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**BRUNSWICK**  
***Resources Inc.***

**Management Information Circular**  
For the Annual and Special Meeting of the Shareholders

to be held on June 25, 2019  
at 10:00 a.m.(E.T.) at 15 Gamble Street East, Suite 204  
Rouyn-Noranda, Quebec

**Cu  
Pb, Zn  
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**BRUNSWICK**  
**Resources Inc.**

**15 Gamble Street East Suite 204  
Rouyn-Noranda (Quebec) J9X 3B6**

**NOTICE OF THE ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of the shareholders ("**Meeting**") of Brunswick Resources Inc. (the "**Corporation**") will be held at the head office of the Corporation located at 15 Gamble Street East, Suite 204, Rouyn-Noranda (Quebec) J9X 3B6 on June 25, 2019, at 10:00 a.m. E.T. for the following purposes:

1. TO PRESENT to the shareholders the financial statements of the Corporation for the year ended December 31, 2018 and related auditors' report;
2. TO PASS a resolution fixing the number of directors of the Corporation to be four (4);
3. TO ELECT the directors of the Corporation;
4. TO APPOINT the auditors of the Corporation and authorize the Board of Directors of the Corporation to fix their remuneration;
5. TO PASS a special resolution, the full text of which is set forth in the management information circular accompanying this notice (the "**Circular**") authorizing the Corporation to change its name to "CBIO Brand Development Inc.", or such other name as is acceptable to the regulatory authorities having jurisdiction over the Corporation's affairs;
6. TO PASS an ordinary resolution of the majority of the minority shareholders, the full text of which is set forth in the Circular, authorizing and approving the Corporation to voluntarily delist its common shares from the TSX Venture Exchange and to apply to list the Corporation's common shares on the Canadian Securities Exchange, as more particularly described in the Circular;
7. TO PASS an ordinary resolution to continue the stock option plan of the Corporation; and
8. TO TRANSACT such business as any other matters that may be duly brought before the Meeting or any adjournment thereof.

A copy of the annual management reports, the financial statements and auditors' report for the year ended December 31, 2018 is available on [www.sedar.com](http://www.sedar.com) under Brunswick Resources Inc.'s profile, in the submitted documents section. This Circular includes supplementary information on questions that will be addressed at the Meeting and, as such, is an integral part of this notice.

Rouyn-Noranda, May 22, 2019.

**By Order of the Board of Directors**

"Christian Dupont"  
Christian Dupont  
President and CEO

## BRUNSWICK RESOURCES INC.

### MANAGEMENT INFORMATION CIRCULAR ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 25, 2019

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#### A. PROXY SOLICITATION INFORMATION

##### Solicitation of Proxies

This management information circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the management of Brunswick Resources Inc. (the "**Corporation**") to be used at the annual and special meeting of shareholders of the Corporation (the "**Meeting**") to be held at the time, place and for the purposes set forth in the enclosed notice of Meeting (the "**Notice**") and any adjournment thereof. Proxies may be solicited by mail, telephone, email or other personal contact by directors or officers of the Corporation. Those persons will not receive any extra compensation for those activities. The cost of such solicitation will be borne by the Corporation.

##### Appointment of Proxies

The persons named in the accompanied proxy form are directors or officers of the Corporation. **However, a shareholder has the right to appoint a person (who does not need to be a shareholder of the Corporation) other than the persons designated in the accompanied proxy form to attend and act on behalf of that shareholder at the Meeting.** To exercise this right, a shareholder should strike out the names printed on the proxy form and insert the name of the proxy of his or her own choice in the space provided for this purpose on the proxy form. Proxies must be delivered to Computershare, Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by facsimile transmission to number 1-866-249-7775, in each case no later than June 21, 2019, 10.00 a.m. E.T., or not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned Meeting. The chairman of the Meeting may waive this time limit for receipt of proxies by Computershare without notice.

A non-registered shareholder who wishes to appoint another person to represent him at the Meeting shall carefully follow the instructions of its intermediary, including those regarding when and where to send the voting instruction form or proxy is to be delivered with directions concerning the appointment of another person to represent him at the Meeting.

##### Right of Revocation of Proxies

A registered shareholder giving a proxy may revoke the proxy by instrument in writing executed by the shareholder or its agent duly authorized in writing or, if the shareholder is a corporation, by an officer duly authorized in writing, and deposited either (i) at the head office of the Corporation, the last business day before the Meeting or the date of resumption in case of adjournment, or (ii) at the office of the registrar and transfer agent of the Corporation, Computershare, Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, at the latest on June 21, 2019 or the last business day preceding the date of resumption if the Meeting is adjourned, or (iii) hand over to the Chairman of the Meeting before the Meeting or any adjournment thereof.

Only registered shareholders may revoke a proxy in the manner described above. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective intermediaries to revoke the proxy on their behalf.

##### Discretionary Power Conferred by Proxies

The common shares represented by the enclosed proxy form will be voted or withheld from voting in accordance with the instructions of the shareholder indicated on the proxy form. In the absence of any specific instructions, the common shares represented by proxies received by management will be voted "**FOR**" fixing the number of directors

at four "**FOR**" the election of the persons nominated for election as directors, as indicated under "**Election of Directors**"; "**FOR**" the appointment of the auditors and the authorization to the Board of Directors to fix their remuneration; "**FOR**" the special resolution approving the name change; "**FOR**" an ordinary resolution by the majority of the minority shareholders approving the delisting from the TSX Venture Exchange and listing on the CSE; and "**FOR**" the ordinary resolution approving the continuation of the Corporation's stock option plan.

**The enclosed proxy form confers discretionary authority upon the persons named therein with respect to amendment or variation to matters identified in the Notice of Meeting, and with respect to any other matter which may properly come before the Meeting.** At the date of this Circular, the directors of the Corporation are not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any such amendment, variation or other matter properly comes before the Meeting, the persons named in the enclosed proxy form will vote on such other business in accordance with their judgment.

### **Exercise of Voting Rights by Non-Registered Shareholders**

If you are a non-registered shareholder (that is, if your shares are registered in the name of an intermediary such as a securities broker, clearing agency, financial institution, trustee or custodian), **you should carefully follow the instructions on the request for voting instructions or proxy form that you receive from the intermediary, in order to vote the shares of the Corporation that you hold with that intermediary.**

The non-registered shareholder, who wishes to attend the Meeting and vote in person (or have another person attend and vote on behalf of the non-registered shareholder), should insert his own name (or such other person's name) in the blank space provided in the request for voting instructions or proxy form to appoint himself (or such other person) as proxy holder and then follow his intermediary's instructions for returning the request for voting instructions or proxy form.

### **Advice to Beneficial Holders of Shares**

The information set forth in this section should be reviewed carefully by the non-registered shareholders of the Corporation. Shareholders who do not hold their common shares in their own name (the "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If the common shares are not registered in the shareholder's own name, they are held in the name of a "nominee", usually a bank, trust company, securities dealer or broker or other financial institution. Applicable securities laws and regulations require nominees of Beneficial Shareholders to seek their voting instructions in advance of the Meeting. Therefore, unless a Beneficial Shareholder has previously informed its nominee that he or she does not wish to receive material relating to shareholders' meetings, he or she will receive this Circular in a mailing from its nominee, together with a form of proxy or voting instruction form. Each nominee has its own signature and return instructions. It is important that the Beneficial Shareholder comply with these instructions if he or she wants the voting rights attached to her or his shares to be exercised. If the Beneficial Shareholder which has submitted a proxy wishes to change his voting instructions, the Beneficial Shareholder should contact his nominee to find out whether this is possible and what procedure to follow.

Neither the Corporation nor its registrar and transfer agent have a record of the names of the Beneficial Shareholders of the Corporation. If a Beneficial Shareholder attends the Meeting, neither the Corporation nor the registrar and transfer agent will have knowledge of the Beneficial Shareholder's shareholdings or its entitlement to vote, unless the nominee has appointed the Beneficial Shareholder as proxyholder. Therefore, if you are a Beneficial Shareholder and wish to vote in person at the Meeting, you must insert your name in the space provided on the form of proxy or voting instruction form sent to you by your nominee. By doing so, you are instructing the nominee to appoint you as proxyholder. It is important that the signature and return instructions provided by the nominee are complied with. It is not necessary to otherwise complete the form as you will be voting at the Meeting.

All references to shareholders in this Circular and the accompanying form of proxy and Notice of Meeting are to registered shareholders, unless specifically stated otherwise.

## Record Date

The Board of Directors have fixed May 21, 2019, as the record date for purpose of determining the shareholders entitled to receive the Notice and to vote at the Meeting (the "**Record Date**").

## Voting Shares and Principal Holders Thereof

The Corporation is authorized to issue an unlimited number of common shares without par value, of which 39,880,521 common shares were issued and outstanding as of the Record Date.

Any shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a proxy in the manner specified, subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the knowledge of our directors and executive officers, the following individuals or companies beneficially own, directly or indirectly, or exercise control or direction over, common shares carrying more than 10% of all voting rights as of the Record Date:

Name of Shareholder	Number of Shares Held <sup>(1)</sup>	Percentage of Outstanding Shares <sup>(2)</sup>
Explor Resources Inc.	6,552,807	16.4%
9116-6801 Québec Inc. <sup>(3)</sup>	4,470,002	11.2%

### Notes:

- (1) Based on information provided by or in public filings made by the above entity and as of the date of the last public filings of or information provided by such entities.
- (2) Based on 39,880,521 shares issued and outstanding as of the Record Date.
- (3) 9116-6801 Quebec Inc. is a private a company controlled by Rodrigue Tremblay, who was the Chief Financial Officer and a director of the Corporation until December 10, 2018.

## Interest of Certain Persons in Matters to be Acted Upon

At the date of this Circular, to the best of its knowledge and except as disclosed this Circular, management of the Corporation is not aware of any director or executive officer, present or nominated hereunder, or any associate or affiliate of such persons, who, since the beginning of the Corporation's last financial year, has an interest, direct or indirect, in any matter to be acted upon at the Meeting, except that such persons may be directly involved in the normal business of the Meeting or the general affairs of the Corporation.

## B. MATTERS TO BE ACTED UPON AT THE ANNUAL AND SPECIAL MEETING

On February 28, 2019, the Corporation entered into a letter of intent with CBIO Brand Development Inc., a private British Columbia company ("**CBIO**") to complete a reverse takeover transaction (the "**Proposed Transaction**"). Under the Proposed Transaction, it is proposed that the Corporation will be ask for voluntary delisting from TSX Venture Exchange ("**TSXV**"), will apply for listing on the Canadian Securities Exchange (the "**CSE**") and will be renamed. The resulting issuer will carry on the business of CBIO as currently constituted. Information on the Proposed Transaction and on CBIO is provided under "*Information on CBIO and the Proposed Transaction*" under item 9 of this Section B.

Completion of the Proposed Transaction is subject to a number of conditions and there can be no assurance that the Corporation will complete the Proposed Transaction.

Certain of the matters set forth below relate to or may be impacted by the Proposed Transaction.

### 1. Financial Statements

The audited financial statements of the Corporation for the financial year ended December 31, 2018 and the

independent auditor's report thereon will be presented before the Meeting. The audited financial statements have been mailed to shareholders who have informed the Corporation that they wish to receive a copy of such documents. No vote will be taken on the audited financial statements. These financial statements were filed on SEDAR at [www.sedar.com](http://www.sedar.com). Additional copies of the financial statements may be obtained from the Corporation on request.

## 2. Fix Number of Directors to Be Elected at Meeting

Shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution. At the Meeting, it will be proposed that four (4) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, the persons named in the form of proxy intend to vote "FOR" the ordinary resolution fixing the number of directors to be elected at the Meeting at four (4).**

## 3. Election of Directors

Directors serve one year term with the full board being elected at each annual meeting. **The persons named in the enclosed proxy form intend to vote FOR the election of each of the nominees whose names are listed below, unless the shareholder has specified on his or her proxy form that his or her shares are to be withheld from voting in regard to the election of directors.** Management does not anticipate that any of the nominees for election as directors will, for any reason, become unable or unwilling to serve as a director. If that should occur for any reason prior to the Meeting, the persons named in the enclosed proxy form reserve the right to vote for another nominee of their choice. Management proposes that the following nominees be elected as directors of the Corporation. The information on nominees has been furnished by respective nominees individually. All the nominees indicated below have been elected as directors at a previous annual meeting for which an information circular including the complete description of their occupation was sent to shareholders.

NAME, CITY, PROVINCE OF STATE AND COUNTRY OF RESIDENCE AND OFFICE HELD WITH THE CORPORATION	PRINCIPAL OCCUPATION	DATE OF ELECTION TO THE BOARD OF DIRECTORS	NUMBER OF COMMON SHARES ON WHICH CONTROL WAS EXERCISED AS AT RECORD DATE
<b>Christian Dupont</b> <sup>(1)</sup> Janeville, New Brunswick, Canada Chief Executive Officer and Director	Mining Engineer, President and Chief Executive Officer of Explor Resources Inc. since October 2005 and of the Corporation since December 2013	December 2013	3,548,497
<b>Geoffrey Carter</b> <sup>(1)</sup> Whitby, Ontario, Canada Director	Mining Engineer	December 2013	0
<b>Mario Colantonio</b> <sup>(1)</sup> Timmins, Ontario, Canada Chief Financial Officer and Director	Civil Engineer	December 2013	0
<b>Laurent Hallé</b> Fabre, Québec, Canada Director	Geologist, Self-employed consultant	March 2010	25,000

Notes:

(1) Member of the Audit Committee.

The terms of the Proposed Transaction provide that upon completion of the Transaction, the nominees set forth above will be replaced with nominees of CBIO. Further information regarding such individuals is set forth in the Corporation's news release dated March 4, 2019, available from the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Penalties, Sanctions, Cease Trade Orders or Bankruptcies: Except as disclosed hereunder, no proposed director is as at the date hereof, or has been within the last ten years of the date hereof, a director or executive officer of any Corporation (including the Corporation) that, while he was acting in such capacity: (i) was the subject of a cease trade or similar order, or an order that denied the relevant Corporation access to any exemption under securities legislation for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the Corporation being the subject of a cease trade or similar order or an order that denied the relevant Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days; (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets; (iv) was subject to penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (v) was subject to any other penalties or sanctions imposed by a court or regulatory body. No proposed director has, within ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Christian Dupont was a director of Treegenic Gold Corporation until January 2010. The Autorité des marchés financiers du Québec issued a cease trading order on the shares of this reporting issuer on September 28, 2004 in reason of the default of filing the financial statements required under the Securities Act (Quebec), which was revoked in March 2013. Laurent Hallé was a director of Lounor Exploration Inc. from December 2012 to October 2016. The Autorité des marchés financiers du Québec issued a cease trading order on the shares of this reporting issuer on October 4, 2013 in reason of the default of filing the financial statements required under the Securities Act (Quebec). Lounor Exploration Inc. has filed a proposal under the *Bankruptcy and Insolvency Act* on July 22, 2013, amended on August 16, 2013, November 4, 2013, June 2, 2014 and October 6, 2016. On October 27, 2016, the creditors rejected the third amended proposal and Lounor Exploration Inc. made an assignment in bankruptcy.

#### **4. Appointment of Auditors**

Dallaire & Lapointe Inc. of Rouyn-Noranda, Quebec, have been the auditors of the Corporation since its financial year ended December 31, 2009. Management proposes that Dallaire & Lapointe Inc. be reappointed as the auditors of the Corporation for the financial year ending December 31, 2019 and that the Board of Directors be authorized to fix their remuneration.

**The persons named in the enclosed proxy form intend to vote FOR the reappointment of Dallaire & Lapointe Inc. as auditors of the Corporation and the authorization to the Board of Directors to fix their remuneration unless the shareholder specifies that his or her proxy form be withheld from voting thereon.**

#### **5. Name Change**

At the Meeting, shareholders will be asked to consider, and if thought fit, to pass, with or without variation, a special resolution to authorize the Corporation to change the name of the Corporation (the "**Name Change**") in connection with the Proposed Transaction. Upon completion of the Proposed Transaction, CBIO will become a wholly-owned subsidiary of the Corporation and for consistency purposes it is proposed that the Corporation will be renamed CBIO Brand Development Inc. and will carry on the business of CBIO as currently constituted. Further information regarding the Proposed Transaction is provided under item 9 of this Section B and is available in the Corporation's news releases and other disclosure documents available at [www.sedar.com](http://www.sedar.com).

The completion of the Proposed Transaction is subject to a number of conditions and there can be no assurance that the Corporation will complete the Transaction.

Shareholders will be asked to approve the Name Change by passing a special resolution at the Meeting, in substantially the form set forth below (the "**Name Change Resolution**"):

**"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

- (a) The board of directors of the Corporation be authorized to undertake and complete the name change of the Corporation and any one director or officer of the Corporation be authorized to negotiate and settle the form of documents required in respect thereof, including any supplements or amendments thereto and including, without limitation, the documents referred to below.
- (b) The name of the Corporation be changed from "Brunswick Resources Inc." to "CBIO Brand Development Inc.", or such other name as the board of directors of the Corporation may, in their sole discretion, determine, and as may be approved by the applicable regulatory authorities.
- (c) Any one director or officer of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation to execute and deliver all such documents and instruments required including the execution and filing of Articles of Amendment with the Director appointed under the *Business Corporations Act* (Alberta).
- (d) Notwithstanding the approval by the shareholders of the Corporation of this special resolution, the board of directors of the Corporation is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with the name change and the transactions contemplated thereby without further approval, ratification or confirmation by the shareholders of the Corporation."

For the Name Change to be completed, the Name Change Resolution must be passed by two-thirds (66 2/3%) of the votes cast by the shareholders of the Corporation present in person or by proxy at the Meeting.

Irrespective of whether the Name Change Resolution is approved at the Meeting, the Board may elect not to proceed with the Name Change and other transactions contemplated in the Name Change Resolution at the Board's discretion.

**The persons named in the enclosed proxy form intend to vote FOR the approval of the Name Change unless the shareholder specifies that his or her proxy form be voted against the resolution or withheld from voting thereon.**

## **6. Delisting from the TSX Venture Exchange**

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution authorizing the Corporation to voluntarily delist (the "**Delisting**") the Corporation's common shares from the TSXV and apply to list the common shares on the Canadian Stock Exchange (the "**CSE**"). The implementation of the Delisting is conditional upon the Corporation obtaining any necessary regulatory consents.

The Delisting is being sought based on that a listing on the CSE would provide a more advantageous market environment to the Corporation's business following completion of the Proposed Transaction with CBIO.

The Corporation proposes to complete the Proposed Transaction after the Delisting and prior to listing its common shares on the CSE. The completion of the Proposed Transaction is subject to a number of conditions and there can be no assurance that the Corporation will complete the Transaction.

In accordance with TSX-V policies, the Delisting must be approved by a majority of the votes cast by the holders of common shares who vote at the Meeting, other than Promoters, directors, officers or other insiders of the Corporation and their Associates and Affiliates (the "**Delisting Resolution**"). To the knowledge of the Corporation and its directors and officers after reasonable inquiry, it is expected that the votes in respect of an aggregate of **14,596,306** common shares, being shares held or controlled by Promoters, directors, officers or other insiders of the Corporation and their respective Associates and Affiliates, and representing approximately **36.6%** of the issued and outstanding common shares as at the Record Date, will be excluded in determining whether approval of the Delisting Resolution is obtained.



The Delisting Resolution to be presented at the Meeting shall substantially be in the form set forth below:

**"BE IT RESOLVED THAT:**

- (a) The Corporation is hereby authorized to voluntarily delist its securities from the TSX Venture Exchange.
- (b) The Corporation is further hereby authorized to seek approval from the Canadian Stock Exchange, or other qualified stock exchange, to list its securities for public trading.
- (c) Notwithstanding that these resolutions have been duly approved by the shareholders of the Corporation, the board of directors of the Corporation, in its sole discretion and without the requirement to obtain any further approval from the shareholders of the Corporation, is hereby authorized and empowered to revoke this resolution at any time before it is acted upon without further approval from the shareholders.
- (d) Any one director or officer of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation to execute and deliver all such documents and instruments required to give effect to this resolution.
- (e) Notwithstanding the approval by the shareholders of the Corporation of this resolution, the board of directors of the Corporation is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with the delisting from the TSX Venture Exchange without further approval, ratification or confirmation by the shareholders of the Corporation."

Irrespective of whether the Delisting Resolution is approved at the Meeting, the Board of Directors may elect not to proceed with the Delisting, at the Board's discretion.

**The persons named in the enclosed proxy form intend to vote FOR the approval of the Delisting unless the shareholder specifies that his or her proxy form be voted against the resolution or withheld from voting thereon.**

**7. Stock Option Plan of the Corporation**

Shareholders will be asked to approve the continuation of the Corporation's Stock Option Plan pursuant to which 10% of the Corporation's issued and outstanding shares are set aside and reserved for stock options on a rolling basis. The Stock Option Plan of the Corporation was approved by the shareholders of the Corporation at the annual and special meeting of shareholders held on February 26, 2010 and has not been modified since that date. See Section "**Securities Authorized for Issuance under Equity Compensation Plans**" in this Circular for more information on the stock option plan of the Corporation.

**The persons named in the enclosed proxy form intend to vote FOR the ordinary resolution approving the continuation of the stock option plan of the Corporation unless the shareholder specifies that his or her proxy form be voted against the resolution or withheld from voting thereon.**

Other Business

The management of the Corporation is not aware of any other matters to come before the Meeting, other than those set out in the Notice of the Meeting or in this Circular. If other matters come before the Meeting, it is the intention of the person's name in the accompanying form of Proxy to vote the same in accordance with their best judgment.

## 8. Information on CBIO and the Proposed Transaction

On March 4, 2019, the Corporation announced that it has entered into a letter of intent, dated February 28, 2019, with CBIO Brand Development Inc. ("**CBIO**") to complete a reverse takeover transaction (the "**Proposed Transaction**"). In addition and in connection with the Proposed Transaction, CBIO will undertake a private placement of minimum gross proceeds of \$750,000 (the "**Minimum Financing**") and maximum gross proceeds to \$1,000,000 (the "**Maximum Financing**").

Upon the closing of the Proposed Transaction, it is proposed that Brunswick will be listed on the CSE and will be renamed accordingly (the "**Resulting Issuer**"). The Resulting Issuer will carry on the business of CBIO as currently constituted.

The Proposed Transaction will be carried out by way of a share exchange, merger, amalgamation, arrangement, takeover bid, or other similar form of transaction which will result in CBIO becoming a wholly-owned subsidiary of Brunswick or otherwise combining its corporate existence with a wholly-owned subsidiary of Brunswick. Subject to regulatory and other required approvals, and the satisfaction of other conditions contained in a definitive agreement between Brunswick and CBIO (the "**Definitive Agreement**"), Brunswick will acquire all the issued and outstanding shares of CBIO (the "**CBIO Shares**").

Former CBIO shareholders will receive one common share in the capital of the Resulting Issuer ("**Resulting Issuer Shares**") in exchange for each CBIO Share held by them (the "**Exchange Ratio**"). There are currently 6,900,000 CBIO Shares issued and outstanding, and assuming completion of the Maximum Financing there will be an additional 10,000,000 CBIO Shares outstanding. As a result, up to 16,900,000 Resulting Issuer Shares may be issued.

In connection with the Proposed Transaction, CBIO will also undertake a placement (the "**Private Placement**") of its common shares at a price of \$0.10 per common share which is expected to close shortly prior to the closing of the Proposed Transaction. The Private Placement is currently anticipated to raise aggregate gross proceeds of a minimum of \$750,000 to a maximum of \$1,000,000. The CBIO shares issued will be exchanged in accordance with the share Exchange Ratio upon the closing of the Proposed Transaction.

Brunswick currently has 39,880,521 common shares issued and outstanding ("**Brunswick Shares**"), which are to be consolidated on a five for one basis prior to the closing of the Proposed Transaction. Shareholders of Brunswick approved the share consolidation at Brunswick's annual and special meeting held on June 12, 2018.

### CBIO Brand Development Inc.

CBIO is a hemp-derived CBD products development company based in Vancouver, Canada. CBIO is focused on developing hemp-derived CBD brands that target mainstream consumers through highly engaging and relatable branding and marketing strategies.

CBIO's strategy is to target two segments of the consumer market, the first being those curious about CBD products and their implied benefits to one's health, and the second being those who are seeking general relief from anxiety, sleep issues, general pain, chronic pain, muscle and joint pain, improved gut health, and overall wellbeing.

CBIO determined its target market segments through rigorous market testing of key consumer trends, most searched ailments, and focus groups dedicated to natural health remedies, wellness products, and general health supplement trends.

CBIO has contracted with GrowthCell Global Corp., to provide uniquely formulated products containing the patented oligopeptide + CBD raw ingredient. These products have shown, through recent published testing, to increase the bioavailability of nutraceuticals, in this instance CBD, and increase stamina, stimulate dormant cells, and provide for increased homeostasis of the body.

CBIO is launching their first commercialized product line, Armourgenix™ Sport, in the US marketplace through a strategic National Distribution Agent in mid-June 2019.

CBIO will launch additional brands in succession throughout the balance of 2019 and into 2020 which will showcase an elevated mainstream marketing approach that focusses on being approachable to the masses while providing cost effective relief from many ailments plaguing the US population.

CBIO has taken a strong approach to marketing its launch brand, Armourgenix™ Sport, by engaging In Health Media for its B2B strategy, AdGeivity for its corporate awareness, and various key social media management platforms to create both brand continuity and tangibility in the marketplace.

In conclusion, CBIO understands that the hemp-derived CBD market is headed directly for mainstream success and is becoming imbedded in consumer's buying habits at a rapid pace and will quickly become the leader in the Cannabis sector. Soon buying hemp-derived CBD products at your local grocer or big box store will be a daily occurrence and CBIO expects to have earned its shelf place and the trust of consumers throughout the USA.

### C. DIRECTORS AND NAMED EXECUTIVE OFFICERS COMPENSATION

#### Compensation of the Named Executive Officers

The following table sets forth the information required under *Form 51-102F6V-Statement of Executive Compensation-Venture Issuers of Regulation 51-102 respecting Continuous Disclosure Obligations* (the "**Form 51-102F6V**"), regarding all compensation paid, payable, granted or otherwise provided to all persons acting as directors or as "**Named Executive Officers**" (the "**NEOs**"), of the Corporation, as defined in Form 51-102F6. The information is presented for each of the financial years ended December 31, 2018 and 2017. The Chief Executive Officer (the "**CEO**") and the Chief Financial Officer (the "**CFO**") were the only NEOs of the Corporation for the years ended December 31, 2018 and 2017. Christian Dupont is the President and CEO and Rodrigue Tremblay was CFO of the Corporation until December 10, 2018.

#### Summary Compensation Table

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation, to the NEOs for the financial years ended December 31, 2018, and 2017.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$) <sup>(2)</sup>	Value of all other compensation (\$) <sup>(3)</sup>	Total compensation (\$)
Christian Dupont President, CEO & Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Rodrigue Tremblay CFO & Director until December 10, 2018	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Geoffrey Carter Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Mario Colantino Director CFO since December 10, 2018	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Laurent Hallé Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) This number represents amounts paid to a private company controlled by the CEO of the Corporation as mining engineer and consultant fees for services rendered to the Corporation by Christian Dupont. This private company does not employ or retain any other individual to act as Neo or director of the Corporation. See the heading "**Interests of Management of the Corporation and Others in Material Transactions**" for other amounts paid to this company and Christian Dupont other than amounts paid as compensation or for services rendered to the Corporation.
- (2) The value of perquisites is indicated only if such perquisites are not generally available to all employees of the Corporation and that, in aggregate, their total value for the year are greater than: a) \$15,000, if the NEO or director's total salary is \$150,000 or less; or b) 10 % of NEO or director salary, if such total salary is greater than \$150,000 but less than \$500,000.
- (3) The Corporation has not concluded employment, consulting or management agreements providing payments to a NEO or to a director in case of change of control, severance, termination or constructive dismissal. Furthermore, the Corporation does not offer any retirement plan or defined benefit or contribution plans in favor of its NEOs and directors.

The Board of directors of the Corporation (the "**Board**") has no compensation committee. Considering its actual small size, the Board assumes the responsibility to establish the objectives of the Corporation's executive compensation program which are to attract, motivate, engage and retain qualified, high performance individuals and to meet performance objectives designed to increase shareholder returns. The Board: (i) establishes the objectives that will govern the Corporation's compensation program for the NEOs and the directors; (ii) oversees and approves the compensation and benefits to the NEOs; (iii) oversees the Corporation's stock option plan; and (iv) promotes the clear and complete disclosure to shareholders of material information regarding executive compensation.

### **Compensation Process and Objectives**

The Board relies on the knowledge and experience of its members to set appropriate levels of compensation for the NEOs. The Board reviews the NEOs compensation on an annual basis and, in doing such task, it evaluates the NEOs achievements during the preceding year. The Corporation has not retained any third party advisors to conduct compensation reviews of its competitors' pay levels and practices. The Corporation is an exploratory stage mining company and is not generating, nor expecting to generate revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Board to be appropriate in the evaluation of corporate of NEOs performance. The compensation of the senior officers is based, in substantial part, on industry compensation practices, trends in the mining industry as well as achievement of the Corporation's business plans. An important element of the compensation is the grant of stock options, which does not require cash disbursement from the Corporation.

Currently, the compensation arrangements for the Corporation's NEOs are composed of two components: (i) the payment of consulting fees, as appropriate; and (ii) the grant of stock options. A competitive remuneration is aimed to attract and retain skilled persons necessary to achieve corporate objectives. The grant of stock options is aimed to motivate and reward senior officers to increase shareholder value by the achievement of long-term corporate strategies and objectives.

The Corporation does not offer benefit programs, such as life insurance and health and dental benefits. Where NEOs receive other perquisites (such as car allowances or company vehicles), they reflect competitive practices, business needs and objectives.

#### *Consulting Fees*

Consulting fees are reviewed annually by the Board to ensure they reflect a balance of market conditions, the level of responsibilities, the skill and competencies of the individual, retention considerations as well as the level of demonstrated performance. During the year ended December 31, 2018, none of the NEOs received any consulting fees.

#### *Stock Options*

The Corporation has implemented a stock option plan (see "**Securities Authorized for Issuance under Equity Compensation Plans**" elsewhere in this Circular) to provide its officers, including NEOs, directors, employees and consultants with a long-term incentive for performance and commitment to the Corporation.

The Corporation believes that participation by the NEOs and directors in the stock option plan aligns their interests with those of the Corporation's shareholders, as the NEOs and directors are rewarded for the Corporation's performance as evidenced by share price appreciation. In determining the number of options to be granted, the number and term of options previously granted, individual and team responsibilities and functions, position, individual performance and projected contribution are considered. Management proposes the number of options and names of the optionees and the Board reviews and approves the grant and sets the exercise price (based on the current market price of the Corporation's shares on the TSX Venture Exchange) and the expiry date.

### Incentive Plan Awards

The following table indicates all compensation securities granted to each director and NEO by the Corporation in the financial year ended December 31, 2018, for services provided or to be provided, directly or indirectly, to the Corporation. The Corporation did not grant any option-based awards to any of its NEOs or directors during its last 2 financial years.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities and underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Christian Dupont, President and CEO	Common shares stock options	0	N/A	N/A	N/A	N/A	N/A
Rodrigue Tremblay, CFO	Common shares stock options	0	N/A	N/A	N/A	N/A	N/A
Geoffrey Carter, director	Common shares stock options	0	N/A	N/A	N/A	N/A	N/A
Mario Colantonio, director	Common shares stock options	0	N/A	N/A	N/A	N/A	N/A
Laurent Hallé, director	Common shares stock options	0	N/A	N/A	N/A	N/A	N/A

During the financial year ended December 31, 2018, no stock option was exercised by a director or a NEO of the Corporation. There are currently no options outstanding under the Corporation's stock option plan.

### Pension and Retirement Plans

The Corporation does not have any pension plan that provides for payments or benefits at, following, or in connection with retirement of any officer.

### Termination and Change of Control Benefits

There is no contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in the NEO's responsibilities.

### Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at December 31, 2018, which is the end of the Corporation's most recently completed financial year.

<b>Plan Category</b>	<b>Number of Securities to be issued upon exercise of outstanding options</b>	<b>Weighted average exercise price of outstanding options</b>	<b>Number of securities remaining available for issuance under equity compensation plans</b>
Equity compensation plans approved by securityholders	Nil	N/A	3,988,025
Equity compensation plans not approved by securityholders	N/A	N/A	N/A

Pursuant to its current stock option plan approved by the shareholders at the annual and special meeting held on February 26, 2010 (the "**Stock Option Plan**"), the Corporation may, from time to time, grant to eligible directors, officers, employees and consultants of the Corporation or of a management company employee, options to acquire common shares of the Corporation in such number, at such exercise prices, and for such terms as may be determined by the Board, subject to a limit of 10% of the total issued and outstanding Common Shares, from time to time. As of December 31, 2018, the Corporation did not have any stock option outstanding.

The maximum number of common shares which may be reserved for issuance to any one person pursuant to stock options during a twelve-month period may not exceed 5% of the common shares outstanding at the time of grant (on a non-diluted basis). No more than 2 % of the issued shares of the Corporation may be granted to any one consultant in any 12 month period. No more than 2 % of the issued shares of the Corporation may be granted to a person conducting investor relations activities in any 12 month period. The Board may determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist.

The exercise price shall not be less than the market price of the Common Shares on the TSX Venture Exchange, or such other exchange on which the Common Shares are listed, less the maximum discount permitted under the policies of the Exchange.

All options must be exercised no later than 10 years from the date of the grant and they are not transferable other than by will or by the laws of descent and distribution. If a participant to the Stock Option Plan ceases to act as such for any reasons except for cause, such participant shall have the right for a reasonable period (to be determined by the Board) following the date on which such person ceased to be a participant under the Stock Option Plan to exercise the options with respect to all options shares of such participant to the extent they were exercisable on the date of ceasing to be a participant. In the event of the death of a participant, his legal representatives shall have a period of one year from this death to exercise the rights of the deceased participant.

#### **Indebtedness of Directors and Executive Officers**

During the financial years ended December 31, 2018 and 2017 and as at the date of this Circular, none of the directors, executive officers, employees or previous directors, executive officers or employees of the Corporation was indebted to the Corporation with respect to the purchase of securities of the Corporation and for any other reason pursuant to a loan.

#### **Interests of Management of the Corporation and Others in Material Transactions**

To the knowledge of the executive officers of the Corporation, except what is disclosed elsewhere in this Circular and in the annual financial statements of the Corporation for the financial year ended December 31, 2018 (refer to Note entitled "*Related Party Transactions*" in the financial statements), no insider or proposed director of the Corporation, nor any associate or affiliate of any informed person or proposed director, has or had, directly or indirectly, any material interest in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

## **D. AUDIT COMMITTEE INFORMATION**

National Instrument 52-110 *Audit Committees* ("NI- 52-110") requires the Corporation, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

### **Audit Committee Mandate and Terms of Reference for Chair**

The mandate and responsibilities of the audit committee of the Corporation (the "**Audit Committee**") are attached hereto as Schedule "A".

### **Composition and Relevant Education**

The Audit Committee is presently composed of Christian Dupont, CEO, Geoffrey Carter and Mario Colantonio. Mr. Carter is an independent member of the Audit Committee and Mr. Colantonio was independent until he was appointed Chief Financial Officer on December 10, 2018. Mr. Dupont is a non-independent member due to his role as Chief Executive Officer of the Corporation. A director is "independent" if he has no direct or indirect material relationship with the issuer, that is, a relationship which could, in the view of the Board of Directors, reasonably be expected to interfere with the exercise of the member's independent judgment.

The Board of Directors has determined that each of the three members of the Audit Committee is "financially literate" within the meaning of NI 52-110, that is, each member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

#### *Geoffrey Carter*

Mr. Carter is a mining engineer and has a B.Sc. degree in mining engineering from the University College Cardiff, University of Wales, Cardiff, Britain. Mr. Carter is a member of the Association of Professional Engineers of Manitoba. Since 1991, Mr. Carter has been employed by Broad Oak Associates, an association of mining industry professionals who assist in the preparation of technical reports and feasibility studies and the facilitation of corporate finance activities. Mr. Carter has been active in the mining industry since the late 1960s. He has held positions with Anglo American plc, Hudson Bay Mining & Smelting Co. Limited, Inspiration Mining Corporation (Vice-President). Mr. Carter has been a director and President of Ourominas Minerals Inc., director of Bankers Petroleum Ltd. and Trans Atlantic Enterprises Inc and has been a director of Explor Resources Inc. since January 2008.

#### *Christian Dupont*

Mr. Dupont is a mining engineer and has a B.Eng. Degree from Nova Scotia Technical College, Halifax, Nova Scotia. Mr. Dupont has been active in the mining industry since the early 1970's. Mr. Dupont has occupied several positions in the mining field. He has been senior mining engineer for Noranda and Chief Engineer for Exall Resources Inc. Mr. Dupont was also president and director of Kayorum Gold Mines Ltd., from 1992 to 1997 and vice-president of the same company in 1998. Between 1997 and 1998, he was also a director of Fieldex Exploration Inc. From 1997 to 2001, he was responsible of project management for Luzenac Inc., and from 2001 to 2006 he was vice-president and director of TOM Exploration Inc. From December 2010 to November 2013, he was a director of Abcourt Mines Inc. and has been a director and President of Explor Resources Inc. since October 2005.

#### *Mario Colantonio*

Mr. Colantonio is a professional engineer and has been active in the mining industry since the mid 1980's. He received a B.S.C. degree in civil engineering from Queen's University, Kingston, Ontario in 1985. His primary focus has been the engineering and management for capital and maintenance projects for mine/mill infrastructures including feasibility studies. He has held senior engineering management positions for AMEC and is presently president of a

privately owned engineering consulting firm. Mr. Colantonio has been a director of Explor Resources Inc. since May 2009.

### **Audit Committee Oversight**

At no any time since the commencement of the Corporation’s financial years ended December 31, 2017 and 2018, a recommendation of the Audit Committee to nominate or compensate an external auditor was not adopted by the Board of Directors of the Corporation.

### **Pre-Approval of Policies and Procedures**

The Audit Committee shall review and pre-approve all non-audit services to be provided to the Corporation by its external auditors.

### **Reliance on Certain Exemptions**

As a venture issuer, the Corporation is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of some of its reporting obligations under this Instrument.

### **External Auditor Service Fees**

<b>Nature of Services</b>	<b>Year ended December 31, 2018</b>	<b>Year Ended December 31, 2017</b>
Audit Fees <sup>(1)</sup>	\$15,000	\$12,000
Audit-related Fees <sup>(2)</sup>	\$0	\$0
Tax Fees <sup>(3)</sup>	\$0	\$0
All Other Fees <sup>(4)</sup>	\$0	\$0

Notes:

- (1) Correspond to the aggregate fees billed by the Corporation's external auditor for audit services provided to the Corporation.
- (2) Correspond to the aggregate fees billed by the Corporation's external auditor for assurance and related services provided to the Corporation that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under item "Audit Fees".
- (3) Corresponds to the aggregate fees billed by the Corporation's external auditor for professional services provided to the Corporation regarding tax compliance, tax advice and tax planning.
- (4) Corresponds to the aggregate fees billed by the Corporation's external auditor for products and services provided to the Corporation other than the services reported under items "Audit Fees", "Audit-Related Fees" and "Tax Fees".

## **E. CORPORATE DISCLOSURE**

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires issuers to disclose the corporate governance practices that they have adopted. Set forth below is a description of the Corporation’s current corporate governance practices.

**Board of Directors** – *Disclose how the board of the directors (the Board) facilitates its exercise of independent supervision over management, including:*

- (a) *the identity of directors that are independent,*

Geoffrey Carter and Laurent Hallé are independent directors.

- (b) *the identity of directors who are not independent, and the basis for that determination,*

Christian Dupont, President and CEO is not independent because of his officer duties for the Corporation and Mario Colantonio is not independent because of his officer duties as CFO of the Corporation.



**Directorship** – *If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.*

The only directors who are presently also directors of other issuers are:

- Christian Dupont, director of Explor Resources Inc.;
- Geoffrey Carter, director of Explor Resources Inc.
- Mario Colantonio, director of Explor Resources Inc.

**Orientation and Continuing Education** – *Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors. Briefly describe what measures the Board takes to orient new directors regarding (i) the role of the Board, its committees and directors, and (ii) the nature and operation of the issuer’s business.*

Management of the Corporation undertakes to provide a detailed report of the current status of the Corporation’s operations to the Board at each meeting and a question and answer period follows. Management meets with new nominee directors to provide an informal verbal orientation to the Corporation’s business and operations and information on the role and responsibilities of the directors and insiders of the Corporation.

**Nomination of Directors** – *Disclose what steps, if any, are taken to identify new candidates for Board nomination, including (i) who identifies new candidates; and (ii) the process of identifying new candidates.*

Nomination and review of potential new directors is reviewed by the complete Board and the President.

**Compensation** – *Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including (i) who determines compensation, and (ii) the process of determining compensation.*

The Board does not have a compensation committee. The current size of the Board allows the entire Board to take the responsibility for considering compensation for the Corporation’s executive officers and directors. Except for the issuance of incentive stock options from time to time, the Corporation does not compensate its directors for their capacity as such. The Corporation provides the CEO with consulting fees which represent his compensation for services rendered during the year, on an hourly rate basis. CEO’s consulting fees are reviewed annually by the Board. The Corporation paid the CEO monthly consulting fees at a fixed rate in the previous years as his capacity as CEO but has not paid any compensation since 2012. There is no employment agreement with the CEO and CFO nor any officer of the Corporation.

**Other Board Committees** – *If the Board has standing committees other than the audit, compensation and nominating committees identify the committees and describe their function.*

The Board does not have any standing committee other than the Audit Committee.

**Assessments** – *Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees and its individual directors are performing effectively.*

No formal steps are in place; however, performance is reviewed informally. The Board believes that its small size facilitates informal discussions and the evaluation of members’ contributions with that framework.

**F. ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Any shareholders wishing to obtain a copy of the Corporation's financial statements and any Management Discussion & Analysis may write to the President of the Corporation at its head office and request a copy of same.

**G. DIRECTORS' APPROVAL**

The contents and the sending of this Circular have been approved by the Board of Directors of the Corporation.

May 22, 2019

*(S) Christian Dupont*

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Christian Dupont  
President and CEO

## SCHEDULE "A"

### BRUNSWICK RESOURCES INC. (the "Corporation")

#### AUDIT COMMITTEE CHARTER

This Charter was adopted in conformity with *National Instrument 52-110 on the Audit Committee* ("NI-52-110"). The Audit Committee Charter sets out the mandate and responsibilities of the Audit Committee (hereinafter described as the "Audit Committee" or the "Committee") and describes the qualifications and status required to become a member. The Committee reviews its charter periodically and, as required, makes recommendations to the Board of Directors (hereinafter described as the "Board of Directors" or the "Board") as to any changes to be made.

#### 1. Overall Purpose - Role of Audit Committee

The Committee is a committee of the Board to whom the Board has delegated the responsibility of reviewing the financial reporting process. The Audit Committee has a general mandate to assist the Board in fulfilling its responsibilities with regard to the financial information of the Corporation and its accounting practices, mainly in the process of reporting and disclosure. In this context, the Committee:

- ensures the reliability and the integrity of the Corporation's financial statements and financial information, as well as other information made public by the Corporation;
- supervises the management of accounting systems and internal controls;
- assists in ensuring proper communications between the directors and the external auditors;
- supports the independence of the external auditors;
- supports the duties of the external directors in facilitating in-depth discussions between the directors members of the Audit Committee, Management and the external auditors;
- supervises the activities of the external auditors appointed to carry out an audit or to perform other related services; and
- recommends to the Board the appointment of the external auditors and their remuneration.

The Committee has the authority to examine and make recommendations on any question brought to its attention. The Committee, in carrying out this mandate, has access, upon request, to all relevant information concerning the Corporation's operations, whether this information is in the hands of the Corporation, a subsidiary or a related person.

The Committee may, at his own discretion, use the services of outside consultants.

#### 2. Committee Responsibilities - Audit

In general, the Committee's mandate is to supervise the reporting and disclosure processes of the Corporation and to report on its activities to the Board.

The Committee must ascertain that adequate procedures are in place to review the public disclosure by the Corporation of financial information extracted or derived from its financial statements and must periodically assess the adequacy of these procedures.

The Committee must establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the Corporation, if any, of concerns regarding questionable accounting or auditing matters.

And, more particularly,

## 2.1 **Financial Statements, Notes, Management Reports and Press Releases**

2.1.1 The Committee examines the interim financial statements and the audited financial statements at year-end before making them public, as well as the documents prepared for electronic deposit with regulatory authorities. The Committee may make whatever changes it deems necessary to the financial statements. Otherwise, the Committee recommends the approval of these financial statements by the Board.

2.1.2 The Committee examines the notes to the financial statements and all management reports accompanying the financial statements distributed to the shareholders and/or to the regulatory authorities, as well as press releases issued along with the financial statements, notes and related comments. The Committee makes all the modifications deemed necessary to these documents. Otherwise, it recommends the approval of these documents by the Board.

## 2.2 **External Auditors**

2.2.1 The Committee makes recommendations to the Board with regard to the selection of external auditors, their remuneration and their reappointment, as the case may be. It reviews the audit plan with the external auditors and defines the specific needs of the Committee. The Committee receives the auditors' report with the accompanying notes.

2.2.2 The Committee meets with the external auditors before the beginning of their mandate and, at this meeting, examines and approves the scope of the audit plan as well as the audit fees allocated to the work to be done.

2.2.3 At that time, the Committee analyzes the external auditors' independence, reviews services other than audit services to be performed by the external auditors and determines if the nature and extent of these services may or may not be prejudicial to their independence. The Committee reviews and approves the hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

2.2.4 The Committee also meets with the external auditors at the meeting planned for the examination of the year-end audited financial statements and, on this occasion, receives the post-audit report that will mainly deal with:- The acceptability and quality of the Corporation's accounting principles;

- The quality of the accounting systems and internal controls put in place by Management to ensure the integrity of the accounting and financial information;
- The recommendations made by the auditors to Management with respect to the accounting systems and internal controls, and Management's response thereto;
- The assessment of the measures put in place to deal with the risks faced by the Corporation when, in the auditors' opinion, certain factors could have a material impact on the results of the Corporation; and
- The difficulties encountered by the external auditors in the course of their mandate, in

particular any restrictions imposed by Management or serious accounting questions over which they disagreed with Management.

2.2.5 At these meetings, the Audit Committee may meet with the auditors, out of the presence of the Corporation's Management and the internal directors. In fact, the Committee has direct access to the external auditors and Management and may hold private and informal discussions with each of the parties, whenever deemed opportune in carrying out their mandate.

2.2.6 Also, the Management of the Corporation and the external auditors may, if necessary, ask to meet the members of the Committee to review with them all transactions, procedures or other questions which, in their opinion, are relevant to the mandate of the Committee.

2.2.7 The Audit Committee must approve, in advance, all the services that are not related to the audit that the external auditors do for the Corporation and its subsidiaries.

2.2.8 The Committee examines the conditions of the mandate of the external auditors and verifies that the fees are appropriate and reasonable for the audit and approves unpaid fees.

2.2.9 The Committee is in charge of resolving disagreements between the management of the Corporation and the external auditors concerning the financial reporting.

### **3. Responsibilities of the Committee - Conflicts of Interest**

Every year or more often, as required, the Committee examines:

3.1 Any situation that has been brought to its attention that may cause a conflict of interest and, more particularly, the approval of the financial conditions applicable within the framework of contracts with persons or companies related to or affiliated with the Corporation, to ensure that these contracts are as advantageous to the Corporation as if they had been negotiated with other parties.

3.2 Any eventual violation of a contract that is brought to its attention and which could have an impact on the financial statements.

### **4. Appointment of Auditors - Other Resources**

In performing its duties, the Committee may hire all necessary resources.

Each year, after having verified the qualifications of the incumbent or potential auditors, the Committee must recommend to the Board the appointment of external auditors. At its first meeting of the year in March, the Committee must consider whether it is appropriate, for the next fiscal year, to proceed with a call for tenders from various auditing firms or to renew the mandate of the auditors in place.

If Management proposes a change of external auditors, the Committee must be informed of the reasons for such a change and, in all cases, approve the information to be made public in accordance with the regulations.

### **5. Composition**

The Audit Committee consists of a minimum of three directors appointed by the Board at the first meeting following the annual general meeting of the shareholders.

The members of the Committee are in majority independent directors, as defined in Rule 52-110. All members of the Committee are financially literate.

At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices.

For the purposes of this Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

**6. Chairman of the Committee**

The Chairman of the Committee is selected by the members of the Committee unless he is appointed by the Board; in the case of absence, unavailability or if he vacates his post, the chairmanship will be assumed by a member chosen by the Committee.

**7. Number of Meetings**

The Committee will meet at least four (4) times per year or more, if necessary. Meetings can be held by conference call.

A member of the Committee may convene a special meeting.

**8. Organization**

The Committee appoints a Secretary.

Before each Committee meeting, the Secretary distributes a written agenda to the members. The Secretary will also maintain minutes of each meeting.

**9. Quorum and Decisions**

A majority of Committee members shall constitute a quorum.

Provided there is a quorum, decisions are made by a vote of the majority of the members present.

**10. Report**

The Committee reports to the Board of Directors. The minutes of a Committee meeting constitute a report in itself.