



Condensed Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(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) "William Love"

William Love
Chief Executive Officer

(signed) "Michael Farrant"

Michael Farrant
President and Chief Financial Officer

Toronto, Canada
May 23, 2025

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 Standards 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, 2025 have not been reviewed by the Company's auditor.

Condensed Interim Statements of Financial Position

As at

(Unaudited)

(Expressed in Canadian Dollars)		March 31, 2025	December 31, 2024
Assets			
Current assets			
Cash		\$ 109,589	\$ 37,548
HST receivable		21,392	58,310
Other amount receivable	Note 7	1,000	186,597
Prepaid expenses		10,411	12,368
Investment	Note 6	6,000	8,000
		148,392	302,823
Non-current assets			
Mineral properties	Note 7	543,000	543,000
Total Assets		\$ 691,392	\$ 845,823
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities	Note 8	\$ 237,290	\$ 231,802
Total Liabilities		237,290	231,802
Shareholders' Equity			
Share capital	Note 9(b)	3,957,582	3,957,582
Warrant reserve	Note 9(e)	402,544	402,544
Stock option reserve	Note 9(d)	267,249	291,335
Deficit		(4,173,273)	(4,037,440)
Total Shareholders' Equity		454,102	614,021
Total Liabilities and Shareholders' Equity		\$ 691,392	\$ 845,823

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 12)

Subsequent events (Note 13)

Approved by the Board of Directors and authorized on May 23, 2025:

"William Love"

William Love

Director

"Thomas Puppenthal"

Thomas Puppenthal

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,	
		2025	2024
Expenses			
Exploration and evaluation	Note 7	\$ 73,033	\$ 44,593
Management fees	Note 10	27,000	37,500
Consulting fees	Note 10	550	-
Professional fees		15,805	13,244
Investor relations		15,394	30,309
General and administrative		21,515	22,588
Shareholder costs and filing fees		4,452	7,792
Loss before the undernoted		(157,749)	(156,026)
Bank charges		(170)	(207)
Interest income		-	216
Flow-through share premium recovery	Note 12	-	5,279
Change in unrealized loss on value of investment	Note 6	2,000	-
Net loss and comprehensive loss for the period		\$ (159,919)	\$ (150,738)
Net loss per share			
Basic and diluted loss per share		\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding – basic and diluted		57,428,600	49,646,776

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

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

(Expressed in Canadian Dollars)	Note	Share Capital		Reserves			Total
		Number of Shares	Amount	Warrants	Stock Options	Deficit	
Balance at December 31, 2023		49,572,600	\$ 3,551,942	\$ 256,432	\$ 291,335	\$ (3,319,409)	\$ 780,300
Shares issued for cash as part of unit financing	9(b)(i)	250,000	20,000	-	-	-	20,000
Warrants issued as part of unit financing	9(b)(i)	-	(7,210)	7,210	-	-	-
Net loss for the period		-	-	-	-	(150,738)	(150,738)
Balance at March 31, 2024		49,822,600	3,564,732	263,642	291,335	(3,470,147)	649,562
Flow-through shares issued for cash	9(b)(ii)	1,500,000	165,000	-	-	-	165,000
Warrants issued as part of flow-through unit financing	9(b)(ii)	-	(71,100)	71,100	-	-	-
Shares issued for cash as part of unit financing	9(b)(iii)	6,106,000	457,950	-	-	-	457,950
Warrants issued as part of unit financing	9(b)(iii)	-	(159,000)	159,000	-	-	-
Expiry of warrants	9(e)	-	-	(91,198)	-	91,198	-
Net loss for the period		-	-	-	-	(658,491)	(658,491)
Balance at December 31, 2024		57,428,600	3,957,582	402,544	291,335	(4,037,440)	614,021
Expiry of stock options	9(d)	-	-	-	(24,086)	24,086	-
Net loss for the period		-	-	-	-	(159,919)	(159,919)
Balance at March 31, 2025		57,428,600	\$ 3,957,582	\$ 402,544	\$ 267,249	\$ (4,173,273)	\$ 454,102

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,	
		2025	2024
Cash flows from operating activities			
Net loss for the period		\$ (159,919)	\$ (150,738)
Adjustments not affecting cash:			
Flow-through share premium recovery	Note 13	-	(5,279)
Change in unrealized loss on value of investments	Note 6	2,000	-
Operating cash flows before changes in non-cash working capital:		(157,919)	(156,017)
Changes in non-cash working capital:			
HST receivable		36,918	561
Other amount receivable	Note 7	185,597	191,225
Prepaid expenses		1,957	7,263
Accounts payable and accrued liabilities		5,488	(44,018)
Cash provided by (used in) operating activities		72,041	(986)
Cash flows from financing activities			
Proceeds from private placement	Note 9(b)	-	20,000
Cash provided by financing activities		-	20,000
Increase in cash during the period		72,041	19,014
Cash, beginning of period		37,548	212,205
Cash, end of period		\$ 109,589	\$ 231,219

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 110 Yonge Street, Suite 1601, Toronto, Ontario, M5C 1T4, 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 \$4,173,273 as at March 31, 2025 (December 31, 2024 - \$4,037,440). 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, 2025, the Company had current assets of \$148,392 (December 31, 2024 - \$302,823) to cover current liabilities of \$237,290 (December 31, 2024 - \$231,802). 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, 2024. 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, 2024.

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, 2024. 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.

Changes in Accounting Standard Not Yet Effective

In April 2024, the IASB announced IFRS 18 *Presentation and Disclosure in Financial Statements* IAS -1 *Presentation of Financial Statements*, which sets out presentation and disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss before financing and income taxes.

Further, operating expenses are presented directly on the face of the income statement – classified either by nature, by function or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature.

IFRS 18 also provides enhanced guidance for aggregation of disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures and eliminates classification options for interest and dividends in the statement of cash flows. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. The Company is assessing the impact of IFRS 18 on the financial statements.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is assessing the impact of these amendments on the financial statements.

Approval of the Financial Statements

These financial statements of the Company for the periods ended March 31, 2025 and 2024 were approved and authorized for issue by the Board of Directors on May 23, 2025.

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, 2024.

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.

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.

4. FINANCIAL INSTRUMENTS (Continued)

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 2025 Moray exploration budget is planned to be partially funded from flow-through funds raised in July 2024 and from the \$200,000 reimbursement received from the Ontario government through the Ontario Junior Exploration Program ("OJEP") in March 2025. The 2025 operating expenses will be partially funded from the proceeds received in connection with the sale of the Company's interest in the Sundog gold project and related assets (see Notes 7 and 13). There is no certainty of the Company's ability to complete additional financings.

As at March 31, 2025, the Company held current assets of \$148,392 (December 31, 2024 - \$302,823) to settle current liabilities of \$237,290 (December 31, 2024 - \$231,802).

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.

The Company's financial assets and liabilities as at March 31, 2025 and December 31, 2024 were as follows:

	Amortized Cost	FVPL	Total
December 31, 2024			
Financial assets			
Cash	\$ 37,548	\$ -	\$ 37,548
Other amount receivable	\$ 186,597	\$ -	\$ 186,597
Investment	\$ -	\$ 8,000	\$ 8,000
Financial liabilities			
Accounts payable and accrued liabilities	\$ 231,802	\$ -	\$ 231,802

4. FINANCIAL INSTRUMENTS (Continued)

	Amortized Cost	FVPL	Total
March 31, 2025			
Financial assets			
Cash	\$ 109,589	\$ -	\$ 109,589
Other amount receivable	\$ 1,000	\$ -	\$ 1,000
Investment	\$ -	\$ 6,000	\$ 6,000
Financial liabilities			
Accounts payable and accrued liabilities	\$ 237,290	\$ -	\$ 237,290

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, 2025, the Company's share capital was \$3,957,582 (December 31, 2024 - \$3,957,582).

There were no changes in the Company's approach to capital management during the period ended March 31, 2025. 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.

6. INVESTMENT

	December 31, 2024			December 31, 2024		
	Shares	Share Price	Fair Value	Shares	Share Price	Fair Value
Planet Green Metals Inc.	100,000	\$0.06	\$ 6,000	100,000	\$0.08	\$ 8,000
Total Fair Value of Investment			\$ 6,000			\$ 8,000

On October 16, 2024, New Break entered into an agreement with Planet Green Metals Inc. ("Planet Green") to sell a 100% interest in eight mineral claims located in Sheraton Township, Ontario in exchange for \$1,000 in cash and 100,000 common shares of Planet Green. The common shares were received on October 28, 2024, at an estimated fair value of \$9,500 based on their market price of \$0.095 per share. The cash payment, which was due by December 15, 2024, is still outstanding and included in other amounts receivable as at March 31, 2025 and December 31, 2024. New Break staked the claims in June 2024 at a cost of \$400 and has recorded a gain of \$10,100 during the year ended December 31, 2024, in respect of the sale of the mineral claims. The fair value adjustment of the investment in Planet Green resulted in an unrealized loss of \$2,000 during the three months ended March 31, 2025.

7. MINERAL PROPERTIES

Acquisition Costs	Moray Gold Project
Balance, December 31, 2024 and March 31, 2025	\$ 543,000

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 May 23, 2023, New Break acquired a 100% interest in certain additional mineral claims contiguous to the northern Moray property boundary (the “Beyers claims”) from three arm’s length vendors in exchange for \$80,000 in cash and 1,500,000 common shares of New Break at an estimated fair value of \$195,000, based on their market price of \$0.13 per share.

On July 21, 2023, New Break acquired a 100% interest in certain additional mineral claims in Zavitz Township contiguous to the western Moray property boundary (the “Zavitz claims”) from two arm’s length vendors in exchange for \$10,000 in cash and 300,000 common shares of New Break at an estimated fair value of \$33,000, based on their market price of \$0.11 per share.

Certain of the claims acquired from Exiro (“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. In addition, the Beyers claims are subject to a 1.5% NSR royalty in favour of the previous property owners. New Break can reduce the NSR to 0.5% at any time for a payment of \$750,000.

Effective October 22, 2021, the Company entered into a memorandum of understanding (“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. No Prescribed Exploration Activities were completed during the three months ended March 31, 2025 or March 31, 2024. 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.

7. MINERAL PROPERTIES (Continued)

Ontario Junior Exploration Program

In each of 2022, 2023 and 2024, the Company's Moray project was accepted into OJEP, a program run by the government of Ontario, under which New Break has received a 50% reimbursement of certain exploration and evaluation expenditures for work and activities performed on the Moray property within the OJEP funding periods. The 2023 OJEP funding period ran from April 1, 2023 to February 15, 2024, while the 2024 OJEP funding period ran from April 1, 2024 to February 28, 2025. A total of \$200,000 was received in March 2025 and \$206,224 in March 2024 from the Ontario Ministry of Mines. The March 2025 receipt included \$185,597 receivable as at December 31, 2024 and \$14,403 in respect of \$28,806 of eligible expenditures incurred during the three months ended March 31, 2025. The March 2024 receipt included \$191,225 receivable as at December 31, 2023 and \$14,999 in respect of \$29,998 of eligible expenditures incurred during the three months ended March 31, 2024.

The reimbursements received and receivable, were netted against exploration and evaluation expenditures in the periods in which the expenditures were incurred.

Sundog Gold Project

Effective September 1, 2021, New Break 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:

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 (completed)
3	9,415	\$2.00	\$18,830 (paid)	\$10.00	\$94,150 (completed)
4	9,415	\$2.00	\$18,830 (paid)	\$10.00	\$94,150
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.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

**7. MINERAL PROPERTIES (Continued)**

On April 10, 2025, New Break entered into a definitive asset purchase and sale agreement with Guardian Exploration Inc. (“Guardian”), replacing a non-binding letter of intent signed December 5, 2024, to sell a 100% interest in the Sundog gold project and 60 drums of Jet A fuel (12,300 litres) warehoused in Arviat, Nunavut (the “Purchased Assets”). On April 30, 2025, New Break completed the sale of the Purchased Assets in exchange for a cash payment from Guardian of \$75,000 and the receipt of 5,000,000 shares of Guardian at an estimated fair value of \$425,000, based on their market price of \$0.085 per share. Guardian also reimbursed New Break for the \$18,830 in Sundog annual rent paid to NTI on December 27, 2024, which was recorded in exploration and evaluation expenditures for the three months and year ended December 31, 2024. Guardian has assumed 100% of the responsibility for the obligations under the MEA including the annual exploration expenditure requirements and annual rent payments due to NTI, until a construction decision is made. New Break has retained an option to purchase a 20% interest in the Sundog gold project at any time for \$1, carried through to a decision to mine (the “Option”). Upon exercise of the Option, New Break and Guardian would enter into an agreement on standard industry terms to be mutually agreed upon, governing the joint operation on a 20/80 basis, respectively. New Break would only become responsible for funding 20% of mine development costs once a construction decision has been made. New Break can sell its 20% interest at any time, subject to Guardian having a right of first refusal to buy New Break’s 20% interest.

Exploration and Evaluation Expenditures

For the three months ended March 31, 2025	Moray	Sundog	Other	Total
Consulting fees	\$ 33,857	\$ -	\$ 14,834	\$ 48,691
Assessment reports	26,648	-	-	26,648
Land management	230	-	787	1,017
Other	10,600	-	480	11,080
OJEP reimbursement	(14,403)	-	-	(14,403)
	\$ 56,932	\$ -	\$ 16,101	\$ 73,033

For the three months ended March 31, 2024	Moray	Sundog	Other	Total
Consulting fees	\$ 53,363	\$ 1,229	\$ -	\$ 54,592
Land management	1,205	-	809	2,014
Staking costs	1,100	-	1,650	2,750
Other	-	-	235	235
OJEP reimbursement	(14,998)	-	-	(14,998)
	\$ 40,670	\$ 1,229	\$ 2,694	\$ 44,593

8. 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, 2025	December 31, 2024
Trade and other payables	\$ 190,370	\$ 196,492
Audit and tax services fees	46,920	35,310
	\$ 237,290	\$ 231,802

9. 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 9(b)	Number of Common Shares	Amount
Balance at December 31, 2023		49,572,600	\$ 3,551,942
Private placement of \$0.08 units – March 5, 2024	(i)	250,000	20,000
Less: warrant valuation	(i)	-	(7,210)
Private placement of \$0.11 F-T units – July 18, 2024	(ii)	1,500,000	165,000
Less: warrant valuation	(ii)	-	(71,100)
Private placement of \$0.075 units – November 15, 2024	(iii)	6,106,000	457,950
Less: warrant valuation	(iii)	-	(159,000)
Balance at December 31, 2024 and March 31, 2025		57,428,600	\$ 3,957,582

- (i) On March 5, 2024, the Company completed a non-brokered private placement offering through the issuance of 250,000 units at a price of \$0.08 per unit for aggregate gross proceeds of \$20,000. 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 \$0.12 for a period of twenty-four (24) months from the date of closing. 125,000 of the units were purchased by a company owned by an officer of the Company. The issue date fair value of the warrants was estimated to be \$7,210 based on their Black-Scholes values, using assumptions in Note 9(e). No finder fees were paid.
- (ii) On July 18, 2024, the Company completed a non-brokered private placement offering through the issuance of 1,500,000 F-T Units at a price of \$0.11 per F-T Unit, for aggregate gross proceeds of \$165,000. Each F-T Unit consists of one F-T Share and one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one non-flow-through common share at an exercise price of \$0.25 for a period of sixty (60) months from the date of closing. There was no flow-through premium on the issuance of the F-T Shares. The issue date fair value of the warrants was estimated to be \$71,100 based on their Black-Scholes value, using assumptions in Note 9(e). No finder fees were paid.
- (iii) On November 15, 2024, the Company completed a non-brokered private placement through the issuance of 6,106,000 units at a price of \$0.075 per unit for gross proceeds of \$457,950. 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 \$0.12 for a period of twenty-four (24) months from the date of closing. 1,350,000 of the units were purchased by a company owned by a then director of the Company. The issue date fair value of the warrants was estimated to be \$159,000 based on their Black-Scholes values, using assumptions in Note 9(e). No finder fees were paid.

(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. As at March 31, 2025, the Company had 655,950 (December 31, 2024 – 1,311,900) common shares held in escrow with the next and final escrow release on September 7, 2025.

9. SHARE CAPITAL (Continued)

	Number of Common Shares
Balance at December 31, 2023	2,623,800
Released from escrow – March 7, 2024	(655,950)
Released from escrow – September 7, 2024	(655,950)
Balance at December 31, 2024	1,311,900
Released from escrow – March 7, 2025	(655,950)
Balance at March 31, 2025	655,950

(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. As at March 31, 2025, 2,252,860 (December 31, 2024 - 1,942,860) additional options remain available for issuance under the Plan.

The following table reflects the continuity of stock options for the three months ended March 31, 2025 and the year ended December 31, 2024.

	Number of Stock Options	Weighted Average Exercise Price
Outstanding at December 31, 2023 and 2024	3,800,000	\$0.10
Expired	(310,000)	\$0.10
Outstanding at March 31, 2025	3,490,000	\$0.10

Stock Option Grants

No stock options were granted during the three months ended March 31, 2025 or the year ended December 31, 2024.

The fair values of the outstanding options granted, were 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%
June 2, 2023	\$0.10	\$0.10	3.49%	146%	5	0%	0%

9. SHARE CAPITAL (Continued)

Stock Option Expiries

Effective January 3, 2025, stock options to purchase up to 60,000 common shares of the Company at a price of \$0.10 per share, granted to a consultant on June 2, 2023, expired unexercised in accordance with the terms of the Plan, following the death of the consultant. Grant date fair value of \$5,436 was transferred to deficit.

Effective February 28, 2025, stock options to purchase up to 250,000 common shares of the Company at a price of \$0.10 per share, granted to a former officer of the Company on November 19, 2021, expired unexercised in accordance with the terms of the Plan. Grant date fair value of \$18,650 was transferred to deficit.

The following table reflects the stock options outstanding and exercisable at March 31, 2025:

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	2,700,000	\$ 0.10	1.64	November 18, 2026	2,700,000 ⁽¹⁾	\$ 201,420
December 30, 2022	350,000	\$ 0.10	2.75	December 27, 2027	350,000	26,985
January 20, 2023	200,000	\$ 0.10	2.81	January 19, 2028	200,000	17,100
June 2, 2023	240,000	\$ 0.10	3.17	June 1, 2028	240,000	21,744
	3,490,000	\$ 0.10	1.92		3,490,000	\$ 267,249

- (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, 2025 is 1.92 years (December 31, 2024 - 2.00 years) at a weighted average exercise price of \$0.10 (December 31, 2024 - \$0.10).

(e) Warrants

The following table reflects the continuity of warrants for the three months ended March 31, 2025 and the year ended December 31, 2024:

	Number of Warrants	Issue Date Fair Value	Weighted Average Exercise Price
Balance at December 31, 2023	4,462,850	\$ 256,432	\$ 0.22
Issued	7,856,000	237,310	\$ 0.14
Expired	(1,338,000)	(91,198)	\$ 0.35
Balance at December 31, 2024 and March 31, 2025	10,980,850	\$ 402,544	\$ 0.15

Warrant Expiries

On September 6, 2024, 80,000 warrants issued on December 31, 2021, having an exercise price of \$0.35 expired unexercised. Issue date fair value of \$5,392 was moved from warrant reserve to deficit.

On September 6, 2024, 578,000 warrants issued on March 30, 2022, having an exercise price of \$0.35 expired unexercised. Issue date fair value of \$39,362 was moved from warrant reserve to deficit. 218,000 of these were held by a director of the Company.

On September 6, 2024, 680,000 warrants issued on May 31, 2022, having an exercise price of \$0.35 expired unexercised. Issue date fair value of \$46,444 was moved from warrant reserve to deficit.

9. SHARE CAPITAL (Continued)

Warrant Issuances

On March 5, 2024, the Company issued 250,000 warrants with an exercise price of \$0.12 for a period of 24 months (see Note 9(b)(i)). Issue date fair value of \$7,210 was moved from share capital to warrant reserve.

On July 18, 2024, the Company issued 1,500,000 warrants with an exercise price of \$0.25 for a period of 60 months (see Note 9(b)(ii)). Issue date fair value of \$71,100 was moved from share capital to warrant reserve. The warrants were issued to two shareholders, who together are a Control Person (as such term is defined in accordance with Canadian securities law).

On November 15, 2024, the Company issued 6,106,000 warrants with an exercise price of \$0.12 for a period of 24 months (see Note 9(b)(iii)). Issue date fair value of \$159,000 was moved from share capital to warrant reserve. 1,350,000 of these warrants were issued to a company owned by a then director of the Company.

As at March 31, 2025, 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:

Issue Date	Warrants Outstanding	Exercise Price	Weighted Average Remaining Life (years)	Expiry Date	Issue Date Fair Value
May 31, 2023	51,000	\$0.15	0.16	May 30, 2025	\$ 4,544
December 29, 2023	750,000	\$0.12	0.75	December 29, 2025 ⁽¹⁾	24,075
December 29, 2023	1,250,000	\$0.15	0.75	December 29, 2025 ⁽¹⁾	38,250
March 5, 2024	250,000	\$0.12	0.93	March 5, 2026 ⁽¹⁾	7,210
June 23, 2023	1,073,850	\$0.20	1.23	June 23, 2026 ⁽²⁾	98,365
July 18, 2024	1,500,000	\$0.25	4.30	July 18, 2029 ⁽²⁾	71,100
November 15, 2024	6,106,000	\$0.12	1.62	November 13, 2026 ⁽¹⁾	159,000
	10,980,850	\$0.15	1.77		\$ 402,544

(1) These warrants are subject to a potential acceleration clause should the trading price of the common shares equal or exceed \$0.25 for any five (5) non-consecutive trading days over a 365-day period.

(2) These warrants are subject to a potential acceleration clause should the trading price of the common shares equal or exceed \$0.40 for any five (5) non-consecutive trading days over a 365-day period.

The weighted average remaining contractual life of warrants outstanding as at March 31, 2025 is 1.77 years (December 31, 2024 – 2.01 years) at a weighted average exercise price of \$0.15 (December 31, 2024 – \$0.15).

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 31, 2023	\$0.13	\$0.15	4.22%	145%	2	0%	0%
June 23, 2023	\$0.12	\$0.20	4.25%	149%	3	0%	0%
December 29, 2023	\$0.048	\$0.12	3.88%	172%	2	0%	0%
December 29, 2023	\$0.048	\$0.15	3.88%	172%	2	0%	0%
March 5, 2024	\$0.051	\$0.12	4.04%	144%	2	0%	0%
July 18, 2024	\$0.063	\$0.25	3.34%	132%	5	0%	0%
November 15, 2024	\$0.049	\$0.12	3.15%	140%	2	0%	0%

10. 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 Chief Executive Officer (former Vice-President, Exploration) and President and Chief Financial Officer.

	Three Months Ended March 31,	
	2025	2024
Management fees	\$ 27,000	\$ 37,500
Management fees included in exploration and evaluation	22,500	22,500
Total fees paid to management and directors	\$ 49,500	\$ 60,000
Exploration and evaluation consulting fees charged by a geological consulting company, the President & CEO of which, is also a director of New Break ⁽¹⁾	\$ 51,222	\$ 27,015

(1) Effective February 8, 2025, this geological consulting company is no longer a related party following the resignation of the director from the board of the Company.

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 March 5, 2024, the Company completed a non-brokered private placement for gross proceeds of \$20,000 through the issuance of 250,000 units at a price of \$0.08 per unit. A company owned by an officer of the Company subscribed for 125,000 of the units for proceeds of \$10,000 and was issued 125,000 warrants exercisable at \$0.12 for a period of 24 months.

On July 18, 2024, the Company completed a non-brokered private placement for gross proceeds \$165,000 through the issuance of 1,500,000 F-T units at a price of \$0.11 per F-T unit. Two shareholders, who together are a Control Person, subscribed for all of the F-T units and were issued an aggregate of 1,500,000 warrants exercisable at \$0.25 for a period of 60 months.

On September 6, 2024, 218,000 warrants held by a director of the Company, issued on March 30, 2022, having an exercise price of \$0.35 expired unexercised.

On November 15, 2024, the Company completed a non-brokered private placement for gross proceeds of \$457,950 through the issuance of 6,106,000 units at a price of \$0.075 per unit. A company owned by a then director of the Company subscribed for 1,350,000 of the units for proceeds of \$101,250 and was issued 1,350,000 warrants exercisable at \$0.12 for a period of 24 months.

As at March 31, 2025, \$176,470 (December 31, 2024 - \$97,058) included in accounts payable and accrued liabilities was owing to related parties, including \$114,431 (December 31, 2024 - \$56,550) owed to a geological consulting company, the President and Chief Executive Officer of which, was also a director of New Break until February 8, 2025. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

11. 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.

12. COMMITMENTS AND CONTINGENCIES

As at March 31, 2025, the Company had a commitment to spend \$124,995 (December 31, 2024 - \$165,000) on eligible Canadian Exploration Expenditures (“CEE”), from amounts raised from flow-through financing, by December 31, 2025.

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 2024 in the amount of \$165,000 (2023 - \$625,700), the Company recorded an aggregate flow-through share premium liability of \$nil (2023 - \$93,635). As eligible CEE is incurred, the amount is drawn down as income through the statement of loss. During the three months ended March 31, 2025, the Company incurred \$85,939 (March 31, 2024 - \$39,595) in eligible CEE and recorded a flow-through share premium recovery of \$nil in the statement of loss (March 31, 2024 - \$5,279).

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 \$198,000 upon termination without cause and \$396,000 upon termination in connection with a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

13. SUBSEQUENT EVENTS

Sale of Sundog Gold Project and Related Assets

On April 10, 2025, New Break entered into a definitive asset purchase and sale agreement with Guardian Exploration Inc., replacing a non-binding letter of intent signed December 5, 2024, to sell a 100% interest in the Sundog gold project and 60 drums of Jet A fuel (12,300 litres) warehoused in Arviat, Nunavut. On April 30, 2025, New Break completed the sale of these assets (see Note 7).

Expiry of Stock Options

Effective May 9, 2025, stock options to purchase up to 450,000 common shares of the Company at a price of \$0.10 per share, granted to a former director and a consultant on November 19, 2021, expired unexercised in accordance with the terms of the Plan.

Effective May 23, 2025, stock options to purchase up to 200,000 common shares of the Company at a price of \$0.10 per share, granted to a former director of the Company on November 19, 2021, expired unexercised in accordance with the terms of the Plan.