NEW BREAK RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

General

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of the operations of New Break Resources Ltd. ("**New Break**", or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the years ended December 31, 2022 and 2021. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2022 and 2021, together with the notes thereto ("the **financial statements**"). Results are reported in Canadian dollars, unless otherwise noted.

The financial statements and the financial information contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the IFRS Interpretations Committee ("**IFRIC**"). Please refer to Note 3 of the annual audited financial statements as at and for the years ended December 31, 2022 and 2021 for disclosure of the Company's significant accounting policies.

The audit committee of the Company has reviewed this MD&A and the financial statements for the year ended December 31, 2022 and the Company's Board of Directors approved these documents prior to their release.

This MD&A is dated April 25, 2023 and is current to that date.

Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at www.sedar.com, on New Break's website at www.newbreaksources.ca and under the Company's profile on the Canadian Securities Exchange ("**CSE**") website at www.thecse.com.

Caution Regarding Forward Looking Information

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address future exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Qualified Person

Technical information contained in this MD&A has been prepared by or under the supervision of Peter C. Hubacheck, P. Geo., consulting geologist to New Break, who is a "Qualified Person" for the purpose of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("**NI 43-101**"). He has verified the data comprising such technical information, including sampling, analytical and test data underlying the information or opinions contained herein.

Overview

New Break 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 ("**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.

Description of the Business

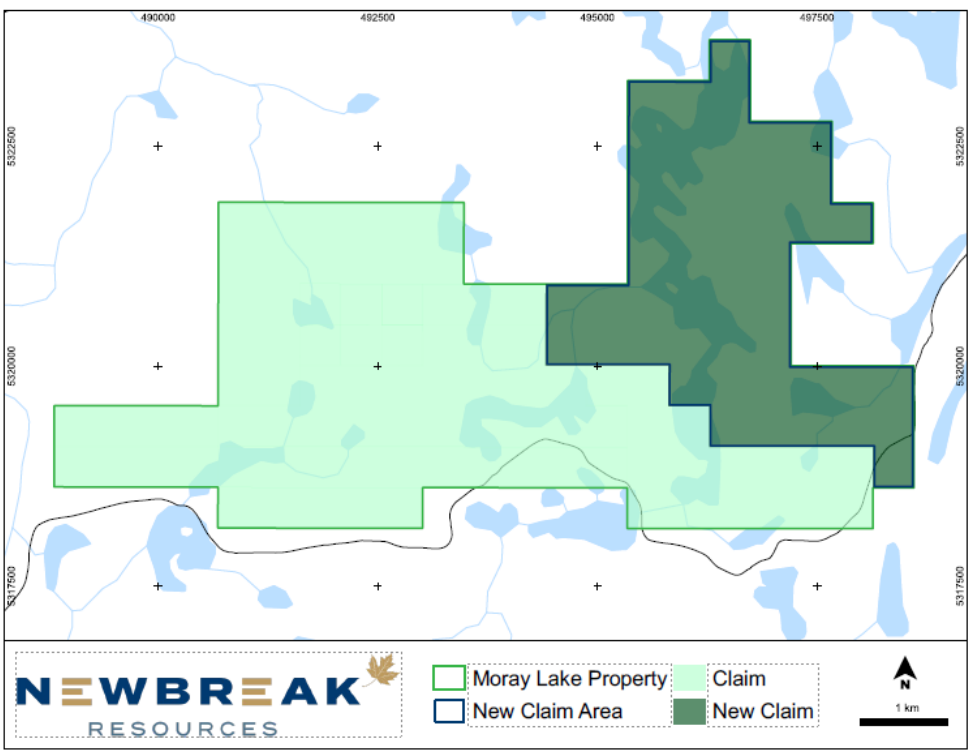
New Break is a Canadian mineral exploration and evaluation stage company, focused principally on gold exploration at its 100% owned Moray property, covering approximately 2,894 hectares located in the southern Abitibi greenstone belt, approximately 49 km southeast of Timmins, Ontario and 32 km northwest of the Young-Davidson gold mine operated by Alamos Gold Inc. and at its four gold projects located in Kivalliq Region, Nunavut. The Sundog Gold Project covers approximately 9,415 hectares within parcel AR-35 on Inuit Owned Land. The 100% owned Esker/Noomut, Sy and Angikuni Lake Gold Projects, cover approximately 21,960 hectares on Crown Land and were acquired through staking in 2021.

Developments during 2022 and up to April 25, 2023

Mineral Properties and Exploration and Evaluation Activities

Moray Gold Project - Matachewan, Ontario

The 2,894-hectare Moray property ("**Moray**"), is located approximately 49 km south of Timmins, Ontario and 32 km northwest of the Young-Davidson gold mine, operated by Alamos Gold Inc. ("**Alamos**").



An NI 43-101 technical report on the Moray Project ("**Moray Technical Report**") dated February 25, 2022 with an effective date of December 31, 2021 can be found on the Company's website at www.newbreakresources.ca. It has not been further updated to include any additional exploration work or information subsequent to December 31, 2021.

The original Moray claims covering approximately 1,856 hectares (light green area), were acquired in September 2020 from Exiro Minerals Corp. ("**Exiro**"), a private junior mineral exploration company, for 2,500,000 shares of New Break and aggregate cash payments of $100,000. Exiro continues to hold their investment in New Break which represents 6.1% of the issued and outstanding common shares. On March 1, 2023, New Break added approximately 1,038 hectares of new mineral claims (dark green area) at a cost of $2,400 through staking, when the ground became open, bringing the total property area to approximately 2,894 hectares. The newly staked ground is not subject to any pre-existing area of influence requirement, is royalty free and is automatically added to ground covered by the October 22, 2021, Memorandum of Understanding ("**MOU**") between New Break and the Matachewan and Mattagami First Nations ("**First Nations**").

Moray exhibits comparable geology, mineralization and alteration characteristics to Young-Davidson, including mafic volcanic hosted and syenite hosted auriferous quartz vein zones. First discovered in 1916, Young-Davidson produced one million ounces of gold from 1934 to 1957 from open pit and underground development. Commercial production resumed in 2012. Current annual gold production at Young-Davidson runs 190,000 to 200,000 ounces at an average grade of 2.3 grams per tonne gold ("**g/t Au**"), generating in excess of US$100 million of free cash flow annually at current gold prices.

Ore extraction at Young-Davidson has historically been derived from both the hosting mafic volcanics and the syenite intrusive rocks. New Break's Moray property exhibits comparable geology, mineralization and alteration characteristics to Young-Davidson, including mafic volcanic hosted and syenite hosted auriferous quartz vein zones. Strong pervasive hematitic-potassic alteration and secondary fracture-controlled pyrite mineralization associated with stockwork quartz and quartz-carbonate veining occurs within the Fiset syenite at the historical Trench 1 (Fiset Area) on the Moray property. Mafic volcanic hosted quartz vein zones have been outlined in Trench 12 at the contact of the Fiset syenite. The results of exploration work completed by New Break during 2022, noted below, appear to support the Company's thesis of pursuing a Young-Davidson gold mineralization model at Moray, however, it should be noted that the mineralization style and setting associated with the Young-Davidson gold mine is not necessarily indicative of the mineralization observed on the Moray property.

Purchase of IP Data from 55 North Mining Inc. (formerly SGX Resources Inc.)

On March 7, 2022, New Break entered into a data purchase agreement with 55 North Mining Inc., formerly SGX Resources Inc. ("**SGX**"), for the purchase of the raw data obtained from an induced polarization ("**IP**") survey conducted by SGX on the Moray property during the fall of 2012 for consideration of $20,000. Purchasing this raw data was far cheaper than New Break completing its own IP survey.

2022 Exploration Program

In April 2022, New Break engaged Shaun Parent, P. Geo., of Superior Exploration Co. ("**Superior Exploration**") to complete a Very Low Frequency ("**VLF**") ground geophysical survey which included 14.88 line-km of VLF surveying of the Fiset North syenite target area.

In June 2022, New Break engaged IOS Services Géoscientifique Inc. ("**IOS**") out of Chicoutimi, Quebec, to complete a till sampling survey of the Moray property to analyze gold grains in bedrock. The fieldwork was completed from June 5-10, 2022, with IOS taking 44 till samples from various property locations.

Mechanical Stripping, Washing and Channel Sampling Program – Summer 2022

Following the till sampling survey, New Break engaged CXS Canadian Exploration Services Ltd. ("**CXS**") out of Larder Lake, Ontario, who completed an initial program of approximately 3,800 m^2 of mechanical stripping from June 20-30, 2022, principally focused on the Voyager area, including the historical SGX Trench 12 and the Fiset area, including the historical SGX Trench 1 and the NOR vein discovered by Noranda Inc. In addition, while SGX did complete 2,285 m^2 of mechanical stripping in a 15-trench program in 2012, SGX did not cut channel samples. As a result, CXS washed both the newly stripped areas and the historical SGX trenches 1 and 2 at Fiset and trench 12 at Voyager which was followed by a 135-sample channel sampling program. The channel sample areas were marked by New Break personnel and cut by CXS, with the program being completed on July 17, 2022.

On July 13, 2022, geological consultants from Orix Geoscience Inc. ("**Orix**") arrived on the property to oversee the channel sampling program and complete a structural mapping program. Orix immediately completed a high-resolution drone survey of the Voyager and Fiset areas, including all newly stripped areas and all of the historical SGX trenches. Orix then completed a program of geological and structural mapping and interpretation of the Voyager and Fiset areas, which included taking 74 grab samples from various areas of the Moray property, including in and around the historical SGX Trench 12. The highest-grade grab sample of 70.60 g/t Au was located at the south end of the main Trench 12. Five samples from this initial New Break program yielded assays higher than the highest 21.8 g/t Au assay from the 2012 SGX prospecting and trenching program.

Mechanical Stripping, Washing and Channel Sampling Program – Fall 2022

In order to follow up the excellent assay results at the Trench 12 Voyager area from the summer 2022 program, New Break mobilized an excavator to Trench 12 on September 21, 2022, to conduct an additional Fall 2022 stripping program, as the shear vein remains untested to the NNE and to SSW. During October 2022, New Break extended the previous trenching work to both the NNE and SSW uncovering an 80-metre-long mineralized section of N-S trending, moderately west dipping, extensional quartz veining in Trench 12 as well as marginally extending the main NE striking, shallow NW dipping shear-breccia vein system. Stripping and trenching at Trench 1 has exposed altered and mineralized quartz veining to the west and to the north, expanding the known mineralized zone hosted within the Fiset syenite. Additional sampling was conducted during September and October 2022 and Orix continued mapping the newly exposed areas. Grab and channel sampling results are presented below.

New Break Grab Sampling Program Assays – Trench 12, Voyager Area (July to October 2022)

Overall, a total of 21 grab samples were taken by New Break in 2022 at Trench 12, with the following 18 samples grading 1.0 g/t Au or higher:

Sample Number	Description	Grade (g/t Au)	Date of Sample
X947861	Boulder removed from shear vein	13.15	July – August 2022
X947863	Boulder removed from shear vein	7.26	July – August 2022
X947864	Boulder removed from shear vein	37.00	July – August 2022
X947865	Boulder removed from shear vein	10.15	July – August 2022
X947866	Boulder removed from shear vein	24.80	July – August 2022
X947868	Shear vein	9.46	July – August 2022
X947869	Shear vein	25.30	July – August 2022
X947871	Shear vein	24.60	July – August 2022
X947872	Shear vein	11.55	July – August 2022
X947873	Shear vein	1.33	July – August 2022
X947874	Shear vein	70.60	July – August 2022
X947875	Shear vein	11.75	July – August 2022
X947925	Quartz Carbonate Hematite	1.73	September – October 2022
X947927	Same vein as X947925	4.63	September – October 2022
X947928	Quartz Carbonate Pyrite Vein	15.45	September – October 2022
X947929	Quartz Pyrite Vein	1.90	September – October 2022
X947932	Quartz Carbonate Pyrite Vein	12.65	September – October 2022
X947933	Quartz Pyrite Vein	1.61	September – October 2022

The gold value of the other three samples were 0.053, 0.945 and 0.899 g/t Au.

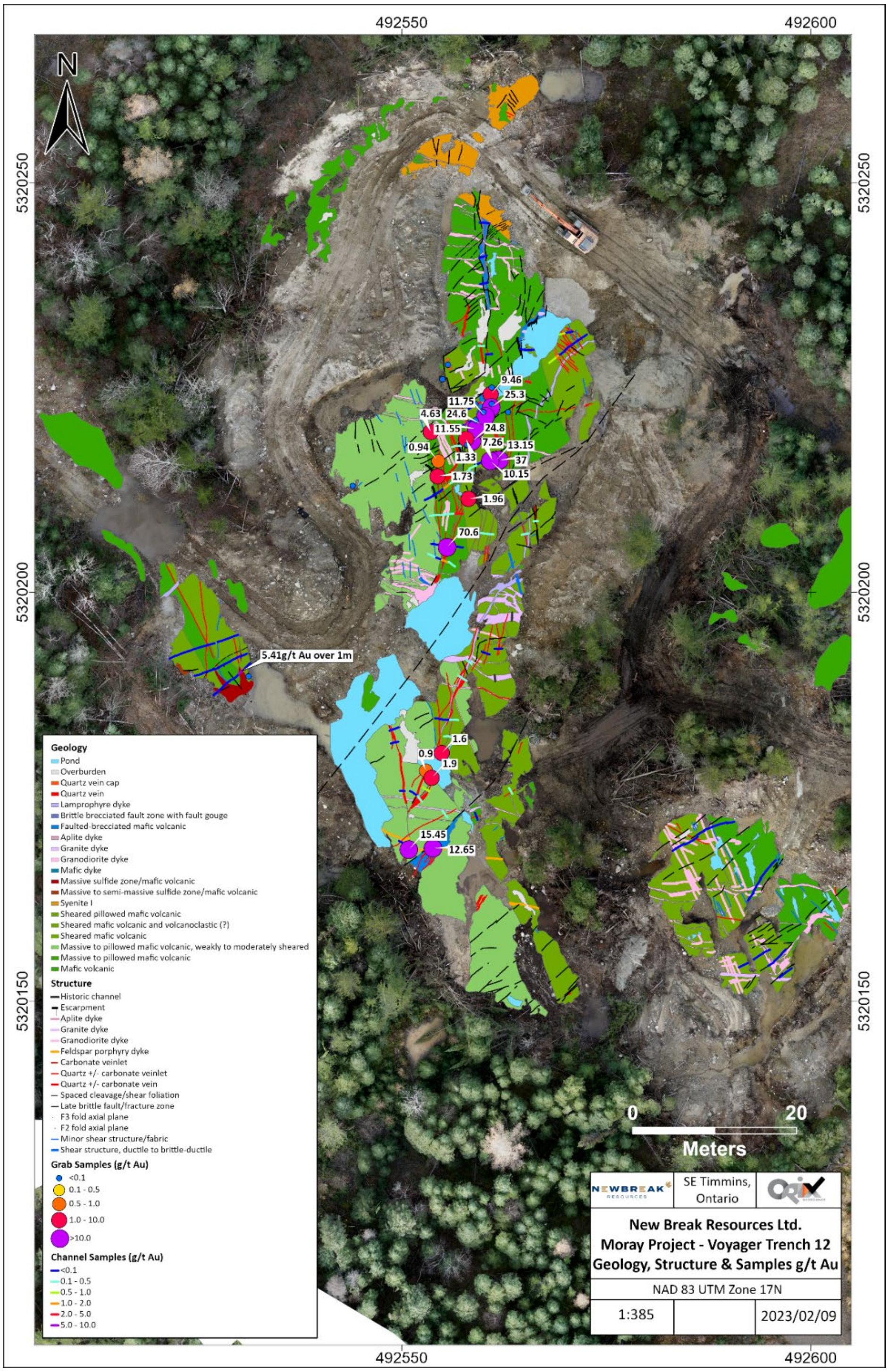
New Break Channel Sampling Program Assays – Trench 12, Voyager Area (July to October 2022)

Overall, 12 channel samples were taken at Trench 12, with the following 6 samples grading 1.0 g/t Au or higher:

Sample Numbers	Grade (1) (g/t Au)	Length (m)	Date of Sample
L902912 – L902914	2.415	2.10	July 2022
L902915 + L902917 (no L902916)	2.788	1.75	July 2022
L901917 – L901919	1.070	3.32	July 2022
L902918 – L902922	2.773	4.51	July 2022
L902924	1.165	1.41	July 2022
L905669	5.410	1.00	October 2022

(1) Weighted average grade over entire length from individual samples.

Outcrop and boulder grab sampling results, along with channel sampling results from the Trench 12 Voyager area are presented in the following high-resolution drone imagery from the drone survey completed by Orix, which also layers on geology and structure as mapped by Orix.



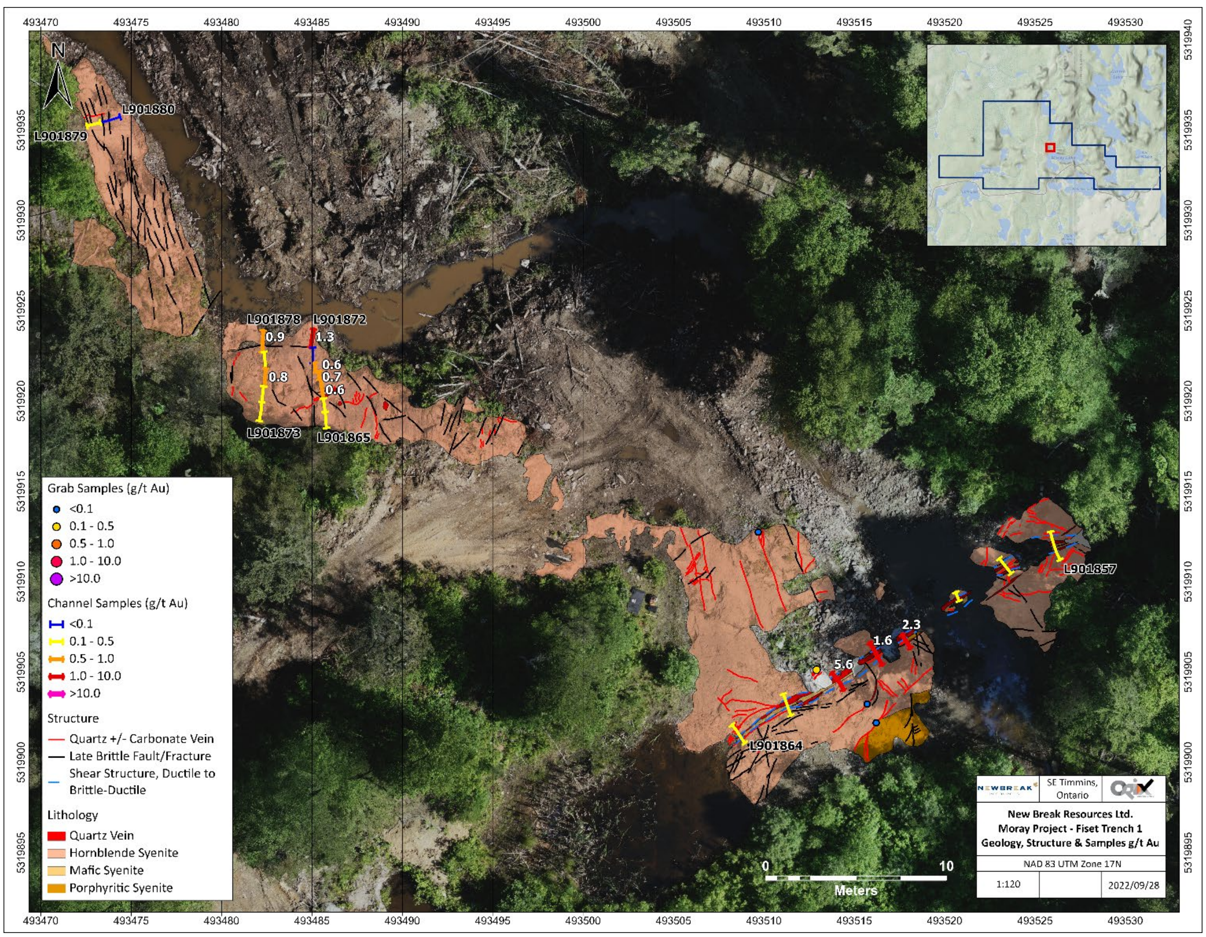
(***Figure -** Outcrop, boulder and channel samples at Trench 12, Voyager area, including structural geology)*

Channel Sampling Program Assays – Trench 1 and NOR Vein, Fiset Area (July 2022)

Sample Numbers	Grade (g/t Au)	Length (m)	Description
L901857	0.275	1.50	NOR vein
L901858	0.356	1.05	NOR vein
L901859	0.441	0.50	NOR vein
L901860	2.290	0.90	NOR vein
L901861	1.610	1.35	NOR vein
L901862	5.160	1.10	NOR vein
L901863	0.182	1.25	NOR vein
L901864	0.125	1.20	NOR vein
L901865 – L901872	0.570 (1)	6.20	Fiset trench 1 – new vein
L901873 – L901878	0.464 (1)	5.37	Fiset trench 1 – new vein

(1) Weighted average grade over entire length from individual samples.

Results from the Fiset showing area, including the historical SGX Trench 1 and the NOR vein, discovered by Noranda Inc., are presented in the following Figure.



*(**Figure** – Channel sample results Trench 1, Fiset area – Moray Project)*

Fall 2022 VLF and VLF + MAG Surveys

In September 2022, New Break again engaged Shaun Parent, P. Geo., of Superior Exploration to complete a combined VLF and magnetic ("**MAG**") ground geophysical survey to trace the shear and extensional vein systems with lines spaced perpendicular to the azimuth of the shear vein at the Voyager target area. 18.0 line-km were completed. Following the survey work at the Voyager target area, from October 1-20, 2022, Superior Exploration completed 19.1 line-km of additional VLF survey work on the NOR grid at Moray and 8.54 line-km of VLF plus MAG survey work on the Dexter grid at Moray.

Moray Exploration – Additional Geological Interpretation

New Break engaged the services of Alan King of Geoscience North Ltd. ("**Geoscience North**") to interpret the results of the raw SGX IP data, together with data obtained from the Drone-MAG, VLF and ground-MAG surveys conducted by New Break in 2021 and 2022. Mr. King was Chief Geophysicist at Inco Ltd. and Vale S.A. Geoscience North applies the use of proprietary technology to raw data which has yielded new and revolutionary interpretation of these data sets that is being utilized to aid in the definition of high-quality targets for drilling in New Break's planned upcoming drilling program at Moray.

Observations at Moray from the Structural Mapping and Sampling Programs

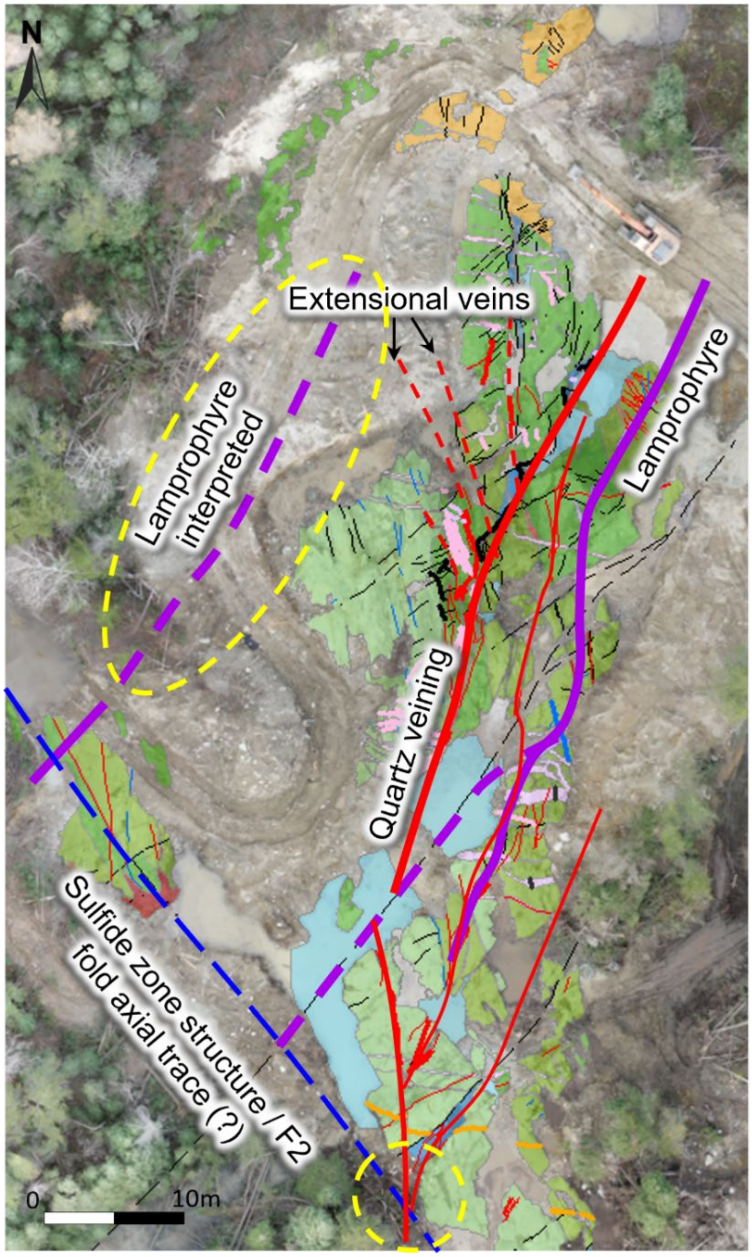
Exploration work completed by New Break, yielded the following observations with respect to the gold mineralization at the historical trenches 1 and 12:

- The syenite contact has been observed at the north end of trench 12, but not along the main northeast trending gold bearing shear vein;
- Very low frequency ("VLF") geophysical survey results mirror the direction of the main shear vein with the conductor/structure trending northeast into the Fiset syenite;
- SGX drillhole ML12-01, which was collared close to the southern end of trench 12, was drilled parallel to the NE - SW trending shear structure, and intercepted 2.47 g/t Au over 1.5 metres proximal to the volcanic syenite contact and 0.494 g/t Au over 12.1 metres in the syenite at the volcanic-syenite contact. Drilling did not test the main shear structure;
- In the historical trench 1 area, there is a noted increase in hematitic/potassic alteration in the altered syenite adjacent to the NOR vein. The magnetic susceptibility drops between the unaltered syenite (8-17) and the altered syenite (1-6);
- The gold bearing shear structure at trench 12 trends to the northeast, towards the contact with the Fiset syenite. This structure has not been tested by historical drilling; and
- The syenite hosted gold mineralization at trench 1 was indirectly tested by Newmont in drillhole Z-80-05, however no assays were reported in the assessment filing.

Trench 12 Observations from Structural Mapping

- A NNE to NE-striking shear-breccia veining system occurs in the foot-wall of the main fault zone with a close spatial relationship with the NNE-striking lamprophyre dyke.
- A similar NE-striking lamprophyre dyke was mapped at the western corner of the sulfide trench that can be interpreted towards the NE at the western parts of trench 12 where there is no exposure. There is a possibility for similar parallel quartz veining at the west side of trench 12 in the hanging-wall zone that is associated spatially with an interpreted lamprophyre dyke (yellow dashed ellipsoid).

- The intersection between the southern strike of the quartz veining zone in trench 12 with the NW-striking sulfide zone might be a dilatational site that potentially enhances the mineralization (yellow dashed circle).



*(**Figure** – Lamprophyre – Quartz Veining – Sulfide Zone- Trench 12, Voyager area – Moray Project)*

Next Phase of Exploration – Drill Targets Resulting from Structural Interpretation

- Trench 12 - The intersection of the extensional and shear veins should be tested by a drillhole that is collared on the western edge of the stripped area with a west-east azimuth. The drillhole should also test the potential extension of the Lamprophyre (note Figure above) and potentially new shear veins.

- Trench 12 - A drillhole should be planned to test the intersection of the NW-SE sulphide zone and the southern end of the stripped area.
- Trench 12 - Consideration should also be given to testing the NE strike of the main shear vein in light of the potential proximity of the contact between the mafic volcanics and the Fiset syenite. There is an expectation of a “competency” contrast between the brittle syenite and the more ductile mafic volcanics.
- Trench 1 – The gold bearing NOR 1 vein has not been properly tested by diamond drilling. Newmont drillhole Z-80-05 (no assays disclosed) reported variably mineralized sections of mafic syenite from 71.3 to 303.9 metres which implies that there is mineralized syenite northeast of Trench 1.

Quality Assurance and Quality Control (“QA/QC”)

Samples collected in the 2022 channel and grab sampling program were delivered to ALS Global (“**ALS**”) in Timmins, Ontario for preparation and were assayed for gold by ALS Global in Vancouver, British Columbia.

New Break implemented a strict QA/QC protocol in processing all channel and grab samples collected from the Moray property to ensure best practice in the sampling and analysis of the surface samples. Channel sample lines were located and measured perpendicular to shear vein trends and marked at 1.0 metre to 1.5 metre intervals. Blanks and certified standards were inserted into the channel sample stream at batch intervals of 10 assay tags. Final GPS control of the sample lines was determined from drone imagery. The 20th sample in the grab sample sequence was either a blank or a certified standard.

All channel rock samples were put in sturdy plastic bags, tagged, and sealed in the field by CXS personnel under the supervision of Orix professional geologists and Peter C. Hubacheck P. Geo. and QP. The channel sample bags were then put in rice pouches before being transported by CXS personnel to their secure facility in Larder Lake. The grab samples were collected by Orix professional geologists and transported in rice pouches to the ALS preparation lab in Timmins. The channel samples were transported by truck by CXS to ALS at their Timmins, Ontario facility for sample preparation where the samples were crushed to better than 70% passing 2mm, 1kg riffle split and pulverized to 85% passing 75 microns. Pulps were forwarded to ALS Global in Vancouver, British Columbia for analyses. The program collected samples for both gold and base metal multi-element analysis. Gold analyses are obtained via industry standard fire assay with ICP finish using 30 g aliquots. For samples returning greater than 10.0 g/t, gold follow-up fire assay analysis with a gravimetric finish is completed. Based on initial fire assay gold indications as well as visual indication of mineralization and alteration, intervals are selected for re-assay by the screen metallic fire assay method. Base metal samples were analyzed for 48 trace and major elements by ICP-MS following a four-acid digestion. ALS Global are ISO/IEC 17025:2017 accredited (Lab No. 579) for the preparation and analyses performed on the New Break samples.

Ontario Junior Exploration Program (“OJEP”)

New Break entered into a Transfer Payment Agreement with the Province of Ontario dated April 1, 2022 which covers funding of eligible exploration work completed on the Moray property between April 1, 2022 and February 15, 2023. Eligible expenses are reimbursed at a rate of 50% with the aggregate reimbursement capped at $200,000. Only 12 companies were approved during the first intake in 2021 and only 18 were approved in the second intake in 2022, which included New Break. Further information on OJEP can be found at www.ontario.ca/page/ontario-junior-exploration-program, including a list of the successful companies.

On September 15, 2022, New Break submitted an interim report to the Ontario Ministry of Northern Development covering exploration work since April 1, 2022 and outlining the Company's exploration plan at Moray for the remainder of the funding period. On November 7, 2022, the Company received a $60,000 payment, being the maximum reimbursement in respect of the interim reporting period. On March 1, 2023, New Break submitted its final report in respect of the program and on March 20, 2023, the Company received the remaining $140,000 reimbursement in respect of 2022 Moray exploration expenditures.

Nunavut Exploration Activities

In February 2022, the Company purchased 60 drums (12,300 litres) of Jet A aviation fuel, currently warehoused in Arviat, for $55,800 in preparation for a 2022 exploration field season in Nunavut. As a result of delays in being issued an Inuit Land Use License on the Sundog Gold Project, the fuel is being held in inventory for the 2023 exploration field season.

On March 29, 2022, New Break purchased exploration data and compilation work completed by MPH Consulting Limited ("**MPH**") on the Esker mineral claim, from MPH for $10,000. The purchase of this information saved the Company both considerable time and money while allowing New Break to advance its understanding of this key mineral claim in Kivalliq Region, Nunavut.

On May 19, 2022, New Break received approval from the Nunavut Planning Commission to proceed with a planned exploration program on the Sundog Gold Project, consisting primarily of hand dug trenching, sampling and geological mapping.

On August 17, 2022, New Break received an Inuit Land Use License on the Company's Sundog Gold Project, approving New Break to proceed with an exploration program planned for summer 2023. The License approving these activities expires September 30, 2023. The Company would have to apply for a new license in the future to conduct more advanced exploration work.

During the 2022, with the assistance of Orix, the Company continued to compile and interpret the exploration data purchased from Ken Reading in June 2021 related to the Sundog and Sy projects and other areas prospective for mineral exploration within Kivalliq Region. In addition, New Break incorporated the data on the Esker claim, purchased from MPH, into its Nunavut geological database.

Private Placements at $0.25 per Unit – March 30 and May 31, 2022

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 and 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 (24) months from September 7, 2022, the date New Break became listed on the Canadian Securities Exchange.

Flow-Through Private Placement

On December 30, 2022, the Company completed a non-brokered private placement for gross proceeds of $124,500 through the issuance of 830,000 flow-through shares at a price of $0.15 per flow-through share.

Warrant Exercises

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.

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.

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.

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.

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.

Stock Option Grants

On December 30, 2022, the Company granted stock 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.

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.

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.

Corporate Developments

Going Public – CSE Listing (CSE: NBRK)

Appointment of TSX Trust Company as New Transfer Agent

In connection with New Break's plans to go public during 2022, the Company notified Capital Transfer Agency ULC that effective January 1, 2022, TSX Trust Company was appointed as the new transfer agent and registrar for the Company's common shares.

Amendment to New Break's Articles of Incorporation

On January 7, 2022, in preparation for going public, the Company amended its articles with Corporations Canada to remove the share transfer restrictions contained therein.

Non-Offering Prospectus and Listing on the CSE Under the Symbol "NBRK"

On May 6, 2022, the Company submitted a preliminary prospectus to the Ontario Securities Commission (the "**OSC**") in connection with the Company's plans to seek liquidity options for the common shares of New Break. On August 4, 2022, the Company submitted a Final Long-Form Prospectus (the "**Prospectus**") to the OSC and received a receipt from the OSC for the Prospectus, becoming a reporting issuer in the Province of Ontario. Subsequently, on September 7, 2022, the Company commenced trading on the CSE under the symbol NBRK. As a result, the Company also became a reporting issuer in the Province of British Columbia.

Escrow Agreement

On August 4, 2022, commensurate with the OSC receipt for the Prospectus, 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 December 31, 2022, the Company had 3,913,200 (December 31, 2021 – nil) common shares held in escrow. On March 7, 2023 an additional 652,200 common shares representing 15% of the original number escrowed, were released from escrow bringing the balance remaining in escrow to 3,261,000 common shares. The next escrow release is scheduled for September 7, 2023.

Board of Directors and Annual General Meeting

Effective April 11, 2022, Andrew Malim joined the Board of Directors as an independent director and was appointed Non-Executive Chairman, replacing Nigel Lees in that role.

Effective April 20, 2022, Nigel Lees and Joshua Bailey resigned as directors of the Company. Mr. Bailey's resignation was a requirement in connection with his new role as a senior member of the exploration team at BHP, one of the world's largest integrated mining companies.

The Company held its Annual General Meeting of shareholders on Thursday, December 15, 2022 (the "**Meeting**"). A total of 24,274,250 common shares were represented in person or by proxy at the Meeting, representing 60.45% of the Company's issued and outstanding common shares. All directors nominated as listed in the Management Information Circular dated November 14, 2022 (the "**Circular**"), were re-elected. In addition, shareholders re-appointed McGovern Hurley LLP, Chartered Professional Accountants as the auditor of New Break and re-approved the Company's stock option plan.

New Break Brand Awareness and Social Media Management and Communications

In March 2022, New Break signed prepaid Advertising Campaign Agreements with Investing News Network ("**INN**") with respect to a 12-month campaign on their Investing News platform which began on July 16, 2022 and runs until July 16, 2023, with HE Capital Markets Ltd. ("**HE Capital**") with respect to a 12-month campaign on their Investorshub platform, which began on September 7, 2022 and runs until September 7, 2023. Additionally, in May 2022, New Break signed an Advertising Services Agreement with CEO.CA Technologies Ltd. with respect to a 6-month campaign on their CEO.CA platform which began on September 7, 2022 and runs until March 12, 2023. In aggregate, New Break prepaid $219,900 for the advertising campaigns with an aggregate of $235,000 reinvested by the service providers at $0.25 per unit into the Company's unit private placement.

Effective January 20, 2023, the Company retained SmallCap Communications Inc. of Vancouver, B.C. ("**SmallCap**") to provide social media management and communication services for a one-year period, which includes an initial three-month trial period, at a fee of $3,500 per month. SmallCap was granted 200,000 stock options in connection with the engagement (see "Stock Option Grants" above). New Break is now active on Twitter under the name @newbreakgold and on LinkedIn and Facebook.

Overview of Financial Results

Three months and Year Ended December 31, 2022 vs. December 31, 2021

(Expressed in Canadian Dollars)	Three Months Ended December 31, **2022**	2021	Year Ended December 31, **2022**	2021
Expenses				
Exploration and evaluation	**$ 115,298**	$ 131,093	**$ 755,275**	$ 288,155
Management fees	**37,500**	46,100	**150,000**	170,400
Consulting fees	**2,500**	16,000	**18,635**	24,535
Professional fees	**14,246**	28,343	**128,453**	62,338
Investor relations	**79,975**	-	**109,945**	-
General and administrative	**19,219**	15,031	**77,248**	40,554
Shareholder costs and filing fees	**8,831**	13,804	**46,074**	20,948
Travel	**-**	263	**9,648**	263
Share-based compensation	**26,985**	261,100	**26,985**	261,100
Total expenses	**304,554**	511,734	**1,322,263**	868,293
Loss before the undernoted	**(304,554)**	(511,734)	**(1,322,263)**	(868,293)
Bank charges	**(162)**	(154)	**(1,059)**	(1,137)
Part X11.6 tax	**(3,587)**	-	**(3,587)**	-
Interest income	**1,669**	49	**7,947**	51
Flow-through share premium recovery	**130,847**	29,760	**360,968**	47,658
Net loss and comprehensive loss for the period	**$ (175,787)**	$ (482,079)	**$ (957,994)**	$ (821,721)
Net loss per share				
Basic and diluted loss per share	**$ (0.00)**	$ (0.01)	**$ (0.02)**	$ (0.03)

Three months ended December 31, 2022 vs. three months ended December 31, 2021

- Overall, the Company recorded net loss and comprehensive loss of $175,787 or $0.00 per share for the quarter ended December 31, 2022 compared to a net loss and comprehensive loss of $482,079 or $0.01 per share for the quarter ended December 31, 2021.
- Exploration and evaluation expenses were $255,298, before a $140,000 OJEP reimbursement accrual, in the fourth quarter of 2022 compared to $131,093 in the fourth quarter of 2021. $238,058 was spent on Moray in the fourth quarter of 2022, including a fall stripping and structural mapping program, additional VLF and ground-MAG surveys and assays associated with the till sampling program. This amount was reduced by an accrual of $140,000 relating to the remaining OJEP reimbursement which was received March 20, 2023. $17,240 was spent on Nunavut, principally on consulting fees. Comparatively, $89,438 of the 2021 amount relates to Moray, including the cost of the Drone-MAG survey, additional VLF survey work, First Nations consultation expenses and consulting fees, while $41,655 in 2021 relates to Nunavut, including the year one rent on the Sundog property paid to NTI, consulting fees and land management.
- Management fees were $37,500 in the fourth quarter of 2022 compared to $46,100 in the fourth quarter of 2021. They relate to amounts charged by the Company's management.
- Consulting fees were $2,500 in the fourth quarter of 2022 compared to $16,000 in the fourth quarter of 2021. The 2021 amount relates primarily to fees paid to the Company's former Chairman. These fees were stopped as at March 31, 2022 and the former Chairman resigned April 20, 2022.

- Professional fees were $14,246 in the fourth quarter of 2022 compared to $28,343 in the fourth quarter of 2021. These generally relate to the accrual of audit and tax return preparation fees and legal fees. The 2021 amount was higher due to accounting and legal fees associated with the Company's plans to go public during 2022.
- Investor relations expenses were $79,975 in the fourth quarter of 2022 compared to $nil in the fourth quarter of 2021. These costs relate principally to the amortization of prepaid fees associated with marketing and advertising programs, which began to be amortized once the Company became publicly traded on September 7, 2022. No such costs existed in 2021.
- General and administrative expenses were $19,219 during the fourth quarter of 2022 compared to $15,031 during the fourth quarter of 2021.
- Shareholder costs and filing fees were $8,831 during the fourth quarter of 2022 compared to $13,804 during the fourth quarter of 2021. The 2021 amount was higher due to the inclusion of a $5,000 non-refundable listing application fee paid in connection with the Company's planned listing on the CSE.
- Share-based compensation was $26,985 during the fourth quarter of 2022 compared to $261,100 during the fourth quarter of 2021. The 2022 amount relates to the grant date fair value of 350,000 stock options granted December 30, 2022, while the 2021 amount relates to the grant date fair value of 3,500,000 stock options granted by the Company on November 19, 2021. These amounts are non-cash expenses.
- Flow-through share premium recovery was $130,847 during the fourth quarter of 2022 compared to $29,760 during the fourth quarter of 2021. The 2022 amount is the amortization of flow-through share premium liability relating to the expenditure of eligible qualifying Canadian Exploration Expenditures ("**CEE**") incurred in the fourth quarter of 2022, while the 2021 amount is the amortization of flow-through share premium liability relating to CEE incurred in the fourth quarter of 2021. These amounts are non-cash.

Year ended December 31, 2022 vs. year ended December 31, 2021

- Overall, the Company recorded a net loss and comprehensive loss of $957,994 or $0.02 per share for the year ended December 31, 2022 compared to a net loss and comprehensive loss of $821,721 or $0.03 per share for the year ended December 31, 2021.
- Exploration and evaluation expenses were $955,275, before a $200,000 OJEP reimbursement from the Ontario Government, for the year ended December 31, 2022 compared to $288,155 for the year ended December 31, 2021. 2022 expenses includes $708,535 spent on Moray on stripping, sampling and structural mapping programs, VLF, ground-MAG, drone and till sampling surveys and the purchase of raw historical IP data from SGX. $246,740 was also spent during 2022, principally on the continuation of the compilation of Nunavut exploration data, year 2 rent on the Sundog property, community relations and the purchase of Esker exploration data from MPH Consulting. 2021 expenses included $148,980 spent on the Moray property, including the cost of the VLF and Drone-MAG surveys, First Nations consultation expenses and consulting fees, while $139,175 relates to Nunavut, including the purchase of Nunavut exploration data from Ken Reading, the year one rent on the Sundog property and consulting fees (see Note 6 to the financial statements for further details).
- Management fees were $150,000 for the year ended December 31, 2022 compared to $170,400 for the year ended December 31, 2021. 2022 relates to fees paid to the Company's President and CEO and Chief Financial Officer. 2021 additionally includes amounts paid to the Company's former Executive Chairman, the non-exploration related portion of fees charged by the Company's Vice President, Exploration and a September 2021 severance amount in respect of the Company's former Corporate Secretary.

- Consulting fees were $18,635 for the year ended December 31, 2022 compared to $24,535 for the year ended December 31, 2021. These primarily relate to fees paid to the Company's Chairman following the change in his role from executive to non-executive as well as fees paid to outside consultants. Fees paid to the former Chairman were ceased effective March 31, 2022.
- Professional fees were $128,453 for the year ended December 31, 2022 compared to $62,338 for the year ended December 31, 2021. These generally relate to the accrual of audit and tax return preparation fees and legal fees. The 2022 and 2021 amounts include accounting and legal fees of $93,169 and $22,435 respectively, associated the Company's public listing on the CSE.
- Investor relations expenses were $109,945 for the year ended December 31, 2022 compared to $nil for the year ended December 31, 2021. These costs relate principally to the amortization of prepaid fees associated with marketing and advertising programs, which began to be amortized once the Company became publicly traded on September 7, 2022. No such costs existed in 2021.
- General and administrative expenses were $77,248 for the year ended December 31, 2022 compared to $40,554 for the year ended December 31, 2021.
- Shareholder costs and filing fees were $46,074 for the year ended December 31, 2022 compared to $20,948 for the year ended December 31, 2021. In general, these costs include filing fees associated with financings, costs relating to shareholder meetings, the cost of news releases and costs associated with the Company's transfer agent. The 2022 and 2021 amounts include filing and other related fees of $25,495 and $5,000 respectively, associated with the Company's public listing on the CSE during 2022.
- Share-based compensation was $26,985 for the year ended December 31, 2022 compared to $261,100 for the year ended December 31, 2021. The 2022 amount relates to the grant date fair value of 350,000 stock options granted December 30, 2022, while the 2021 amount relates to the grant date fair value of 3,500,000 stock options granted by the Company on November 19, 2021. These amounts are non-cash expenses.
- Flow-through share premium recovery was $360,968 during the year ended December 31, 2022 compared to $47,658 during the year ended December 31, 2021. The 2022 amount is the amortization of flow-through share premium liability relating to the expenditure of eligible qualifying Canadian Exploration Expenditures ("**CEE**") incurred during 2022 from flow-through funds raised during 2021. The 2021 amount is the amortization of flow-through share premium liability relating to CEE incurred in 2021 from flow-through funds raised in 2020 and 2021. These amounts are non-cash.

Selected Quarterly Financial Information

The following table is a summary of selected financial information for the Company for the eight most recently completed financial quarters. It has been derived from the unaudited condensed interim financial statements of the Company. The information has been prepared by management in accordance with IFRS and is expressed in Canadian dollars.

	Annual	Q4	Q3	Q2	Q1
	Dec. 2022 (audited)	Dec. 2022 (unaudited)	Sept. 2022 (unaudited)	June 2022 (unaudited)	March 2022 (unaudited)
Revenue	$ -	$ -	$ -	$ -	$ -
Loss and comprehensive loss	$ (957,994)	$ (175,787)	$ (324,744)	$ (282,395)	$ (175,068)
Loss per share – basic and diluted	($0.02)	($0.00)	($0.01)	($0.01)	($0.00)
Assets	$ 875,202	$ 875,202	$ 1,075,008	$ 1,278,187	$ 1,459,178

	Annual Dec. 2021 (audited)	Q4 Dec. 2021 (unaudited)	Q3 Sept. 2021 (unaudited)	Q2 June 2021 (unaudited)	Q1 March 2021 (unaudited)
Revenue	$ -	$ -	$ -	$ -	$ -
Loss and comprehensive loss	$ (821,721)	$ (482,079)	$ (131,774)	$ (138,476)	$ (69,392)
Loss per share – basic and diluted	($0.03)	($0.01)	($0.00)	($0.01)	($0.00)
Assets	$ 1,543,060	$ 1,543,060	$ 1,095,034	$ 1,182,421	$ 297,471

Liquidity and Capital Resources

The Company's cash decreased by $128,470 during the quarter ended December 31, 2022, compared to an increase of $459,975 during the quarter ended December 31, 2021. The Company's cash decreased by $1,007,166 during the year ended December 31, 2022 compared to an increase of $1,093,350 during the year ended December 31, 2021. As at December 31, 2022, the ending cash balance was $230,462 compared to $1,237,628 as at December 31, 2021.

Working Capital

As at December 31, 2022, the Company had a working capital surplus of $510,421 compared to a surplus of $1,207,148 as at December 31, 2021. The non-cash flow-through share premium liability amount has been excluded from current liabilities in the calculation of working capital. $124,500 of flow-through funds raised on December 30, 2022, must be spent on qualifying CEE by December 31, 2023.

A summary of the Company's cash position and changes in cash for the three-month periods and years ended December 31, 2022 and December 31, 2021 are provided below:

	Three Months Ended December 31,		**Year Ended December 31,**	
	2022	2021	**2022**	2021
Cash used in operating activities – gross	**$ (279,649)**	$ (250,739)	**$(1,291,977)**	$ (608,279)
Changes in non-cash operating working capital	**26,679**	22,975	**(310,439)**	(187,780)
Cash used in operating activities – net	**(252,970)**	(227,764)	**(1,602,416)**	(796,059)
Cash used in investing activities	**-**	-	**-**	(52,110)
Cash provided by financing activities	**124,500**	687,739	**595,250**	1,941,519
(Decrease) increase in cash	**(128,470)**	459,975	**(1,007,166)**	1,093,350
Cash, beginning of period	**358,932**	777,653	**1,237,628**	144,278
Cash, end of period	**$ 230,462**	$ 1,237,628	**$ 230,462**	$ 1,237,628

Three months ended December 31, 2022 vs. three months ended December 31, 2021

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the three months ended December 31, 2022 was $279,649 compared to $250,739 for the three months ended December 31, 2021.

Financing Activities

During the quarter ended December 31, 2022, cash provided by financing activities was $124,500 compared to $687,739 for the quarter ended December 31, 2021.

On December 30, 2022, the Company issued 830,000 flow-through shares at $0.15 per flow-through share for gross proceeds of $124,500.

Comparatively, in November 2021, the Company issued 1,916,500 shares at $0.10 per share for gross proceeds of $191,650. In December 2021, the Company also issued 1,467,000 flow-through shares at $0.30 per flow-through share for proceeds of $440,100 and paid $7,200 in finder's fees associated with the flow-through financing. New Break also issued 80,000 units at $0.25 per unit for gross proceeds of $20,000. In addition, in October 2021, the Company received $32,500 upon the exercise of 650,000 stock options at an exercise price of $0.05 per share and in November 2021, the Company received $10,689 upon the exercise of 52,500 warrants at $0.07 per share and 58,450 warrants at $0.12 per share.

Year ended December 31, 2022 vs. year ended December 31, 2021

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the year ended December 31, 2022 was $1,291,977 compared to $608,279 for the year ended December 31, 2021. This was primarily the result of 2022 exploration and evaluation expenditures higher by $467,120 over 2021 and costs associated with the Company becoming publicly listed in 2022.

Investing Activities

During the year ended December 31, 2022, cash used in investing activities was $nil compared to $52,110 for the year ended December 31, 2021. During 2021, the Company paid $52,110 in refundable work charges in respect of staking mineral claims on Crown land in Kivalliq Region, Nunavut.

Financing Activities

During the year ended December 31, 2022, cash provided by financing activities was $595,250 compared to $1,941,519 for the year ended December 31, 2021.

The 2022 amount was the result of the following:

- In March and May 2022, the Company issued and aggregate of 1,258,000 units at $0.25 per unit for aggregate gross proceeds of $314,500;
- On July 18, 2022, the Company received $25,000 upon the exercise of 250,000 stock options at $0.10;
- In July and August 2022, the Company received aggregate gross proceeds of $131,250 from the exercise of 875,000 warrants at $0.15 per share; and
- On December 30, 2020, the Company issued 830,000 flow-through shares at $0.15 per flow-through share for gross proceeds of $124,500.

The 2021 amount was the result of the following:

- In June 2021, the Company issued 8,420,000 units at a price of $0.10 per unit for gross proceeds of $842,000 and paid $33,420 in finder's fees associated with this financing;

- In June 2021, the Company issued 3,460,000 flow-through units at a price of $0.12 per unit for gross proceeds of $415,200;
- In September and November 2021, the Company issued 2,266,500 shares at $0.10 per share for gross proceeds of $226,650. New Break incurred $5,000 in share issue costs associate with the September 2021 tranche;
- In December 2021, the Company issued 1,467,000 flow-through shares at $0.30 per flow-through share for proceeds of $440,100 and paid $7,200 in finder's fees associated with this financing;
- In December 2021, New Break also issued 80,000 units at $0.25 per unit for gross proceeds of $20,000;
- In addition, in October 2021, the Company received $32,500 upon the exercise of 650,000 stock options at an exercise price of $0.05 per share; and
- In November 2021, the Company received $10,689 upon the exercise of 52,500 warrants at $0.07 per share and 58,450 warrants at $0.12 per share.

Liquidity Outlook

The Company had a cash balance of $230,462 at December 31, 2022, of which $124,500 relates to flow-through funds that must be spent on eligible CEE by December 31, 2023. As at December 31, 2022, the Company had a working capital surplus of $510,421.

Since December 31, 2022, New Break has received the following amounts receivable:

- March 20, 2023 - $140,000 OJEP reimbursement from the Ontario Government; and
- March 24, 2023 - $38,292 from the Canada Revenue Agency for the Q4 2022 HST refund.

The Company expects that it will have to raise additional funds to fully fund New Break's 2023 corporate operating budget and to run a planned drilling program at its Moray property. The Company does not expect to have to incur additional exploration expenditures during 2023 to maintain its Nunavut properties in good standing. The principle focus during 2023 is expected to be on drilling the Moray property with a summer exploration program to be performed in Nunavut on the Company's Sundog property, if sufficient funding is raised. New Break estimates that the initial planned 2,000 to 2,500 metre drilling program at Moray will cost approximately $500,000 to $600,000.

In general, completion of all of the Company's ongoing and future exploration and development initiatives and its ability to continue as a going concern are subject to successfully raising additional funding (see "Risks and Uncertainties").

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. Key management of New Break includes the President and Chief Executive Officer, Vice-President, Exploration and Chief Financial Officer. Effective October 1, 2021, the Chairman role was changed from Executive to Non-Executive and fees paid to the Chairman were treated as consulting fees instead of management fees.

	For the year ended December 31, 2022	2021
Management fees	**$ 150,000**	$ 170,400
Management fees included in exploration and evaluation	**90,000**	31,100
Consulting fees – paid to a non-independent director	**10,500**	10,500
Consulting fees – paid to an independent director	**-**	4,440
Total fees paid to management and directors	**250,500**	216,440
Share-based payments	**19,275**	182,770
	$ 269,775	$ 399,210
Exploration and evaluation consulting fees charged by a geological consulting company, the President & CEO of which, is also a director of New Break	**$ 335,638**	$ 64,640

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 June 25, 2021, the Company completed a non-brokered private placement for gross proceeds of $842,000 through the issuance of 8,420,000 units at a price of $0.10 per unit. 260,000 of the units were purchased by two investment companies that are each wholly-owned by two of the Company's directors. In connection with the issuance of the units, the Company paid a finder's fee equal to $33,420 and issued an aggregate of 334,200 finder's warrants. $4,440 of these fees and 44,400 of these warrants were paid to a consulting company owned by an independent director of the Company.

On October 14, 2021, the Company issued 650,000 common shares upon the exercise of stock options by directors and officers of the Company, at a price of $0.05, for gross proceeds of $32,500.

On November 19, 2021, the Company granted options to purchase up to 3,500,000 common shares of the Company at a price of $0.10 per share for a period of five years. 2,450,000 of these were granted to directors and officers of the Company, having a grant date fair value of $182,770.

On December 10, 2021, the Company completed a non-brokered private placement for gross proceeds of $440,100 through the issuance of 1,467,000 F-T Shares at a price of $0.30 per F-T Share. An officer and a director of the Company subscribed for 52,000 of the F-T Shares issued.

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.

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.

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.

As at December 31, 2022, $24,397 (December 31, 2021 - $17,634) included in accounts payable and accrued liabilities was owing to related parties, including $16,669 (December 31, 2021 - $17,634) 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.

Subsequent Events

Stock Option Grant

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.

Moray Property

On March 1, 2023, the Company staked additional mineral claims covering approximately 1,038 hectares, contiguous to the pre-existing Moray property claims at a cost of $2,400.

Escrow Shares

On March 7, 2023, an additional 652,200 common shares representing 15% of the original number escrowed, were released from escrow bringing the balance remaining in escrow to 3,261,000 common shares.

Receipt of Other Amount Receivable

On March 20, 2023, the Company received $140,000 from the Ontario Ministry of Northern Development under an Ontario Transfer Payment Agreement as a final reimbursement of 50% of certain exploration and evaluation expenditures for work and activities on the Moray Gold Project, bringing the total reimbursement to $200,000. This amount is shown as other amount receivable as at December 31, 2022.

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.

Outstanding Capital and Share Data

New Break's authorized capital stock consists of an unlimited number of common shares without par value. As at April 25, 2023 there were 40,985,750 common shares issued and outstanding.

As at April 25, 2023, the Company also had the following items issued and outstanding:
- 7,999,200 common share purchase warrants at a weighted average exercise price of $0.19.
- 3,750,000 stock options at an exercise price of $0.10.

For further detailed information on share capital, see Note 8 to the annual audited financial statements for the years ended December 31, 2022 and 2021.

Off-Balance Sheet Arrangements

As at December 31, 2022, the Company has not entered into any off-balance sheet arrangements.

Proposed Transactions

In the normal course of business, the Company evaluates property acquisition and sale transactions and, in some cases, makes proposals to acquire or sell such properties. These proposals, which are usually subject to Board and sometimes regulatory and shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction.

As of April 25, 2023, there are no material property acquisitions or possible transactions that the Company is examining.

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.

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, while the 2023 corporate operating costs will be partially funded from amounts raised in 2022. There is no certainty of the Company's ability to complete additional financings.

As at December 31, 2022 the Company held current assets of $598,092 (December 31, 2021 - $1,265,950) to settle current liabilities of $87,671 (December 31, 2021 - $58,802), exclusive of non-cash flow-through share 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.

The Company's financial assets and liabilities as at December 31, 2022 and 2021 were as follows:

	Amortized Cost	FVPL	Total
December 31, 2021			
Financial assets			
Cash	$ 1,237,628	$ -	$ 1,237,628
HST receivable	$ 24,647	$ -	$ 24,647
Financial liabilities			
Accounts payable and accrued liabilities	$ 58,802	$ -	$ 58,802
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

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

Going Concern

The audited financial statements of the Company have been prepared on the basis that the Company will continue as a going concern, which presumes that it will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no history of operations and is in the early stage of development. Due to continuing operating losses, the application of the going concern basis is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operations or in the absence of adequate cash flows from operations, obtaining additional financing to support operations for the foreseeable future. It is not possible to predict whether such financing will be available, or if available, will be on reasonable terms, or if the Company will attain profitable levels of operations. These factors may cast significant doubt on the entity's ability to continue as a going concern. The audited financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material. Changes in future conditions could require material write-downs of the carrying amounts of mineral properties.

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.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees and applicable non-employees by reference to the fair value of the equity instruments at the date at which they are vested. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, risk-free interest rates, volatility and dividend yield and making assumptions about them. Expected volatility is generally based on the historical volatility of comparable companies. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 8(d) to the audited financial statements. When shares are issued as consideration, they are valued at the price associated with the most recent financing.

Title to exploration and evaluation property interests

Although the Company has taken steps to verify title to exploration and evaluation properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Rehabilitation provisions

The Company records management's best estimate of the present value of the future cash requirements of any rehabilitation obligation as a long-term liability in the period in which the related environmental disturbance occurs based on the net present value of the estimated future costs. This obligation is adjusted at each period end to reflect the passage of time and any changes in the estimated future costs underlying the obligation. In determining this obligation, management must make a number of assumptions about the amount and timing of future cash flows and discount rate to be used. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Capitalization of mineral property acquisition costs

Where mineral properties are acquired through an acquisition agreement, management has determined that capitalized acquisition costs have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including, but not limited to, the geologic and metallurgic information, operating management expertise and existing permits. See Note 6 to the audited financial statements for details of the Company's capitalized acquisition costs in respect of mineral properties.

Impairment of mineral properties

While assessing whether any indications of impairment exist for mineral properties, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of mineral properties. Internal sources of information include the manner in which the mineral properties are being used or are expected to be used and indications of expected economic performance of the properties. Estimates include but are not limited to estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's mineral properties.

Critical Accounting Policies

The Company's significant accounting policies are described in Note 3 to the audited financial statements for the year ended December 31, 2022. The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from those estimates. The following is a list of the accounting policies that management believes are critical, due to the degree of uncertainty regarding the estimates and assumptions involved and the magnitude of the asset, liability and expense being reported:

(a) Cash

Cash consists of cash on deposit with a major Canadian bank. Cash is measured at Amortized Cost.

(b) Exploration and Evaluation Properties

Acquisition Costs

The costs of acquiring mineral property interests comprised of payments of cash and common shares, are capitalized as mineral property assets. This does not include payments of cash and common shares in respect of option agreements where the ultimate acquisition of the property is uncertain at the time the initial payment is made.

Exploration and Evaluation Expenditures

Payments of cash and common shares pursuant to option agreements, costs of staking and all expenditures on exploration and evaluation activities are recorded as exploration and evaluation expenses until it has been established that a mineral property is commercially viable.

Development Assets

When economically viable reserves have been determined and the decision to proceed with development has been approved, the expenditures related to development and construction are capitalized as construction-in-progress and classified as a component of property, plant and equipment. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management are capitalized. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

Disposition or Abandonment of Mineral Properties

Proceeds received from the sale of any interest in a mineral property are first credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the acquisition cost of the property is written off to operations.

Impairment

The application of the Company's accounting policy for acquisition costs related to mineral properties, requires judgement in determining whether there are future economic benefits, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of the carrying value is unlikely, the amount to be written off is expensed in the statement of operations in the period when the new information becomes available. The Company assesses each cash generating unit ("CGU") at each reporting date to determine whether any indication of impairment exists.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the assets in an arm's length transaction between knowledgeable and willing parties. The carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss in the statement of loss for the period.

(c) Equipment

Recognition and Measurement

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes all expenditures that are directly attributable to the acquisition of the asset.

Depreciation

When applicable, depreciation is calculated using the straight-line method over the estimated useful lives of assets as follows:

Office furniture and equipment – 3 years.
Computer hardware and software - 2 years.

The Company does not currently have any office or computer equipment.

Impairment

The carrying amounts of the Company's equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or group of assets, in which case, the individual assets are grouped together into CGUs for impairment purposes.

An impairment exists when the carrying amount of the asset, or group of assets, exceeds its recoverable amount. The impairment loss is the amount by which the carrying value exceeds the recoverable amount and such loss is recognized in the statement of operations. The recoverable amount of an asset is the higher of its fair value less costs to dispose and its value in use.

A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized such that the recoverable amount has increased. The carrying amount after a reversal must not exceed the carrying account (net of depreciation) that would have been determined had no impairment loss been recognized.

(d) Financial Instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit or loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. Cash is measured at amortized cost.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

IFRS 9 allows a simplified approach to impairment assessment, which requires the expected lifetime loss to be recognized at the time of initial recognition of the financial assets. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are measured at amortized cost. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – financial liabilities at FVPL

Financial liabilities measured at FVPL include financial liabilities management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statement of loss. The Company does not measure any financial liabilities at FVPL.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statement of loss.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Fair Value Hierarchy

Financial instruments recorded at fair value on the statements of financial position are classified using a financial value hierarchy that reflects the significance of the inputs used in marking the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices including Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset and liability that are not based on observable market data (unobservable inputs).

The Company does not have any financial instruments measured at fair value and that require classification within the fair value hierarchy.

(e) Government Assistance

The Company recognizes government grants given on eligible expenditures when it is reasonably assured that the Company will comply with the conditions attached to them and the grants will be received. Grants are recognized as either income over the period(s) necessary to match them with the related costs or if related to a specific expense, as a reduction to the expenses for which they are intended to reimburse. Grants receivable for costs already incurred or for immediate financial support, with no future related costs, are recognized as income in the period in which the grant is receivable. If a grant becomes repayable, it is treated as a change in estimate. Where the original grant related to income, the repayment would be applied first against any related unamortized deferred credit, and any excess would be expensed. Where the original grant related to an asset, the repayment would be treated as increasing the carrying amount of the asset or reducing the deferred income balance. The cumulative depreciation which would have been charged had the grant not been received would be charged as an expense.

(f) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's common shares, warrants, stock options and flow-through shares are classified as equity instruments. Preference share capital is classified as equity if it is non-retractable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds.

(g) Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to share capital and the relative fair value of the warrant component is credited to warrant reserve. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the warrant reserve account is recorded as an increase to share capital. For those warrants that expire unexercised, the recorded fair value is transferred from warrant reserve to deficit.

(h) Flow-Through Shares

Upon the issuance of flow-through shares, the Company records the initial proceeds to share capital, net of tax liability, if any. The flow-through share premium liability on the statement of financial position represents the premium of the financing price in excess of the market share price on the date of the flow-through share financing. The financial liability pertaining to the premium is recognized in the statement of loss consistent with expenditure renunciations. As the Company incurs eligible Canadian Exploration Expenditures to meet flow-through requirements, a corresponding flow-through share premium recovery is recognized in the statement of loss.

(i) Share-Based Payments

The Company accounts for share-based payments using the fair value method. Under this method, compensation expense for employees is measured at fair value on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense with a corresponding increase in stock option reserve, a component of equity, over the period that the employees earn the options. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility.

Upon the exercise of stock options, consideration paid by the option holder together with the amount previously recognized in the stock option reserve account is recorded as an increase to share capital. For those options that are cancelled or expire after vesting, the recorded fair value is transferred from stock option reserve to deficit.

Warrants, stock options, and other equity instruments issued as purchase consideration in non-cash transactions are recorded at fair value of the goods or services received or if the value of the goods or services received is not reliably measurable then the value of such goods and services are measured with reference to the fair value of the equity instruments issued. With respect to the acquisition of exploration and evaluation assets, the Company does not believe that the fair value of these assets is reliably measurable at the time of purchase. As such, when shares of the Company are issued as consideration for the purchase of exploration and evaluation assets, classified as mineral properties, the fair value of the asset is based upon the price of the Company's shares on the date of the agreement to issue shares as determined by the Board of Directors. In the event that options or warrants are issued where the fair value of goods or services are not reliably measurable, they are valued using the Black-Scholes pricing model.

(j) Reclamation Obligation

A legal or constructive obligation to incur restoration, rehabilitation, and environmental costs may arise when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. The Company's exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive.

The fair value of the liability for an asset retirement obligation is recorded when the legal obligation arises and the corresponding increase to the asset is amortized over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. The Company does not currently have any significant legal or constructive obligations and therefore, no reclamation provision has been recorded as at December 31, 2022 and December 31, 2021.

(k) Loss Per Common Share

The Company presents basic and diluted loss per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible warrants and stock options granted by the Company. Diluted loss per share for the periods presented does not include the effect of the stock options and warrants issued by the Company, as they are anti-dilutive.

(l) Income Taxes

Income tax expense is comprised of current and deferred tax expense. Current tax expense is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purpose.

Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity. Income taxes are calculated using the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for tax losses and other deductions carried forward.

Deferred income tax assets and liabilities are calculated using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. An asset is recognized on the statement of financial position only when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. The effect on deferred tax assets and liabilities of changes in tax rates are recognized in operations in the period in which the change is substantively enacted.

(m) Standards Issued But Not Yet Adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact of these standards on the financial statements.

IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

Commitments and Contingencies

As at December 31, 2022, the Company had a commitment to spend $124,500 (December 31, 2021 - $797,286) on eligible 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 the 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 year ended December 31, 2022, the Company incurred $797,286 (2021 - $180,294) in eligible CEE and recorded a flow-through share premium recovery of $360,968 in the statement of loss (December 31, 2021 - $47,658).

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 the financial statements.

Risks and Uncertainties

New Break's business of exploring and developing mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry, including the limited extent of the Company's assets, the Company's state of development and the degree of reliance upon the expertise of management. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company's common shares should be considered speculative. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described below and the other information prepared by the Company before investing in the Company's common shares. The risks described below are not an exhaustive list. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business in the future. If any of the following risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. In this event, investors may lose part or all of their investment.

COVID-19

The Company and its operations have been largely unaffected by the impact of the COVID-19 global pandemic. The Company continues to believe that it will remain largely unaffected. As such, the financial statements do not reflect any potential impact associated with the COVID-19 pandemic.

The Company will require external financing or may need to enter into a strategic alliance to develop its mineral properties

The Company expects to incur net cash outlays until such time as one of its properties enters into commercial production and generates sufficient revenues to fund its continuing operations, if at all. The development of mining operations will require the commitment of substantial resources for operating expenses and capital expenditures, which may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, that rate at which operating losses are incurred, the acquisition of additional properties, and other factors, many of which are beyond the Company's control. The sources of financing the Company may use for these purposes include project or bank financing, or public or private offerings of equity or debt. Historically, the Company has raised funds principally through the sale of its securities. Additional equity financing may cause dilution of New Break's existing shareholders. In addition, the unrestricted resale of outstanding shares from the exercise of dilutive securities may have a depressing effect on the market for the Company's common shares. While it is not the current intention of the Company, it may enter into a strategic alliance or sell certain of its assets, if necessary. There can be no assurance that financing will be available on acceptable terms, if at all.

The Company may be subject to risks relating to the global economy and may not be able to raise additional capital

Market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede New Break's access to capital or increase the cost of capital. The Company is also exposed to liquidity risks in meeting its operating and capital expenditure requirements in instances where its cash position is unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. Increased market volatility may impact the Company's operations which could adversely affect the price at which the Company is able to issue its securities and the trading price of the Company's common shares.

The Company may be adversely affected by fluctuations in commodity prices

The value and price of the Company's common shares, the Company's financial results, and exploration, development and mining activities of the Company, if any, may be significantly adversely affected by declines in commodity prices. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, global and regional supply and demand, global economic events, including sovereign debt concerns, and their impact on the United States dollar and Euro as safe haven currencies relative to silver and gold as stores of value and the political and economic conditions of mineral producing countries throughout the world.

Mineralized material calculations and life-of-mine plans using significantly lower metal prices could result in material write-downs of the Company's mineral property interests and increased amortization and reclamation and closure charges should a mine be developed. In addition to adversely affecting mineralized material estimates, declining precious metal prices can impact operations by requiring a reassessment of the commercial feasibility of a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays in development or may interrupt operations, if any, until the reassessment can be completed.

The Company has no proven or probable mineral reserves and may never discover sufficient mineral deposits to justify commercial production from any of its properties

The Company currently has no proven or probable mineral reserves on any of its properties and has not completed a preliminary economic assessment or feasibility study. It cannot be certain that minerals will be discovered in sufficient quantities and grade to justify commercial operations. Mineral exploration is highly speculative in nature, involves many risks and is frequently non-productive. Unusual or unexpected geologic formations and the inability to obtain suitable or adequate machinery, equipment or labour are risks involved in the conduct of exploration programs. The success of mineral exploration is determined in part by the availability of exploration permits, the identification of potential mineralization based on analysis, the quality of management and geological and technical expertise, and the availability of capital for exploration.

Substantial expenditures are required to establish proven and probable reserves through drilling and analysis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are; the particular attributes of the deposit, such as size, grade, metallurgical recovery and proximity to infrastructure, metal prices, which can be highly cyclical and extremely volatile, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. If the Company is unable to establish proven and probable mineral reserves in sufficient quantities to justify commercial operations, it will be unable to develop a mine and its financial condition and results of operations could be adversely affected.

The Company has no history of developing properties into production

The Company's properties are not in commercial production, and the Company has not recorded any revenues from mining operations. Mineral exploration and development, involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The future development of any properties found to be economically feasible will require obtaining permits and financing and the construction and operation of mines, processing plants and related infrastructure. As a result, in the event the Company is successful in identifying mineralization on its properties sufficient to justify commercial operations, it will be subject to all of the risks associated with establishing new mining operations including: the timing and cost of the construction of mining and processing facilities; the availability and cost of skilled labour and mining equipment; the availability and cost of a suitable refining arrangement; the need to obtain necessary environmental and other governmental approvals and permits; and the timing of those approvals and permits; the availability of funds to finance the development and construction activities; the impact of any opposition to the developmental activities from non-governmental, environmental, local or other groups that may delay or prevent development; potential increases in construction or operating costs due to changes in the cost of supplies and materials and changes in foreign exchanges rates.

The Company's business activities are subject to environmental laws and regulations

The Company's operations are subject to federal and provincial laws and regulations regarding environmental matters. These laws address, among other things, emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations. Environmental laws and regulations change frequently, and are generally becoming more stringent. Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company's business and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production, when producing, or require abandonment or delays in development of the Company's mining properties.

Exploration, development and mining activities can be hazardous and involve a high degree of risk

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding, fires and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. Milling operations, if any, are subject to various hazards, including without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

The Company has incurred a loss and expects to continue to incur losses for the foreseeable future

The Company incurred a net loss of $957,994 for the year ended December 31, 2022 and expects to continue to incur losses as it proceeds with exploration and development of its mineral properties. The Company's efforts to date have been focused on acquiring and exploring its mineral properties. These properties are in the exploration stage and do not have mineral reserves. The Company does not anticipate that it will earn any revenue from operations or other means unless and until one or more of its properties are placed into production, which is not expected to be for a number of years, if at all, or is sold to a third party.

Inadequate infrastructure may delay or prevent the Company's operations

Exploration, development and ultimately mining and processing activities depend to one degree or another, on the availability of adequate infrastructure. Reliable air service, roads, power sources and water supply are significant contributors in the determination of capital and operating costs. Inadequate infrastructure could significantly delay or prevent the Company exploring and developing its project and could result in higher costs. The Company does not currently experience any limitations with respect to infrastructure concerns at its Moray property, however, these challenges exist for the Companies properties in Nunavut.

The market price for the common shares of the Company may drop below the price at which such common shares were purchased and the Company's common shares may be subject to price and volume fluctuations in the future

General market conditions and other factors can cause the perceived market value for the Company's common shares to decline and cause future equity financings to be done at prices lower than previous financings. There is no guarantee that the Company will be successful in completing subsequent equity financings at prices higher than previous ones.

Securities markets experience considerable price and volume volatility, and the market prices of securities of many companies may be subject to wide fluctuations not necessarily related to the operating performance, underlying asset values, exploration success or prospects of such companies. The market price of a publicly traded stock, especially a junior resource issuer, may be affected by many variables including the market for junior resource stocks, the strength of the economy generally, commodity prices, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. There can be no assurances that such fluctuations will not affect the price of the Company's common shares and that the price of such common shares may decline below the purchase price paid for such common shares. From time to time, following periods of volatility in the market price of a company's securities, shareholders have often initiated class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm the Company's profitability and reputation.

Litigation may adversely affect the Company

The Company may be involved in disputes with other parties in the future, which may result in litigation or arbitration. The results of litigation or arbitration cannot be predicted with certainty. If the Company is unable to resolve disputes favourably, it may have a material adverse impact on the Company.

The Company competes with larger, better-capitalized competitors in the mining industry

The mining industry is competitive in all of its phases. The Company faces competition from other mining companies in connection with the acquisition of properties producing, or capable of producing precious or other metals. Many of these companies have greater financial resources, operational experience and technical capabilities than New Break. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties on terms it considers acceptable, or at all.

The Company is dependent on key personnel

The Company's success depends in part on its ability to recruit and retain qualified personnel. Due to its relatively small size, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. In addition, despite its efforts to recruit and retain qualified personnel even when those efforts are successful, people are fallible and human error could result in a significant uninsured loss to the Company.

The Company's officers and directors may have potential conflicts of interest

New Break's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of such company's participation. However, applicable law requires the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders and in the case of directors, to refrain from participating in the relevant decision in certain circumstances.

Forward Looking Statements

This report may contain forward-looking statements that involve a number of risks and uncertainties, including statements regarding the outlook for the Company's business and operational results. By nature, these risks and uncertainties could cause actual results to differ materially from what has been indicated. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to failure to establish estimated resources and reserves, the grade and recovery of ore which is mined from estimates, capital and operating costs varying significantly from estimates, delays or failure in obtaining governmental, environmental or other project approvals and other factors including those risks and uncertainties identified above. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information as a result of new information, future results or other such factors, which affect this information, except as required by law.

Management's Evaluation of Disclosure Controls

Management is responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2022 and have concluded that these controls and procedures are effective.

Internal Control over Financial Reporting:

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada. Based on a review of its control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed as at December 31, 2022.

Other MD&A Requirements

Additional Disclosure for Companies Without Significant Revenue

Additional disclosure concerning New Break's exploration and evaluation expenditures, mineral property costs and general and administrative expenses is provided in the Company's audited annual financial statements and in Note 6 of the annual audited financial statements for the years ended December 31, 2022 and 2021 that are available on SEDAR at www.sedar.com and on the Company's website at www.newbreakresources.ca.

Approval

The Board of Directors of New Break approved the disclosure contained in this MD&A on April 25, 2023. A copy of this MD&A will be provided to anyone who requests it from the Company.

Additional Information

Officers:
Michael Farrant, President, Chief Executive Officer
William Love, Vice President, Exploration
Jim O'Neill, Chief Financial Officer and Corporate Secretary

Non-Independent Directors
Ashley Kirwan, Director (1) (2) (Compensation, Governance and Nominating Committee Chair)
Michael Skutezky, Director
Michael Farrant, Director

Independent Directors
Andrew Malim, Non-Executive Chairman and Director (1) (2)
Thomas Puppendahl, Director (1) (2) (Audit Committee Chair)

(1) Member of the Audit Committee

(2) Member of the Compensation, Governance and Nominating Committee

Legal Counsel, Auditors and Transfer Agent

Peterson McVicar LLP, Dennis Peterson
McGovern Hurley LLP, Auditors
TSX Trust Company, Transfer Agent