdings may be increased or decreased in the future.

- (f) **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the eligible institutional investor, or any joint actor, and the issuer of the securities or any other entity in connection with any transaction or occurrence resulting in the change in ownership or control giving rise to the report, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities.**

Not applicable.

- (g) **The names of any joint actors in connection with the disclosure required by this Form.**

Not applicable.

- (h) **If applicable, a description of any change in any material fact set out in a previous report by the eligible institutional investor under the early warning requirements or Part 4 (Alternative Monthly Reporting System) in respect of the reporting issuer's securities.**

Not applicable.

- (i) **GCIC Ltd. is eligible to file reports under Part 4 in respect of the reporting issuer.**

The following business units and investment funds are eligible for aggregation relief from G&C pursuant to sections 5.1 and 5.2 of National Instrument 62-103:

**Business Units**

Aurion Capital Management Inc.

**Investment Funds**

**Portfolio Advisors**

DMP Resources Class  
Dynamic Focus+ Resource Fund

Ned Goodman Investment Counsel Limited  
Toronto, Ontario, Canada

Dynamic Aurion Canadian Equity Fund  
Dynamic Aurion Tactical Balanced Fund

Aurion Capital Management Inc.  
Toronto, Ontario, Canada

Holdings for these business units and investment funds are not disclosed in this report, but may be disclosed separately by the portfolio advisor.

**DATED** this 12<sup>th</sup> day of March, 2012.

**GCIC LTD.**

Per: "Rohit Sehgal"

Name: Rohit Sehgal

Title: Vice President, Counselling and  
Chief Investment Strategist