Cu
Pb, Zn
Ag, Au

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

# *ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT*
# *FOR THE YEAR ENDED DECEMBER 31, 2020*

This annual 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 year ended December 31, 2020 in comparison with the same period of last year. This annual MD&A was prepared as at April 28, 2021 and is intended to complement the condensed interim financial statements. This annual MD&A and our annual 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. Since November 6, 2020 the shares of Brunswick are now trading on the NEX Venture Exchange under the symbol BRU.H.

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.

**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.

### GLOBAL PERFORMANCE OF THE YEAR

During the year ended December 31, 2020, the Corporation contracted two demand loans with interests from two different entities for a total amount of $15,067 for its working capital. As today, the Corporation ewes $165,067 to these entities.

In November 2020, the Corporation entered into a binding letter of intent to a complete a business transaction with POKO Group Ltd. that will result in a reverse take-over of the Corporation.

In December 2020, in connection with the upcoming reverse take-over, the Corporation closed its bridge financing by issuance of common shares totalling 7,261,844 common shares of the Corporation at a price of $0.019 per share for aggregate gross proceeds of $137,975. A financing fee of $5,000 was incurred in connection with the investment.

## SELECTED ANNUAL INFORMATION

Our annual audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary values contained in this MD&A are expressed in Canadian currency.

**Significant Financial Data (Audited)**

| **YEARS ENDED DECEMBER 31** | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | | $ |
| Total assets | 141,717 | 22,510 | 23,129 |
| Total liabilities | 383,826 | 323,564 | 267,888 |
| Revenue | - | (1,867) | (4,732) |
| Comprehensive loss | 74,030 | 56,295 | 20,574 |
| Net loss per share on a diluted basis | 0.00 | 0,00 | 0.00 |

As at December 31, 2020, the total assets of the Corporation are at $141,717 compared to $22,510 as at December 31, 2019 and its mainly due to the bridge financing of a total amount of $137,975. Liabilities are at $383,826 compared to $323,564. The increase is due to the new demand loans, with interests that were use to decrease the accounts payables and increase the working capital of the Corporation, as well as the increase of accounts payable and accrued liabilities.

**QUARTERLY INFORMATION (Not Audited)**

| | **Dec. 31, 2020** | **Sept. 30, 2020** | **June 30, 2020** | **Mar. 31, 2020** | **Dec. 31 2019** | **Sept. 30, 2019** | **June 30, 2019** | **Mar. 31, 2019** |
|---|---|---|---|---|---|---|---|---|
| Total Assets | 141,717 | 3,879 | 11,335 | 24,775 | 22,510 | 42,525 | 40,259 | 58,013 |
| Total Liabilities | 383,826 | 352,208 | 338,316 | 344,076 | 323,564 | 323,137 | 283,664 | 299,749 |
| Revenues | - | - | - | - | 2,779 | - | (4,646) | - |
| Net and comprehensive loss | 26,755 | 15,430 | 13,598 | 18,247 | 3,922 | 37,202 | 1,669 | 13,502 |
| 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.

Expenses

During the year ended December 31, 2020, the loss before income taxes of the Corporation is $74,030 compared to $56,295 for the same period ended December 31, 2019.

| **Details of the administrative expenses for the year ended December 31** | **2020** $ | **2019** $ |
|---|---|---|
| Professional fees | 38,076 | 36,803 |
| Office expenses | 769 | 5,290 |
| Telecommunications | 1,060 | 1,942 |
| Tax and permits | 90 | (2,118) |
| Registration, listing fees and shareholders' information | 14,165 | 14,482 |
| Bad Debts | 5,315 | - |
| Interests, penalties and bank expenses | 14,361 | 6,326 |
| Amortization of fixed assets | 194 | 83 |
| **Total** | **74,030** | **62,808** |

Summary of the administrative expenses for the last fourth quarters

| | **Dec. 31 2020** | **Sept. 30, 2020** | **June 30, 2020** | **March 31, 2020** |
|---|---|---|---|---|
| Professional fees | 18,709 | 3,363 | 1,396 | 14,609 |
| Office expenses | 190 | 287 | 137 | 155 |
| Telecommunications | 326 | 168 | 262 | 304 |
| Taxes and permits | - | 90 | - | - |
| Registration, listing fees and shareholders' information | 7,056 | 1,882 | 3,973 | 1,254 |
| Bad debts | - | 5,315 | - | - |
| Interests, penalties and bank expenses | 6,252 | 4,304 | 1,901 | 1,904 |
| Amortization | 131 | 21 | 21 | 21 |

- During the three-month period ended December 31 , 2020, the professional fees are higher because the Corporation recorded accounting and audit fees as well as legal fees.

- During the three-month period ending December 31, 2020, the registration, listing fees and shareholders' information are higher because the Corporation paid the annual fees to the TSX Venture Exchange

- During the three-month period ended December 31, 2020, the interests, penalties and bank expenses are higher because the Corporation recorded interests on the demand loans as well as provision for penalties pertaining to CEE in default.

- During the three month period ending September 30, 2020, an amount of $5,315 owed by a related company was recognized as bad debts.

**SOURCE OF FINANCING**

On December 11, 2020, in connection with the reverse take-over, the Corporation closed its bridge financing by issuance of common shares totalling 7,261,844 common shares of the Corporation at a price of $0.019 per share for aggregate gross proceeds of $137,975. A financing fee of $5,000 was incurred in connection with the investment.

During the year ended December 31, 2020, the Corporation contracted demand loans of an amount of $15,067 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

On November 16, 2020, the Corporation entered into a binding letter of intent to a complete a business transaction with POKO Group Ltd. that if successful would result in a reverse take-over of the Corporation. The Private placement in December 2020 was one of the conditions to fulfill to comply with the binding letter of intent. The Corporation is currently raising additional funds to complete the reserve take-over with the target company.

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, 2020 and 2019, 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 previous years, the Corporation recorded a cumulative provision totalling $61,749 as at December 31, 2020 ($55,730 as at December 31, 2019). 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 year ended December 31, 2020, the Corporation didn’t invoice any amount ($1,867 as at December 31, 2019) with a company that has the same President as Brunswick. In relation with these transactions, the Corporation had an amount of $5,315) to be received presented separately in the statement of financial position. The amount has been recognised as bad debts during the year ended December 31, 2020.

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

## SIGNIFICANT ACCOUNTING POLICIES

### Statement of Compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

### Functional and Presentation Currency

The reporting currency and the currency of all operations of the Corporation is the Canadian dollar, since it represents the currency of the primary economic environment in which the Corporation operates.

### Financial Instruments

### Recognition and Derecognition

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

Financial assets and financial liabilities are measured initially at fair value adjusted for transaction costs, if applicable.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Under IFRS 9, the classification depends on the entity's business model for managing the financial asset and the cash flow characteristics of the asset or liability.

**Classification and Initial Valuation of Financial Assets**

For the purpose, financial assets are classified into the following categories:

- at amortized cost;
- at fair value through profit or loss (FVTPL).

For the periods considered, the Corporation does not hold any financial assets classified in the category of FVTPL.

All income and expenses relating to financial assets recognized in profit or loss are presented in finance costs or financial income.

**Subsequent Valuation of Financial Assets**

**Financial Assets at Amortized Cost**

Financial assets are measured at amortized cost if they meet the following conditions:

– They are held according to an economic model whose purpose is to hold financial assets in order to collect the contractual cash flows;

– The contractual terms of the financial assets give rise to cash flows that correspond solely to repayments of principal and interest payments on the principal outstanding.

After initial recognition, they are measured at amortized cost using the effective interest rate method. The update is omitted if its effect is not significant. Cash and cash equivalents, the amount receivable from a related company and other receivables are included in this category of financial instruments.

**Impairment of Financial Assets**

The impairment disposition in IFRS 9 use more forward-looking information, the expected credit loss impairment model, which replaces the IAS 39 loss model.

The recognition of credit losses is no longer dependent of the identification of a credit loss event by the Corporation. The latter should instead take into account a wider range of information for the assessment of credit risk and the assessment of expected credit losses, including past events, current circumstances, reasonable and justifiable forecasts that affect expected recoverability of future cash flows of the financial instrument.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

**Classification and Measurement of Financial Liabilities**

The Corporation's financial liabilities include accounts payable and accrued liabilities, the due to directors, the due to related companies and demand loans.

Subsequently, the financial liabilities are measured at amortized cost using the effective interest method.

Interest expenses and, as the case may be, changes in the fair value of an instrument recognized in profit or loss are presented in finance costs or financial income

**Cash and Cash Equivalents**

The Corporation presents cash and temporary investments with original maturities of three months or less from acquisition date in cash and cash equivalents.

**Fixed Assets**

Fixed assets are accounted for at historical cost less any accumulated depreciation and any accumulated impairment losses. Amortization of fixed assets is based using declining method at the following rate:

| | Rate |
|---|---|
| Computer equipment | 30% |

**Impairment of Long-Lived Assets**

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The recoverable amount is the higher of its fair value less costs for sale and its value in use (present value of the future cash flows expected). An impairment loss is recognized when their carrying value exceeds the recoverable amount. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its recoverable amount.

**Mining Properties and Exploration and Evaluation Assets**

Exploration and evaluation (E&E) expenditures include rights in mining properties and costs related to the initial search for mineral deposits with economic potential. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in net income (loss) when they are incurred.

E&E expenditures also include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore such as topographical, geological, geochemical and geophysical studies. Expenditures relating to E&E activities are expensed as incurred.

E&E include costs related to establishing the technical and commercial viability of extracting a mineral resource. E&E include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities
- in an ore body that is classified as either a mineral source or a proven and probable reserve;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

The E&E expenses are recorded in the consolidated statement of loss and comprehensive loss until such time as the technical feasibility and commercial viability has been established that supports the future development of the property.

**NSR Royalties**

The NSR royalties are generally not accounted for when acquiring a mining property since they are deemed to be a contingent liability. Royalties are only accounted for when probable and can be measured with sufficient reliability.

**Provisions and Contingent Liabilities**

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Corporation and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Corporation's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Corporation's operations are in material compliance with current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource will have been demonstrated, a restoration provision may be recognized in the statement of financial position.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. As at December 31, 2020, a provision amounting to $61,749 ($55,730 as at December 31, 2019) was recorded in relation to penalties for non-respect of flow-through shares agreements.

**Share-Based Compensation**

The Corporation accounts for share-based compensation over the vesting period of the rights to stock options. Share purchase options granted to employees and directors and the cost of services received are evaluated and recognized on fair value basis using the Black-Scholes option pricing model.

**Flow-Through Shares**

The Corporation considers that the issue of flow-through shares is in substance an issue of common shares and the sale of tax deductions. The sale of tax deductions is measured using the residual method. At the time the flow-through shares are issued, the sale of tax deductions is deferred and presented as other liabilities in the statement of financial position. When eligible expenditures are incurred (as long as there is the intention to renounce them), the sale of tax deductions is recognized in the income statement as a reduction of deferred tax expense and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures in the statement of net loss and comprehensive loss and its tax base.

**Warrants**

Under financing activities, the Corporation may grant warrants. Each warrant entitles its holder to purchase one share at a price determined at grant for a certain period of time. The Corporation determines at first the value of shares component according to the stock market price at the closing date of the financing. To determine the fair value of warrants issued, the Corporation uses the Black-Scholes pricing model. Thereafter, proceeds from issued units are allocated between shares and warrants using the relative fair value method.

**Share Issuance Expenses**

Share issuance expenses are recorded as a reduction of capital stock in the year in which they are incurred.

**Basic and Diluted Loss per Share**

The basic net loss per share is calculated using the weighted average of shares outstanding during the year. The diluted net loss per share, which is calculated with the treasury method, is equal to the basic net loss per share due to the anti-dilutive effect of share purchase options and warrants.

**Income Taxes and Deferred Taxes**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes except when deferred income results from an initial recognition of goodwill or from initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they will reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year and which, expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income or loss in the year that includes the enactment date.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. At the end of each reporting period of financial information, the Corporation reassesses the tax deferred asset not recognized. Where appropriate, the Corporation records a tax deferred asset that had not been recorded previously to the extent it has become probable that future taxable profits will recover the tax deferred asset.

**Revenue Recognition**

Other revenues are recognized when there is convincing evidence of the existence of an agreement, as the price is fixed or determinable and collection is reasonably assured

**Segment Disclosures**

The Corporation currently operates in a single segment: the acquisition and exploration of mining properties. All of the Corporation's activities are conducted in Canada.

**Significant Accounting Judgments, Estimates and Assumptions**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the application of accounting policies as well as the carrying amount of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

The estimate and underlying assumptions are reviewed regularly. Any revision to accounting estimate is recognized in the period during which the estimate is revised and in future periods affected by these revisions.

**Significant Management Judgment**

The following are significant management judgments in applying the accounting policies of the Corporation that have the most significant effect on the financial statements.

**Going Concern**

The assessment of the Corporation's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year and to fund planned and contractual exploration and evaluation programs, involves judgments based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

**CHANGE IN ACCOUNTING POLICY**

The Corporation has historically capitalized expenditures from there mining properties and exploration and evaluation activities after they had reached a certain stage under IFRS 6 – Exploration and Evaluation of Mineral Resources.

In the third quarter of the year 2020, the Corporation adopted a voluntary change in accounting policy with respect to mining properties and explorations and evaluations expenses. The Company's new policy is to expense mining properties and exploration and evaluation expenses in the statements of net loss and comprehensive loss until such time as the technical feasibility and commercial viability has been established that supports the future development of the property, and such development receives the Board of Directors approval.

The Corporation has determined that such voluntary change in accounting policy results in condensed interim financial statements providing more relevant information as well as bringing the Corporation in line with a similar accounting policy adopted by its peers.

This change has been applied to all the Corporation's mining properties and exploration and evaluation activities.

Under the previous accounting policy, the Corporation was required to perform an impairment assessment on the carrying value of the exploration and evaluation assets. As of September 30, 2020, certain impairment indicators were noted, and may have resulted in an impairment charge, however, no impairment test was required given the change in policy adopted by the Corporation.

In accordance with IAS 8 – Accounting policies, changes in accounting estimates and errors, the change in accounting policy has been made retrospectively and the comparatives have been adjusted accordingly to all periods presented, as if the policy had always been applied. The change also considers impact from deferred tax liability aspects.

**INCIDENCE OF COVID-19**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services for some period have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility. There have been business closures and a substantial reduction in economic activity in a large number of countries. Management is closely monitoring the situation by diminishing costs where it can and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance. Beside the fact that longer delays are to be expected for upcoming sales and purchases transactions, there was no other material impact on the Company's operations at the date of these financial statements.

## ***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. On the other hand, demand loans bear interest at fixed rate of 5%. Accordingly, in relation with these items, there is an exposure to fair value variation. The management of the Corporation considers minimal its interest rate risk. A 1 % change in the interest rate would not result in a significant impact.

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, account receivable from a related company, other receivables, accounts payable and accrued liabilities, due to a director and demand loans approximate carrying value due to their short-term.

Fair Value Hierarchy
Cash is measured at fair value and it is categorized in Level 1. Its valuation is based on data observed in the market. There are no financial instruments for which their fair value is based on estimates of Level 2 and Level 3.

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 and account receivable from a related company. The credit risk on cash is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. In addition, credit risk on account receivable from a related company is low given the low value and low volume of transactions.

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 December 31, 2020, the Corporation's working capital is $242,109 negative ($301,248 negative as of December 31, 2019). 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 December 31, 2020, the capital of the Corporation consists of equity amounting to a negative amount of $242,109 ($301,054 negative as of December 31, 2019). 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 year ended December 31, 2020. 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. As at December 31, 2020, the Corporation has not always respected all of its regulatory requirements in relation with some past flow-through financings (see contingent liabilities at note 14 of the financial statements). This non-respect of fiscal rules could have a negative financial impact on the Corporation.

## COMPARATIVE FIGURES

Certain prior year figures have been reclassified to make their presentation identical to that adopted in 2020 and these reclassifications had no effect on the reported result of operations.

## ***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 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 December 31, 2020 and as the date of this MD&A, the capital stock of the Corporation is composed of 47,142,365 (39,880,521 as at December 31, 2019) 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. On September 13, 2020, the shares of Brunswick have been transferred on the NEX board as a result of the Company's failure to meet the Continued Listing Requirements as a Tier 2 issuer on the TSX-V and the trading symbol is now BRU.H. On November 17, 2020, trading of the shares of the Corporation have been halted on the NEX following the signature of a Letter of Intent for a take-over bid with the company Poko Group Ltd. and trading will remain halted until the completion of the transaction.

On November 16, 2020, the Corporation entered into a binding letter of Intent to complete a business combination transaction (the "**Proposed Transaction**") that will result in the reverse take-over of Brunswick by Poko. The entity resulting from the Proposed Transaction (the "**Resulting Issuer**") will continue to carry on the business of Poko. Poko is a UK-based CBD company that leverages its strong portfolio of brands and integrated capabilities to deliver high quality, CDB-derived products for itself and its wholesale and white label customers. The Proposed Transaction is expected to be completed by way of share exchange, but may be completed by way of amalgamation, arrangement, takeover bid, share purchase, or another structure acceptable to Brunswick and Poko. Prior to the closing, it is expected that Brunswick will be continued under the *Canada Business Corporations Act* and change its corporate name to "Poko Group Inc." or such other name as may be determined by the board of directors. As a condition to the Proposed Transaction, Brunswick will affect a consolidation of its issued and outstanding common shares on the basis of one new common share for every five (5) common shares of Brunswick issued and outstanding on the effective date of the Consolidation.

The current covid-19 crisis and the resulting slow-down of the economy have hampered somehow the plans of the Corporation. The social distancing restrictions and confinement have made it almost impossible to advance projects and brought up several postponements. Nevertheless, management of the Corporation is confident to carry out its projects to term, thus increasing the shareholder value.

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 April 28, 2021. 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) and on the Corporation's website at www.brunswickresources.com.

### *CERTIFICATE*

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

*(s) Christian Dupont*
Christian Dupont
April 28, 2021