

Cu  
Pb, Zn  
Ag, Au

**BRUNSWICK**  
***Resources inc.***

***INTERIM MANAGEMENT'S DISCUSSION  
AND ANALYSIS REPORT  
FOR THE NINE-MONTH PERIOD  
ENDED SEPTEMBER 30, 2019***

This interim management's discussion and analysis report ("MD&A") provides an analysis of our financial condition and results of operations to enable a reader to assess material changes for the nine-month period ended September 30, 2019, in comparison with the same period of last year. This interim MD&A was prepared as at November 25, 2019 and is intended to complement the condensed interim financial statements. This interim MD&A and our condensed interim financial statements are intended to provide investors with reasonable basis for assessing our results of operations and financial performance.

Brunswick Resources Inc. (the "Corporation") was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on June 15, 2006 and was classified as a Capital Pool Corporation as defined in Policy 2.4 of the TSX Venture Exchange. On September 16, 2006, the Corporation changed its name from Power Beaver Capital Corp. to Nano Capital Corp. On March 11, 2010, the Corporation changed its articles to change its name from Nano Capital Corp. to Z-Gold Exploration Inc and its shares traded on the TSX-Venture under the symbol "ZGG". On December 19, 2013, at its annual and special meeting, the shareholders of the Corporation approved a change of name for Brunswick Resources Inc./ Ressources Brunswick inc. This name change was approved by the TSX Venture Exchange on May 21, 2014 and the shares of Brunswick Resources Inc. ("Brunswick" or the "Corporation") started trading on the TSX Venture Exchange under the symbol "BRU" on May 22, 2014. Brunswick is a junior mining exploration corporation, exploring for gold and base metals in the Abitibi Greenstone Belt. The shares of Brunswick are trading on the TSX Venture Exchange under the symbol BRU.

This MD&A contains forward-looking statements not based on historical facts. Forward-looking statements express, as at the date of this report, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Factors could cause results or events to differ materially from current expectations expressed or implied by forward-looking statements include, but are not limited to, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to calculation of mineral reserves and requirements of additional financing and the capacity of the Corporation to obtain financing.

## **MINING PROPERTIES**

### **IRENE LAKE PROPERTY (QUÉBEC)**

#### ***History***

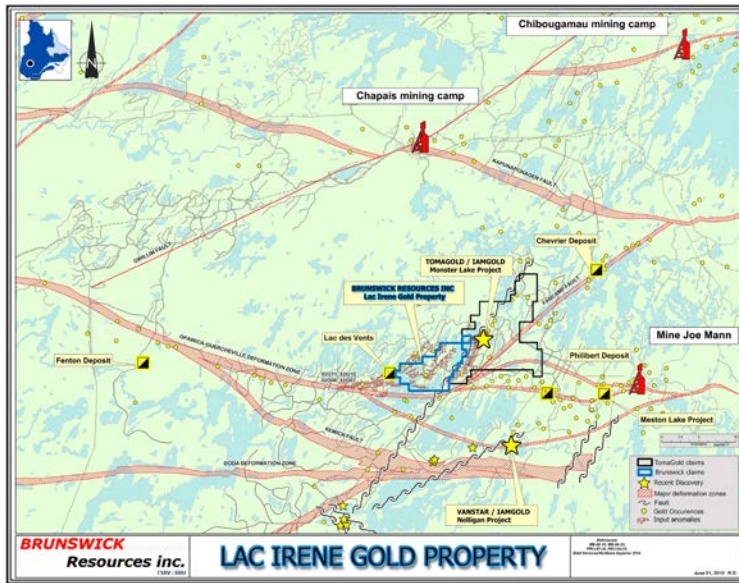
In June 2016, the Corporation entered into an option agreement to acquire 29 mining claims located in the Jamesie region of Northwestern Quebec.

Brunswick had to pay a total of \$25,000 and issue a total of 1,500,000 common shares over a period of 3 years for an Option to acquire a 100% interest in the Irene Lake Property. The Optionor retained a 2.0% NSR in the property. In April 2017, the Corporation returned the property to the Optionor because it was not able to fulfill its obligations.

In June 2016, the Corporation entered into a second option agreement to acquire 14 mining claims located in the Jamesie region of northwestern Quebec. Brunswick will pay a total of \$6,000 and issue a total of 600,000 common shares over a period of 3 years for an Option to acquire a 100% interest in the additional claims of the Irene Lake Property. The Optionors have retained a 2.0% NSR in the property.

In December 2018, the Corporation signed an agreement to sell this property for \$65,000 CDN to Tomagold Corporation payable upon signature. The agreement has not yet been completed. Currently, the Corporation still has titles to the mining rights and buyer stills intend to complete the transaction. An extension up to June 30, 2019 has been granted to the buyer to complete the transaction but it will have to pay an additional amount of \$10,000 to acquire the property. The Corporation has not yet cashed the sale amount.

The Irene Lake Gold Property is located in the northwestern region of the Province of Quebec at approximately 45 kilometers southwest of the Chibougamau mining camp. The Property is contiguous and to the west of TomaGold's and Iamgold Monster Lake Project where 5 major gold zones were intercepted. Over 20 intercepts of high gold ranging from 10.0 to 237.6 g/t Au were discovered on the Monster Lake property.



**Work by Brunswick**

The neighbours IamGold and TomaGold intersected significant gold mineralization on their Monster Lake Gold Property. Brunswick’s claims cover a similar parallel structure that splays off of the main fault. Brunswick is of the opinion that similar mineralization could be intersected on Brunswick’s property.

**Analysis of Acquisitions and of Exploration and Evaluation Expenditures**

During the nine-month period ended September 30, 2019, the Corporation did not acquire any mining properties or do any exploration and evaluation work. The Corporation recorded a tax credit related to resources and a mining tax credit for an amount of \$6,275.

During the year ended December 31, 2018, the Corporation issued 300,000 common shares representing an amount of \$9,000 to comply to the last conditions of an agreement signed in 2016 for the acquisition of the Irene Lake property.

**Royalties on the mining properties are as follows:**

Irene Lake            2%

The Corporation has no research and development expenses.

**Person Responsible of the Technical Information**

The qualified person pursuant to National Instrument 43-101, responsible of the technical information of the Corporation is Mr. Christian Dupont, P.Eng. in Ontario.

**FINANCIAL INFORMATION**

This MD&A of the condensed interim financial statements should be read in conjunction with the condensed interim financial statements dated September 30, 2019 as well as with the audited annual financial statements for the years ended December 31, 2018 and December 31, 2017. The condensed interim financial statements for the nine-month period ended September 30, 2019, as well as the corresponding period of last year have been prepared in accordance with the *International Financial Reporting Standards* (“IFRS”). All monetary values contained in this MD&A are expressed in Canadian currency.

**Significant Financial Data (Audited)**

<b>YEARS ENDED DECEMBER 31</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	\$	\$	\$
Total assets	65,154	56,894	47,387
Total liabilities	267,888	499,579	459,325
Revenue	(27,130)	(28,912)	(21,352)
Comprehensive loss	20,049	38,247	335,624
Net loss per share on a diluted basis	0.00	0.00	0.01

As at December 31, 2018, the total assets of the Corporation have increased by approximately \$8,260 mainly due to a receivable tax credit for resources. Liabilities have decreased by approximately \$231,691 mainly due to the decrease in accounts payables and accrued liabilities, by debt settlements for an amount of \$252,389. Also, the Corporation obtained two demand loans, with interests to diminish the accounts payable and to increase its working capital.

**QUARTERLY INFORMATION (Not Audited)**

	<b>Sept. 30, 2019</b>	<b>June 30, 2019</b>	<b>Mar. 31, 2019</b>	<b>Dec. 31, 2018</b>	<b>Sept. 30, 2018</b>	<b>June 30, 2018</b>	<b>Mar. 31, 2018</b>	<b>Dec. 31, 2017</b>
Total Assets	68,025	65,759	83,513	65,154	73,084	48,997	59,244	56,894
Total Liabilities	323,137	283,664	299,749	267,888	272,063	250,246	256,034	499,579
Revenues	-	(4,646)	-	(602)	(817)	(1,772)	(1,541)	(16,602)
Net and comprehensive loss	37,202	(1,669)	13,502	(14,143)	2,230	22,661	9,301	1,977
Basic and diluted loss per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

***STATEMENT OF EARNINGS***

Being a mining exploration company, Brunswick does not generate any regular earnings so in order to survive; the Corporation has to issue capital stock. The revenues recorded come from one related company that share the same office, the same equipment and non-professional staff.

**Expenses**

During the nine-month period ended September 30, 2019, the loss before taxes on earnings of the Corporation is \$53,378 compared to \$34,192 for the same period ended September 30, 2018.

<b>Details of the administrative expenses for the nine-month period ended September 30</b>	<b>2019</b>	<b>2018</b>
	\$	\$
Professional fees	34,904	11,764
Office expenses	3,188	5,959
Telecommunications	1,523	1,540
Taxes & permits	(2,119)	87
Registration, listing fees and shareholders' information	13,677	18,541
Interests and bank expenses	5,761	206
Amortization of fixed assets	90	225
<b>Total</b>	<b>57,024</b>	<b>38,322</b>

### Summary of the administrative expenses for the last fourth quarters

	<b>Sept. 30, 2019</b>	<b>June 30, 2019</b>	<b>March 31, 2019</b>	<b>Dec. 31, 2018</b>
Professional fees	29,699	(795)	6,000	4,174
Office expenses	1,241	1,278	669	1,020
Telecommunications	509	504	510	523
Taxes and permits	(2,119)	-	-	-
Registration, listing fees and shareholders' information	2,187	5,251	6,239	1,455
Interests and bank expenses	5,660	47	54	1,790
Amortization	30	30	30	(105)

- During the three-month period ended September 30, 2019, the professional fees are higher because the Corporation recorded accounting and audit fees.
- During the three-month period ending March 31, 2019, the registration, listing fees and shareholders' information are higher because the Corporation paid the annual fees to the TSX Venture Exchange.

### **SOURCE OF FINANCING**

During the nine-month period ended September 30, 2019, the Corporation did not close any private placement.

During the nine-month period ended September 30, 2019, the Corporation contracted two demand loans of an amount of \$100,000, which helps to improve its working capital.

In order to continue its operations, the Corporation will have to find significant additional funds. Considering the non-respect of some flow-through shares agreements, in view of the negative impact of this fact and its difficult financial situation, the risk is high that the management will have difficulties to obtain the financial resources required to maintain its activities.

The Corporation is at the exploration stage so Brunswick does not have revenue coming from operation. Management searches periodically to obtain financings by issuing shares, by the exercise of share purchase warrants and of share options to pursue its activities but despite the fact that Brunswick has succeed in the past, there are no guarantee that it will succeed in the future.

### **OBLIGATION AND CONTRACTUAL COMMITMENTS**

In December 2018, the Corporation signed an agreement to sell this property for \$65,000 in cash payable upon signature. In May 2019, the Corporation signed an amendment to the agreement to give an extension to the buyer to complete the transaction but in consideration of an additional \$10,000, payable in cash. The Corporation has not yet cashed the sale amount.

In February 2019, the Corporation signed a letter of intent with the private company CBIO Brand Development Inc. (CBIO) to complete a reverse take-over. CBIO will also have to make a private placement for a minimum of \$750,000 and a maximum of \$1,000,000. At the closing of the transaction, it is anticipated that the Corporation will be listed on the Canadian Securities Exchange (CSE) under a new corporate name and will be removed from the TSX Venture Exchange. The resulting corporation will continue the activities of CBIO, the sale of CBD based products extracted from hemp. If the operation is realized, there will be a new Board of Directors. The operation will be by way of share exchange, merger, amalgamation, arrangement, or other similar form of transaction which will result on CBIO becoming a wholly-owned subsidiary of Brunswick. This transaction is conditional upon the approval of regulatory authorities and other conditions that will be provided for in a future definitive agreement. The transaction will involve the acquisition by Brunswick of all of the issued and outstanding shares of CBIO. As at the date of this MD&A, the parties have been unable to negotiate the terms of a definitive agreement satisfactory to both

parties and consequently have mutually decided to terminate the LOI and abandon the Transaction. Brunswick does not have any commitments toward CBIO anymore.

The Corporation is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Corporation will qualify as Canadian exploration expenses (CEE), even if the Corporation tries to take all the necessary measures for this purpose. Refusals of certain expenses by tax authorities may have negative tax consequences for investors. By virtue of past flow-through shares agreements, as at December 31, 2018 and 2017, the cumulative shortfall of CEE is amounting to approximately \$140,000. These amounts had to be spent by the statutory date of December 31, 2015 and of December 31, 2012. As the exploration and evaluation expenses were not completed within the prescribed deadlines, there is a financial risk for the Corporation and also a fiscal risk for the investors. During the years ended December 31, 2016 and December 31, 2015, the Corporation recorded a cumulative provision of an amount of \$55,730. All additional amounts in relation with this provision will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at that time.

## **RELATED PARTY TRANSACTIONS AND COMMERCIAL GOALS**

Brunswick Resources Inc. (Brunswick) entered into the following transactions with related parties. The amounts payable are usually settled in cash when it's possible.

During the nine-month period ended as at September 30, 2019, the Corporation recorded no revenue (\$4,732 as at December 31, 2018) with a company that has the same President as Brunswick.

In March 2018, the Corporation issued 4,011,805 common shares at \$0.05 per share, representing a total amount of \$200,590 pursuant to two debt settlement agreements with two companies that have the same President as Brunswick.

In June 2018, the Corporation issued 364,042 common shares at a price of \$0.05 per share, representing an amount of \$18,202 pursuant to a debt settlement agreement with a director of Brunswick.

The transactions are measured at the amount of consideration established and agreed by the related parties.

## **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Corporation's activities are exposed to financial risks: market risk, credit risk and liquidity risk.

### **MARKET RISK**

#### Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The financial assets and liabilities are not exposed to interest rate risk because they don't bear interest.

#### Currency Risk

The Corporation is not exposed to currency fluctuations as all transactions occur in Canadian dollars.

#### Fair Value

Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about the financial instruments. Fair value of cash reserved for exploration and evaluation and accounts payable and accrued liabilities approximate carrying value due to their short-term.

#### Fair Value Hierarchy

Cash reserved for exploration and evaluation is measured at fair value and it is categorized in level 1. Its valuation is based on data observed in the market.

#### Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes the other party to incur a financial loss. Financial instruments which potentially expose the Corporation to credit risk mainly

consist of cash reserved for exploration and evaluation. The credit risk on cash reserved for exploration and evaluation is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Therefore, the Corporation does not expect any treasury counterparties to fail in respecting their obligations.

### Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. As at September 30, 2019, the Corporation's working capital is strongly negative and its cash situation is relatively low. The Corporation contracted demand loans of a total amount of \$150,000. In order to continue its operations, the Corporation will have to find significant additional funds. Considering the non-respect of some flow-through shares agreements, in view of the negative impact of this fact and its difficult financial situation, the risk is high that the management will have difficulties to obtain the financial resources required to maintain its activities.

### **POLICIES AND PROCESSES FOR MANAGING CAPITAL**

As at September 30, 2019, the capital of the Corporation consists of equity amounting to a negative amount of \$255,112 (\$202,734 as at December 31, 2018). The Corporation's capital management objective is to have sufficient capital to respect its commitments and to be able to continue its activities. It has also the objective to have sufficient cash to finance these activities and the working capital requirements. There were no significant changes in the Corporation's approach to capital management during the nine-month period ended September 30, 2019. The Corporation has no dividend policy.

The Corporation is subject to regulatory requirements related to the use of funds obtained by flow-through shares financing. These funds have to be incurred for eligible exploration and evaluation expenses. The Corporation did not always respect all of its regulatory requirements in relation with some past flow-through financings. This non-respect of fiscal rules could have a negative financial impact on the Corporation.

### **RISKS FACTORS**

#### **Exploration Risks**

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labor disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment. The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment, and others, such as aboriginal claims, government regulations including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resources produced, the Corporation may decide not to undertake or continue commercial production. There can be no assurance that the expenses incurred by the Corporation to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

#### **Environmental and Other Regulations**

Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Corporation's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Corporation and its ability to develop its properties economically. Before it commences mining a property, the Corporation must obtain environmental permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained, or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

#### **Financing and Development**

Development of the Corporation's properties therefore depends on its ability to raise the additional funds required. There can be no assurance that the Corporation will succeed in obtaining the funding required. The Corporation also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

### **Commodity Prices**

The factors that influence the market value of gold and any other mineral discovered are outside the Corporation's control. Resource prices can fluctuate widely, and have done so in recent years. The impact of these factors cannot be accurately predicted.

### **Risks Not Covered by Insurance**

The Corporation may become subject to claims arising from cave-ins, pollution or other risks against which it cannot insure itself or chooses not to insure itself due to the high cost of premiums or other reasons. Payment of such claims would decrease and could eliminate the funds available for exploration and mining activities.

### **Tax**

No assurance can be given that Canada Revenue Agency or that the Quebec Ministry of Revenue will agree with the Corporation's characterization of expenditures as Canadian exploration expenses.

### **Dependence on Key Personnel**

The development of the Corporation is and will continue to be dependent on its ability to attract and retain highly qualified management and mining exploration personnel. The Corporation faces competition for personnel from other mining companies.

### **Conflict of Interest**

Certain directors of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and mining of natural resources properties. Such associations may give rise to conflicts of interests from time to time. The directors of the Corporation are required by law to act honestly and in good faith of view of the best interests of the Corporation and to disclose any interest, which they may have on any project or opportunity of the Corporation. If a conflict arises at the meeting of the board of directors, any director in conflict will disclose his interest and abstain from voting on such matter.

### **Long-Term Debt**

The Corporation has no long-term debt.

## **INFORMATION ON OUTSTANDING SHARES**

As at September 30, 2019 and as the date of this MD&A, the capital stock of the Corporation was composed of 39,880,521 common shares issued and outstanding.

### Share Purchase Options

The Corporation has a stock option plan intended for its officers, consultants and directors. As at the date of this MD&A, there are no stock options outstanding.

### Warrants

As at the date of this MD&A, the Corporation has no warrant outstanding.

### Options issued to Brokers

As at the date of this MD&A, the Corporation has no outstanding options issued to brokers.

## **STRATEGY AND PERSPECTIVE**

Brunswick Resources Inc. is a junior mining exploration company which has been listed on the TSX Venture since March 16, 2010. Brunswick Resources Inc. has been trading on the TSX Venture under the symbol "BRU" since May 22, 2014.

During the last few years, the market conditions have made it difficult for junior exploration companies to obtain financing. The Corporation has negotiated with some of its creditors the settlement of major debts. These shares for debts settlements were negotiated at a price of \$0.05 per share. This has enhanced the Corporation's balance sheet. However, the Corporation was not able to find financings to complete exploration work.



In December 2018, the Corporation signed an agreement to sell the Irene Lake property for \$65,000 in cash payable upon signature. The agreement has not yet been completed. Currently, the Corporation still has titles to the mining rights and the buyer stills intend to complete the transaction. An extension up to June 30, 2019 has been granted to the buyer to complete the transaction but it will have to pay an additional \$10,000 to acquire the property. The Corporation has not yet received the funds from the buyer.

In February 2019, the Corporation signed a letter of intent with the private company CBIO Brand Development Inc. (CBIO) to complete a reverse take-over. On November 12, 2019, the Corporation announced by way of a news release that the parties have been unable to negotiate the terms of a definitive agreement satisfactory to both parties and consequently have mutually decided to terminate the LOI and abandon the Transaction. The Corporation intends to remain on the TSX Venture Exchange.

Management of the Corporation continues to look for opportunities to advance the shareholder value of the Corporation.

#### ***ADDITIONAL INFORMATION AND ONGOING DISCLOSURE***

This MD&A was prepared as at November 25, 2019. The Corporation regularly discloses additional information by means of press releases and interim financial statements and MD&A on SEDAR's website ([www.sedar.com](http://www.sedar.com)) and on the Corporation's website at [www.brunswickresources.com](http://www.brunswickresources.com).

#### ***CERTIFICATE***

This MD&A was approved by the board of directors.

(s) Christian Dupont  
Christian Dupont  
November 25, 2019