Condensed Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)
(Unaudited)

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Management's Responsibility for Financial Statements

The accompanying condensed interim financial statements of New Break Resources Ltd. (the "Company" or "New Break") are the responsibility of management and the Board of Directors. These condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS") appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the condensed interim financial statements and (ii) the condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) "Michael Farrant"	*(signed) "Jim O'Neill"*
Michael Farrant	Jim O'Neill
President and Chief Executive Officer	Chief Financial Officer

Toronto, Canada
May 26, 2023

Notice to Reader

The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Stands for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The condensed interim financial statements as at and for the three months ended March 31, 2023 have not been reviewed by the Company's auditor.

NEWBREAK RESOURCES

Condensed Interim Statements of Financial Position
As at
(Unaudited)

(Expressed in Canadian Dollars)		**March 31, 2023**	December 31, 2022
Assets			
Current assets			
Cash		**$ 169,211**	$ 230,462
HST receivable		**24,316**	38,849
Other amount receivable	Note 6	**-**	140,000
Prepaid expenses		**119,810**	188,781
		313,337	598,092
Non-current assets			
Mineral claim deposits	Note 6	**52,110**	52,110
Mineral properties	Note 6	**225,000**	225,000
Total Assets		**$ 590,447**	$ 875,202
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities	Note 7	**$ 50,378**	$ 87,671
Flow-through share premium liability	Notes 8(b), 11	**18,764**	41,500
Total Liabilities		**69,142**	129,171
Shareholders' Equity			
Share capital	Note 8(b)	**2,653,107**	2,653,107
Warrant reserve	Note 8(e)	**290,865**	290,865
Stock option reserve	Note 8(d)	**272,698**	269,435
Deficit		**(2,695,365)**	(2,467,376)
Total Shareholders' Equity		**521,305**	746,031
Total Liabilities and Shareholders' Equity		**$ 590,447**	$ 875,202

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 11)
Subsequent events (Note 12)

Approved by the Board of Directors and authorized on May 26, 2023:

"*Michael Farrant*"
Michael Farrant
Director

"*Thomas Puppendahl*"
Thomas Puppendahl
Director

The accompanying notes form an integral part of these unaudited condensed interim financial statements

Condensed Interim Statements of Loss and Comprehensive Loss
For the three months ended
(Unaudited)

(Expressed in Canadian Dollars)		**March 31, 2023**	2022
Expenses			
Exploration and evaluation	Note 6	**$ 73,400**	$ 158,025
Management fees	Note 9	**37,500**	37,500
Consulting fees	Note 9	**4,422**	13,500
Professional fees		**9,077**	8,202
Investor relations		**88,554**	-
General and administrative		**27,445**	17,868
Shareholder costs and filing fees		**7,058**	2,285
Travel		**935**	1,968
Share-based compensation	Note 8(d)	**6,993**	-
Loss before the undernoted		**(255,384)**	(239,348)
Bank charges		**(199)**	(299)
Interest income		**1,128**	1,125
Flow-through share premium recovery	Note 11	**22,736**	63,454
Net loss and comprehensive loss for the period		**$ (231,719)**	$ (175,068)
Net loss per share			
Basic and diluted loss per share		**$ (0.01)**	$ (0.00)
Weighted average number of shares outstanding – basic and diluted		**40,985,750**	37,785,594

The accompanying notes form an integral part of these unaudited condensed interim financial statements

NEWBREAK RESOURCES

Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited)

(Expressed in Canadian Dollars)	Note	Share Capital: Number of Shares	Share Capital: Amount	Reserves: Warrants	Reserves: Stock Options	Deficit	Total
Balance at December 31, 2021		**37,772,750**	**$ 2,138,423**	**$ 233,951**	**$ 261,100**	**$ (1,510,184)**	**$ 1,123,290**
Shares issued for cash as part of unit financing	8(b)(i)	578,000	144,500	-	-	-	144,500
Warrants issued as part of unit financings	8(b)(i)	-	(39,362)	39,362	-	-	-
Net loss for the period		-	-	-	-	(175,068)	(175,068)
Balance at March 31, 2022		**38,350,750**	**2,243,561**	**273,313**	**261,100**	**(1,685,252)**	**1,092,722**
Flow-through shares issued for cash	8(b)(viii)	830,000	124,500	-	-	-	124,500
Flow-through premium	8(b)(viii)	-	(41,500)	-	-	-	(41,500)
Shares issued for cash as part of unit financing	8(b)(ii)	680,000	170,000	-	-	-	170,000
Warrants issued as part of unit financings	8(b)(ii)	-	(46,444)	46,444	-	-	-
Exercise of warrants	8(b)(iv, v, vi, vii)	875,000	159,340	(28,090)	-	-	131,250
Expiry of warrants	8(e)	-	-	(802)	-	802	-
Exercise of stock options	8(b)(iii)	250,000	43,650	-	(18,650)	-	25,000
Share-based compensation	8(d)	-	-	-	26,985	-	26,985
Net loss for the period		-	-	-	-	(782,926)	(782,926)
Balance at December 31, 2022		**40,985,750**	**2,653,107**	**290,865**	**269,435**	**(2,467,376)**	**746,031**
Expiry of warrants	8(e)	-	-	-	(3,730)	3,730	-
Share-based compensation	8(d)	-	-	-	6,993	-	6,993
Net loss for the period		-	-	-	-	(231,719)	(231,719)
Balance at March 31, 2023		**40,985,750**	**$ 2,653,107**	**$ 290,865**	**$ 272,698**	**$ (2,695,365)**	**$ 521,305**

The accompanying notes form an integral part of these unaudited condensed interim financial statements

Condensed Interim Statements of Cash Flows
For the three months ended
(Unaudited)

(Expressed in Canadian Dollars)		March 31, 2023	2022
Cash flows from operating activities			
Net loss for the period		**$ (231,719)**	$ (175,068)
Adjustments not affecting cash:			
Flow-through share premium recovery	Note 11	**(22,736)**	(63,454)
Share-based compensation	Note 8(d)	**6,993**	-
Operating cash flows before changes in non-cash working capital:		**(247,462)**	(238,522)
Changes in non-cash working capital:			
HST receivable		**14,533**	(13,854)
Other amount receivable	Note 6	**140,000**	-
Prepaid expenses		**68,971**	(190,953)
Accounts payable and accrued liabilities		**(37,293)**	10,140
Cash used in operating activities		**(61,251)**	(433,189)
Cash flows from financing activities			
Proceeds from private placement	Note 8(b)	**-**	144,500
Cash provided by financing activities		**-**	144,500
Decrease in cash during the period		**(61,251)**	(288,689)
Cash, beginning of period		**230,462**	1,237,628
Cash, end of period		**$ 169,211**	$ 948,939

The accompanying notes form an integral part of these unaudited condensed interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

New Break Resources Ltd. (the "Company" or "New Break") is a Canadian mineral exploration company currently engaged in the acquisition, exploration and evaluation of mineral properties in Canada. All of the Company's mineral property interests are currently in the exploration and evaluation stage.

The Company was incorporated under the name "8861587 Canada Corporation" under the laws of Canada on April 18, 2014. Effective December 28, 2018, the Company changed its name to New Break Resources Ltd. On November 24, 2021, New Break was also registered as Extra-Territorial in Nunavut, Canada. On September 7, 2022, the Company became listed on the Canadian Securities Exchange (the "CSE") and trades under the symbol NBRK. The address of the Company's corporate office and principal place of business is 18 King Street East, Suite 902 Toronto, Ontario, M5C 1C4, Canada.

These financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profitable levels of operations. Changes in future conditions could require material write downs of the carrying values.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that the exploration programs will result in profitable operations. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition of these assets.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, environmental and social licensing requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

The Company has not realized a profit from operations and has incurred expenditures related to property exploration, resulting in a cumulative deficit of $2,695,365 as at March 31, 2023 (December 31, 2022 - $2,467,376). The recoverability of the carrying value of mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its property interests on an advantageous basis. Management cannot provide assurance that it will be successful in future financing activities or be able to execute its business strategy. As at March 31, 2023, the Company had current assets of $313,337 (December 31, 2022 - $598,092) to cover current liabilities of $50,378 (December 31, 2022 - $87,671), exclusive of non-cash flow-through share premium liability. These conditions indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Statement of Compliance

These condensed interim financial statements (the "financial statements") have been prepared in accordance with IAS 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The preparation of these unaudited condensed interim financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expense. In management's opinion, all adjustments considered necessary for a fair presentation have been included in these unaudited condensed interim financial statements. Interim results are not necessarily indicative of the results expected for the financial year. Actual annual results may differ from interim estimates. The significant judgments made by management applied in the preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2022. For a description of the Company's critical accounting estimates and assumptions, please refer to the Company's audited financial statements and related notes for the year ended December 31, 2022.

Basis of Presentation

These financial statements have been prepared on the historical cost basis, except for financial instruments designated at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These financial statements do not include all the information required for full annual financial statements and therefore should be read in conjunction with the audited financial statements of the Company as at and for the year ended December 31, 2022. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes to the Company's financial position and performance since the last audited annual financial statements.

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Adoption of New Accounting Standards

These financial statements have been prepared following the same accounting policies and methods of computation as the audited annual financial statements for the year ended December 31, 2022. The Company adopted the following accounting standards and amendments to accounting standards, effective January 1, 2023:

On February 12, 2021, the IASB issued Definition of Accounting Estimates (Amendments to IAS 8). The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarifies how to distinguish changes in accounting policies from changes in accounting estimates. The adoption of the new standard did not impact the financial statements of the Company.

On February 12, 2021, the IASB issued Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgments). The amendments help companies provide useful accounting policy disclosures. The adoption of the new standard did not impact the financial statements of the Company.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

New Accounting Standards Issued but Not Yet Effective

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after March 31, 2023:

• Classification of Liabilities as Current or Non-current (Amendments to IAS 1) effective for annual periods beginning on or after January 1, 2024.

• Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases) effective for annual periods beginning on or after January 1, 2024.

None of these pronouncements are expected to have a significant impact on the Company's financial statements upon adoption. The Company does not intend to early adopt these standards

Approval of the Financial Statements

These financial statements of the Company for the periods ended March 31, 2023 and 2022 were approved and authorized for issue by the Board of Directors on May 26, 2023.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT

Use of Estimates and Judgment

The preparation of financial statements in conformity with IFRS requires that management make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities, profits and expenses. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended December 31, 2022.

4. FINANCIAL INSTRUMENTS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

4. FINANCIAL INSTRUMENTS (Continued)

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The Company does not use derivative financial instruments for purposes other than risk management. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up to date market information.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company may use derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage certain exposures. These market risks are evaluated by monitoring changes in key economic indicators and market information on an ongoing basis.

Commodity Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors commodity prices as they relate to gold and the stock market to determine the appropriate course of action to be taken.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main source of liquidity is derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. The 2023 Moray exploration budget is planned to be partially funded from flow-through funds raised in December 2022 and subsequent to March 31, 2023, while the 2023 operating expenses will be partially funded from amounts raised in 2022. There is no certainty of the Company's ability to complete additional financings.

As at March 31, 2023 the Company held current assets of $313,337 (December 31, 2022 - $598,092) to settle current liabilities of $50,378 (December 31, 2022 - $87,671), exclusive of non-cash flow-through premium liability.

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. Cash bears interest at market rates. In the event that the Company held interest bearing debt, the Company could be exposed to interest rate risk. The Company does not have any interest-bearing debt. Other current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash. The Company has reduced its credit risk by investing its cash with a Canadian chartered bank.

(Expressed in Canadian Dollars)

4. FINANCIAL INSTRUMENTS (Continued)

The Company's financial assets and liabilities as at March 31, 2023 and December 31, 2022 were as follows:

	Amortized Cost	FVPL	Total
December 31, 2022			
Financial assets			
Cash	$ 230,462	$ -	$ 230,462
HST receivable	$ 38,849	$ -	$ 38,849
Other amount receivable	$ 140,000	$ -	$ 140,000
Financial liabilities			
Accounts payable and accrued liabilities	$ 87,671	$ -	$ 87,671
March 31, 2023			
Financial assets			
Cash	$ 169,211	$ -	$ 169,211
HST receivable	$ 24,316	$ -	$ 24,316
Financial liabilities			
Accounts payable and accrued liabilities	$ 50,378	$ -	$ 50,378

The fair values of these financial instruments approximate their carrying values because of their short- term nature.

5. CAPITAL MANAGEMENT

The Company defines capital management as the manner in which it manages its share capital. As at March 31, 2023, the Company's share capital was $2,653,107 (December 31, 2022 - $2,653,107).

There were no changes in the Company's approach to capital management during the period ended March 31, 2023. The Company is not subject to any externally imposed capital requirements.

The Company's objective in managing capital is to maintain the entity's ability to continue as a going concern, support the Company's normal operating requirements and to continue the exploration and evaluation of its mineral properties.

The Board of Directors does not establish a quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments to obtain additional financing.

(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES

Acquisition Costs	**March 31, 2023**	December 31, 2022
Moray Gold Project	**$ 225,000**	$ 225,000
Total Mineral Properties	**$ 225,000**	$ 225,000

Moray Gold Project

In September 2020, New Break acquired a 100% interest in certain unpatented mining claims in Zavitz, Hincks and Hutt Townships, southeast of Timmins, Ontario (the "Moray property") from a private company, Exiro Minerals Corp. ("Exiro") in exchange for $100,000 in cash and 2,500,000 common shares of New Break. The 2,500,000 common shares were issued on July 15, 2020 at an estimated fair value of $125,000. On March 1, 2023, the Company staked additional mineral claims contiguous to the pre-existing Moray property claims and effective May 13, 2021, New Break signed a mining claim acquisition agreement with three arm's length parties to purchase additional mineral claims contiguous to the existing northern property boundary (see Note 12).

Certain of the claims ("Exiro Claims") are subject to a 2% Net Smelter Return ("NSR") royalty and certain other of the claims ("Voyageur Claims") are subject to a 1% NSR royalty in favour of Exiro. The Voyageur Claims are also subject to a 1% NSR royalty in favour of a previous property owner. New Break can repurchase 50% of the Exiro NSR royalty at any time for a payment of $1.0 million and can repurchase 50% of the Voyageur NSR royalty at any time for a payment of $750,000.

Effective October 22, 2021, the Company entered into a memorandum of understanding (the "MOU") with the Matachewan First Nation and Mattagami First Nation (collectively, the "First Nations") as it relates to carrying out Prescribed Exploration Activities, as such term is defined by the Ontario Mining Act, on the Moray Property. Under the terms of the MOU, New Break made payments of $5,000 to each First Nation and on November 19, 2021, the Company granted stock options to each of the First Nations to purchase up to 50,000 common shares of the Company at a price of $0.10 per share for a period of five years. As Prescribed Exploration Activities are conducted, New Break will make payments to the First Nations equal to 2% of the cost of such activities. Subject to New Break's adherence to the terms and conditions of the MOU, the First Nations agree to support the Moray Project while the MOU remains in force.

The Company was reimbursed $200,000 by the Ontario Ministry of Northern Development under an Ontario Transfer Payment Agreement as a 50% reimbursement of certain exploration and evaluation expenditures for work and activities performed on the Moray property from April 1 to December 31, 2022. $60,000 was received November 7, 2022 and $140,000, shown as receivable as at December 31, 2022, was received March 20, 2023. The reimbursements were netted against exploration and evaluation expenditures in fiscal 2022.

Sundog Gold Project

In October 2021, the Company entered into an Inuit Owned Lands Mineral Exploration Agreement ("MEA") with Nunavut Tunngavik Incorporated ("NTI") for exclusive rights to a 100% interest in the minerals within, upon or under a 9,415-hectare exploration area on Inuit Mineral Title Lands parcel AR-35 in Kivalliq Region, Nunavut (the "Sundog Gold Project").

Per the terms of the MEA, New Break is required to make the following annual rent payments to NTI on the anniversary date of the MEA and meet the following annual work requirements in order to maintain the agreement in good standing:

(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES (Continued)

Years	Hectares ("ha")	Annual Rent ($/ha)	Annual Rent	Annual Work ($/ha)	Annual Work Requirement
1	9,415	$1.00	$9,415 (paid)	$5.00	$47,075 (completed)
2	9,415	$2.00	$18,830 (paid)	$5.00	$47,075
3-5	9,415	$2.00	$18,830	$10.00	$94,150
6-10	9,415	$3.00	$28,245	$20.00	$188,300
11-15	9,415	$4.00	$37,660	$30.00	$282,450
16-20	9,415	$5.00	$47,075	$40.00	$376,600

In the event that New Break establishes a mineral resource estimate in accordance with National Instrument 43-101 of a minimum of one million ounces of gold in a Measured category, as defined by the Canadian Institute of Mining Metallurgy and Petroleum ("CIM") Definition Standards for Mineral Resources and Mineral Reserves ("CIM Definition Standards"), the Company will make a bonus payment to NTI of $1.0 million. Further bonus payments are payable, contingent upon each of New Break establishing an estimated Measured mineral resource of a minimum of five million ounces of gold ($5.5 million), making the decision to conduct a Feasibility Study ($3.0 million) and the commencement of commercial production ($5.0 million). In addition, the Company is subject to advance royalty payments in the event that a Feasibility Study is approved, which confirms the economic viability of a minimum of one million ounces of estimated gold mineral resources in a Measured category.

Nunavut Gold Projects on Crown Land

In February, March, April and July 2021, the Company staked certain claims, located in Kivalliq Region, Nunavut, referred to as the Sy, Esker/Noomut and Angikuni Lake claims. During the year ended December 31, 2021, the Company paid $52,110 in refundable work charges to Crown-Indigenous Relations and Northern Affairs Canada ("CIRNAC") in relation to the first year's work requirement on these claims. The amounts are refundable following the issuance of a certificate of work by CIRNAC in respect of completion of the related exploration work requirement for the period associated with the deposit. These amounts have been recorded as mineral claim deposits.

Exploration and Evaluation Expenditures

For the three months ended March 31, 2023	Moray	Sundog	Other Nunavut	Total
Consulting fees	$ 61,396	$ -	$ -	$ 61,396
Land management	2,034	-	-	2,034
Travel	7,570	-	-	7,570
Staking costs	2,400	-	-	2,400
	$ 73,400	$ -	$ -	$ 73,400

For the three months ended March 31, 2022	Moray	Sundog	Other Nunavut	Total
Consulting fees	$ 33,426	$ 62,504	$ 22,089	$ 118,019
Data purchases	20,000	-	10,000	30,000
Technical report	7,517	-	-	7,517
Land management	197	317	675	1,189
Travel	650	650	-	1,300
	$ 61,790	$ 63,471	$ 32,764	$ 158,025

(Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLE

Accounts payable and accrued liabilities consist primarily of outstanding vendors' invoices and accrued expenses incurred during the periods. The balances owing to the creditors are payable in accordance with the vendors' individual credit terms.

		March 31, 2023		December 31, 2022
Trade and other payables	**$**	**31,653**	$	59,851
Audit and tax services fees		**18,725**		27,820
	$	**50,378**	$	87,671

8. SHARE CAPITAL

(a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

(b) Issued and outstanding

Share Capital	**Note 8(b)**	**Number of Common Shares**	**Amount**
Balance at December 31, 2021		**37,772,750**	**$ 2,138,423**
Private placement of $0.25 units – March 30, 2022	(i)	578,000	144,500
Less: warrant valuation	(i)	-	(39,362)
Private placement of $0.25 units – May 31, 2022	(ii)	680,000	170,000
Less: warrant valuation	(ii)	-	(46,444)
Private placement of $0.15 F-T common shares – December 30, 2022	(viii)	830,000	124,500
Less: flow-through premium on F-T common shares	(viii)	-	(41,500)
Exercise of stock options – cash proceeds	(iii)	250,000	25,000
Exercise of stock options – fair value	(iii)	-	18,650
Exercise of warrants – cash proceeds	(iv, v, vi, vii)	875,000	131,250
Exercise of warrants – fair value	(iv, v, vi, vii)	-	28,090
Balance at December 31, 2022 and March 31, 2023		**40,985,750**	**$ 2,653,107**

(i) On March 30, 2022, the Company completed a non-brokered private placement for gross proceeds of $144,500 through the issuance of 578,000 units at a price of $0.25 per unit. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one common share at an exercise price of $0.35 for a period of twenty-four months from September 7, 2022, the date the Company listed on the CSE. The issue date fair value of the warrants was estimated to be $39,362 based on their Black-Scholes value, using assumptions in Note 8(e).

(ii) On May 31, 2022, the Company completed a non-brokered private placement for gross proceeds of $170,000 through the issuance of 680,000 units at a price of $0.25 per unit. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one common share at an exercise price of $0.35 for a period of twenty-four months from September 7, 2022, the date the Company listed on the CSE. The issue date fair value of the warrants was estimated to be $46,444 based on their Black-Scholes value, using assumptions in Note 8(e).

(iii) On July 18, 2022, stock options to purchase 250,000 common shares of the Company at a price of $0.10 were exercised for proceeds of $25,000 by a former director of the Company. Grant date fair value of $18,650 was transferred from stock option reserve to share capital in connection with the exercise.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

(iv) On July 19, 2022, warrants to purchase 250,000 common shares of the Company at a price of $0.15 were exercised for proceeds of $37,500. Issue date fair value of $8,026 was moved from warrant reserve to share capital.

(v) On August 11, 2022, warrants to purchase 100,000 common shares of the Company at a price of $0.15 were exercised for proceeds of $15,000. Issue date fair value of $3,210 was moved from warrant reserve to share capital.

(vi) On August 16, 2022, warrants to purchase 150,000 common shares of the Company at a price of $0.15 were exercised for proceeds of $22,500. Issue date fair value of $4,815 was moved from warrant reserve to share capital. 60,000 of these warrants were exercised by a director of the Company.

(vii) On August 25, 2022, warrants to purchase 375,000 common shares of the Company at a price of $0.15 were exercised for proceeds of $56,250. Issue date fair value of $12,039 was moved from warrant reserve to share capital.

(viii) On December 30, 2022, the Company completed a non-brokered private placement for gross proceeds of $124,500 through the issuance of 830,000 F-T Shares at a price of $0.15 per F-T Share. An officer of the Company subscribed for 30,000 of the F-T Shares issued. The Company recognized an aggregate flow-through premium of $41,500 as a result of the issuances of the F-T Shares.

(c) Escrow Shares

On August 4, 2022, the Company entered into an escrow agreement pursuant to which 4,348,000 common shares were placed in escrow and are subject to release in tranches over time in accordance with the policies of the Canadian Securities Administrators. The escrow agreement provides that 10% of the escrowed shares will be released from escrow upon the original CSE listing date of September 7, 2022, and that an additional 15% will be released therefrom every six-month interval thereafter, over a period of 36 months, with the next escrow release on September 7, 2023.

	Number of Common Shares
Opening balance – August 4, 2022	**4,348,000**
Released from escrow – September 7, 2022	(434,800)
Balance at December 31, 2022	**3,913,200**
Released from escrow – March 7, 2023	(652,200)
Balance at March 31, 2023	**3,261,000**

(d) Stock Options

The Company has a stock option plan to provide directors, officers, employees and consultants with options to purchase common shares of the Company. The maximum number of common shares reserved for issuance upon the exercise of options, is not to exceed 10% of the total number of common shares outstanding immediately prior to such issuance. The stock options have a maximum term of five years and a vesting period and exercise price determined by the board of directors. The exercise price of the stock options is fixed by the board of directors and may not be less than the market price of the shares at the time of grant, subject to all applicable regulatory requirements.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

The following table reflects the continuity of stock options for the three months ended March 31, 2023 and the year ended December 31, 2022.

	Number of Stock Options		Weighted Average Exercise Price
Outstanding at December 31, 2021	**3,500,000**	**$**	**0.10**
Granted	350,000	$	0.10
Exercised	(250,000)	$	0.10
Outstanding at December 31, 2022	**3,600,000**	**$**	**0.10**
Granted	200,000	$	0.10
Cancelled	(50,000)	$	0.10
Outstanding at March 31, 2023	**3,750,000**	**$**	**0.10**

Stock Option Grants

On December 30, 2022, the Company granted options to purchase up to 350,000 common shares of the Company to a director and a consultant at a price of $0.10 per share for a period of five years. The options vested immediately. The Company recorded $26,985 of share-based compensation expense, being the entire grant date fair value.

On January 20, 2023, the Company granted options to purchase up to 200,000 common shares of the Company to a consultant at a price of $0.10 per share for a period of five years. The options vest 25% after three months, 25% after six months, 25% after nine months and 25% after one year. The Company recorded $6,993 of share-based compensation during the three months ended March 31, 2023.

The fair value of the options granted, are estimated on the dates of grant using the Black-Scholes option pricing model with the following assumptions:

Grant Date	Stock Price	Exercise Price	Risk-free Interest Rate	Expected Stock Price Volatility	Expected Life (in years)	Expected Dividend Rate	Expected Forfeiture Rate
November 19, 2021	$0.10	$0.10	1.45%	100%	5	0%	0%
December 30, 2022	$0.10	$0.10	3.41%	103%	5	0%	0%
January 20, 2023	$0.10	$0.10	2.82%	127%	5	0%	0%

Stock Option Exercise

On July 18, 2022, stock options to purchase 250,000 common shares of the Company at a price of $0.10 were exercised for proceeds of $25,000 by a former director of the Company. Grant date fair value of $18,650 was transferred from stock option reserve to share capital in connection with the exercise.

Stock Option Cancellation

Effective March 31, 2023, stock options to purchase up to 50,000 common shares of the Company at a price of $0.10 per share, granted to a consultant on November 19, 2021, were cancelled. Grant date fair value of $3,730 was transferred to deficit.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

The following table reflects the stock options outstanding and exercisable at March 31, 2023:

Date of Grant	Number of Options Outstanding	Exercise Price	Weighted Average Remaining Life (years)	Date of Expiry	Number of Options Exercisable	Grant Date Fair Value
November 19, 2021	250,000	$ 0.10	0.55	October 19, 2023	250,000	$ 18,650
November 19, 2021	2,950,000	$ 0.10	3.64	November 18, 2026	2,950,000(1)	220,070
December 30, 2022	350,000	$ 0.10	4.75	December 27, 2027	350,000	26,985
January 20, 2023	200,000	$ 0.10	4.81	January 19, 2028	-	6,993
	3,750,000	**$ 0.10**	**3.60**		**3,550,000**	**$ 272,698**

(1) 1,950,000 of these stock options are subject to the escrow agreement entered into by the Company on August 4, 2022. In the event that any of these options are exercised, the underlying shares will be released from escrow on the same schedule as outlined in Note 8 (c), beginning from September 7, 2022, the date of listing on the CSE.

The weighted average remaining contractual life of options outstanding and exercisable at March 31,2023 is 3.60 years (December 31, 2022 - 3.78 years) at a weighted average exercise price of $0.10 (December 31, 2022 - $0.10).

(e) Warrants

The following table reflects the continuity of warrants for the three months ended March 31, 2023 and the year ended December 31, 2022:

	Number of Warrants	Issue Date Fair Value	Weighted Average Exercise Price
Balance at December 31, 2021	**7,641,200**	**$ 233,951**	**$ 0.16**
Issued	1,258,000	85,806	$ 0.35
Exercised	(875,000)	(28,090)	$ 0.15
Expired	(25,000)	(802)	$ 0.15
Balance at December 31, 2022 and March 31, 2023	**7,999,200**	**$ 290,865**	**$ 0.19**

As at March 31, 2023, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Warrants Outstanding	Exercise Price	Weighted Average Remaining Life (years)	Expiry Date	Issue Date Fair Value
375,000	$0.15	0.08	May 1, 2023	$ 7,425
4,210,000	$0.15	0.23	June 23, 2023 (1)(3)(6)	135,140
334,200	$0.15	0.23	June 23, 2023 (1)(4)(6)	10,761
1,730,000	$0.20	0.23	June 23, 2023 (1)	46,018
12,000	$0.30	0.69	December 8, 2023	323
1,338,000	$0.35	1.44	September 6, 2024(2)(5)(6)	91,198
7,999,200	$0.19	0.43		$ 290,865

(1) These warrants are subject to a potential acceleration clause should the trading price of the common shares equal or exceed $0.25 for a period of ten (10) consecutive trading days.

(2) These warrants are subject to a potential acceleration clause should the trading price of the common shares equal or exceed $0.50 for a period of ten (10) consecutive trading days.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

(3) 25,000 of these warrants are subject to the escrow agreement entered into by the Company on August 4, 2022.

(4) 44,400 of these warrants are subject to the escrow agreement entered into by the Company on August 4, 2022.

(5) 218,000 of these warrants are subject to the escrow agreement entered into by the Company on August 4, 2022.

(6) In the event that any of the warrants subject to the escrow agreement are exercised, the underlying shares will be released from escrow on the same schedule as outlined in Note 8 (c), beginning from September 7, 2022, the date of listing on the CSE.

The weighted average remaining contractual life of warrants outstanding as at March 31, 2023 is 0.43 years (December 31, 2022 – 0.67 years) at a weighted average exercise price of $0.19 (December 31, 2022 - $0.19).

The Company follows the fair value method of accounting for warrants using the Black-Scholes option pricing model. The fair values of warrants issued were calculated based on the following assumptions:

Issue Date	Stock Price	Exercise Price	Risk-free Interest Rate	Expected Stock Price Volatility	Expected Life (in years)	Expected Dividend Rate	Expected Forfeiture Rate
May 1, 2020	$0.05	$0.15	0.28%	100%	3	0%	0%
June 25, 2021	$0.084	$0.15	0.44%	100%	2	0%	0%
June 25, 2021	$0.084	$0.20	0.44%	100%	2	0%	0%
December 10, 2021	$0.10	$0.30	0.97%	100%	2	0%	0%
December 30, 2021	$0.183	$0.35	0.98%	100%	2	0%	0%
March 30, 2022	$0.182	$0.35	2.31%	100%	2	0%	0%
May 31, 2022	$0.182	$0.35	2.67%	100%	2	0%	0%

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key Management Compensation

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Current key management of New Break includes the President and Chief Executive Officer, Vice-President, Exploration and Chief Financial Officer.

	Three Months Ended March 31, **2023**	2022
Management fees	**$ 37,500**	$ 37,500
Management fees included in exploration and evaluation	**22,500**	22,500
Consulting fees paid to a non-independent director	**-**	10,500
Total fees paid to management and directors	**$ 60,000**	$ 70,500

Exploration and evaluation consulting fees charged by a geological consulting company, the President & CEO of which, is also a director of New Break	**$ 24,440**	$ 87,691

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (Continued)

Related Party Transactions

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

On August 16, 2022, warrants to purchase 150,000 common shares of the Company at a price of $0.15 were exercised for proceeds of $22,500. 60,000 of these were exercised by an investment company that is wholly-owned by one of the Company's directors (see Note 8(b)(vi)).

On December 30, 2022, the Company completed a non-brokered private placement for gross proceeds of $124,500 through the issuance of 830,000 F-T Shares at a price of $0.15 per F-T Share. An officer of the Company subscribed for 30,000 of the F-T Shares issued (see Note 8(b)(viii)).

On December 30, 2022, the Company granted options to purchase up to 350,000 common shares of the Company at a price of $0.10 per share for a period of five years. 250,000 of these were granted to a director of the Company (see Note 8(d)).

As at March 31, 2023, $17,234 (December 31, 2022 - $24,397) included in accounts payable and accrued liabilities was owing to related parties, including $8,654 (December 31, 2022 - $16,669) owed to a geological consulting company, the President and Chief Executive Officer of which, is also a director of New Break. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

10. LOSS PER SHARE

Net loss per share has been calculated by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The effect of stock options and warrants was anti-dilutive and hence, the diluted loss per share equals the basic loss per share.

11. COMMITMENTS AND CONTINGENCIES

As at March 31, 2023, the Company had a commitment to spend $56,294 (December 31, 2022 - $124,500) on eligible Canadian Exploration Expenditures ("CEE"), from amounts raised from flow-through financing, by December 31, 2023.

Flow-Through

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on eligible qualifying CEE. Certain interpretations are required to assess the eligibility of flow-through expenditures that if changed, could result in the denial of renunciation. The Company has indemnified current and previous flow-through subscribers for any tax and related costs payable by them in the event the Company does not incur the required exploration expenditures. No amounts have been recorded in these financial statements for potential liabilities relating to these indemnities as a triggering event has not taken place. Upon issuance of the flow-through shares during 2022 in the amount of $124,500 (2021 - $855,300), the Company recorded an aggregate flow-through share premium liability of $41,500 (2021 - $371,942). As eligible CEE is incurred, the amount is drawn down as income through the statement of loss. During the three months ended March 31, 2023, the Company incurred $68,206 (March 31, 2022 - $149,889) in eligible CEE and recorded a flow-through share premium recovery of $22,736 in the statement of loss (March 31, 2022 - $63,454).

12. COMMITMENTS AND CONTINGENCIES (Continued)

Environmental

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Contingent Payments

Effective October 1, 2021, the Company became party to certain consulting agreements that contain clauses that could require additional aggregate payments of $180,000 upon termination without cause and $360,000 upon termination in connection with a change of control. These clauses are only applicable if a triggering event occurs after the Company has raised aggregate gross proceeds from financings of at least $2.0 million since October 1, 2021. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

13. SUBSEQUENT EVENTS

Warrant Exercise

On April 28, 2023, warrants to purchase 375,000 common shares of the Company at a price of $0.15 were exercised for proceeds of $56,250.

Mineral Property Acquisition

On May 13, 2023, the Company entered into a mining claim acquisition agreement (the "Agreement") with three arm's length vendors with respect to the acquisition of additional mineral claims contiguous with the Moray property (the "Acquired Claims"). Under the terms of the Agreement, the vendors will receive an aggregate cash payment of $80,000 and will be issued an aggregate of 1,500,000 common shares of New Break (the "Consideration Shares") at closing in exchange for 100% ownership in the Property. The Consideration Shares will be subject to an escrow arrangement under which 25% of the Consideration Shares will be released four months and one day following closing, 25% six (6) months from closing, 25% twelve (12) months from closing and 25% eighteen (18) months from closing. In addition, the Company has granted the vendors a 1.5% NSR royalty on the commercial production of minerals from the Acquired Claims, 1.0% of which may be purchased by the Company at any time for an aggregate cash payment of $750,000. The acquisition was closed on May 23, 2023.