NEW BREAK RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023 and 2022. 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, 2023 and 2022, 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, 2023 and 2022 for disclosure of the Company's material accounting policies.

The audit committee of the Company has reviewed this MD&A and the financial statements for the year ended December 31, 2023 and the Company's Board of Directors approved these documents prior to their release.

This MD&A is dated April 26, 2024 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 Plus ("**SEDAR+**") website at www.sedarplus.ca, 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.

NEWBREAK RESOURCES

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 110 Yonge Street, Suite 1601 Toronto, Ontario, M5C 1T4, 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 and at gold projects located in Kivalliq Region, Nunavut. The Moray property covers approximately 8,483 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. New Break's principal Nunavut projects include the Sundog Gold Project, covering approximately 9,415 hectares within parcel AR-35 on Inuit Owned Land, first discovered by famed Canadian prospector Ken Reading and the 100% owned Esker Project, historically drilled by Comaplex Minerals Corp. in 1997, 2002 and 20024. Esker is located on Crown Land and was acquired through staking in 2021.

HIGHLIGHTS

- January 20, 2023 – New Break held its annual technical meeting of advisors, consultants and New Break technical personnel at the office of Orix Geoscience Inc. ("**Orix**") in Sudbury, to dissect the results of the 2022 exploration field season and discuss plans for 2023 exploration programs and related matters.
- January 20, 2023 – New Break engaged SmallCap Communications to provide social media management and communication services.
- March 1, 2023 - New Break staked 1,038 hectares of additional mineral claims at Moray, adjacent to the northeastern property boundary at a cost of $2,400.
- March 20, 2023 – New Break received $140,000 from the Ontario Ministry of Mines as reimbursement of Moray exploration expenditures incurred April 1 to December 31, 2022, under the Ontario Junior Exploration Program ("**OJEP**"), bringing the total reimbursement for that period to $200,000. The first $60,000 was received November 7, 2022.
- April 28, 2023 – New Break received gross proceeds of $56,250 through the exercise of 375,000 warrants at $0.15 per common share.
- May 23, 2023 – New Break completed the acquisition of 2,460 hectares of additional mineral claims at Moray, adjacent to the northern property boundary for $80,000 in cash, 1,500,000 common shares of New Break and a 1.5% net smelter return ("**NSR**") royalty, which can be reduced to 0.5% at any time for a cash payment of $750,000.
- May 31, 2023 – New Break closed a non-brokered private placement of flow-through common shares for gross proceeds of $500,700 through the issuance of 3,338,000 flow-through shares at $0.15 per flow-through share. The Company paid $12,915 in finder's fees and issued 51,000 finder warrants at $0.15 for a period of two years.
- June 8, 2023 – New Break repriced 1,715,500 common share purchase warrants having an expiry date of June 23, 2023, to $0.15 from $0.20.

- June 23, 2023 – New Break received gross proceeds of $62,827 through the exercise of 418,850 of the repriced $0.20 warrants to $0.15 per common share.
- June 23, 2023 – New Break received gross proceeds of $98,250 through the exercise of 655,000 warrants at $0.15 per common share.
- June 23, 2023 – New Break issued 1,073,850 incentive warrants at $0.20 for a period of three years, to those warrants holders that exercised their $0.15 warrants.
- July 11, 2023 – New Break staked 1,446 hectares of additional mineral claims at Moray, adjacent to the western property boundary at a cost of $3,350.
- July 13, 2023 - New Break was notified by the Ontario Ministry of Mines that the Company has been accepted to participate in the third intake of OJEP with respect to certain Moray exploration expenditures to be incurred from April 1, 2023 to February 15, 2024.
- July 21, 2023 – New Break completed the acquisition of 1,511 hectares of additional mineral claims at Moray, adjacent to the western property boundary for $10,000 in cash and 300,000 common shares of New Break. These claims are royalty free. In addition, as part of the agreement, the vendors invested $20,000 into New Break's hard dollar financing of units at $0.08 per unit that closed on December 29, 2023.
- July 27, 2023 – New Break staked 86 hectares of additional mineral claims at Moray, adjacent to the western property boundary at a cost of $200, bringing the total size of the Moray property to 8,397 hectares.
- August 24, 2023 – New Break held its Annual General Meeting of shareholders. All matters, including the election of directors, were overwhelmingly approved.
- September 10, 2023 – a New Break field team comprised of Ken Reading, Shaun Parent P. Geo. and a field assistant, visited and sampled the Sundog Gold Project ("**Sundog**") in Kivalliq Region, Nunavut.
- September 19, 2023 – New Break staked 86 hectares of additional mineral claims at Moray, adjacent to the western property boundary at a cost of $200, bringing the total size of the Moray property to 8,483 hectares.
- September 21, 2023 - New Break received a new exploration permit #PR-23-000236 for the Moray Project, which will allow planned drilling to extend to areas on ground newly acquired in 2023.
- October 5, 2023 – New Break changed its registered address to 110 Yonge Street, Suite 1601, Toronto, ON M5C 1T4 from its previous address of 18 King Street East, Suite 901, Toronto, ON M5C 1C4.
- November 14 and 16, 2023 – New Break received $30,000 from the Ontario Ministry of Mines as a reimbursement of certain Moray exploration expenditures incurred under the third OJEP intake.
- On December 7, 2023, New Break was notified by the Ontario Ministry of Mines that the Company has been accepted to participate in the fourth intake of OJEP with respect to certain Moray exploration expenditures to be incurred from April 1, 2023 to February 15, 2024. Under this acceptance, New Break was eligible to receive a reimbursement of up to $200,000.
- December 29, 2023 - New Break closed a non-brokered private placement of flow-through units ("**FT Units**") at a price of $0.10 per FT Unit and hard dollar units ("**Units**") at a price of $0.08 per Unit for gross proceeds of $125,000 through the issuance of 1,250,000 flow-through shares and $60,000 through the issuance of 750,000 common shares. New Break also issued 1,250,000 warrants having an exercise price of $0.15 for a period of two years in connection with the issuance of the FT Units and 750,000 warrants having an exercise price of $0.12 for a period of two years in connection with the issuance of the units.
- January 4, 2024 – Gordon Morrison joined the board of New Break as a director.

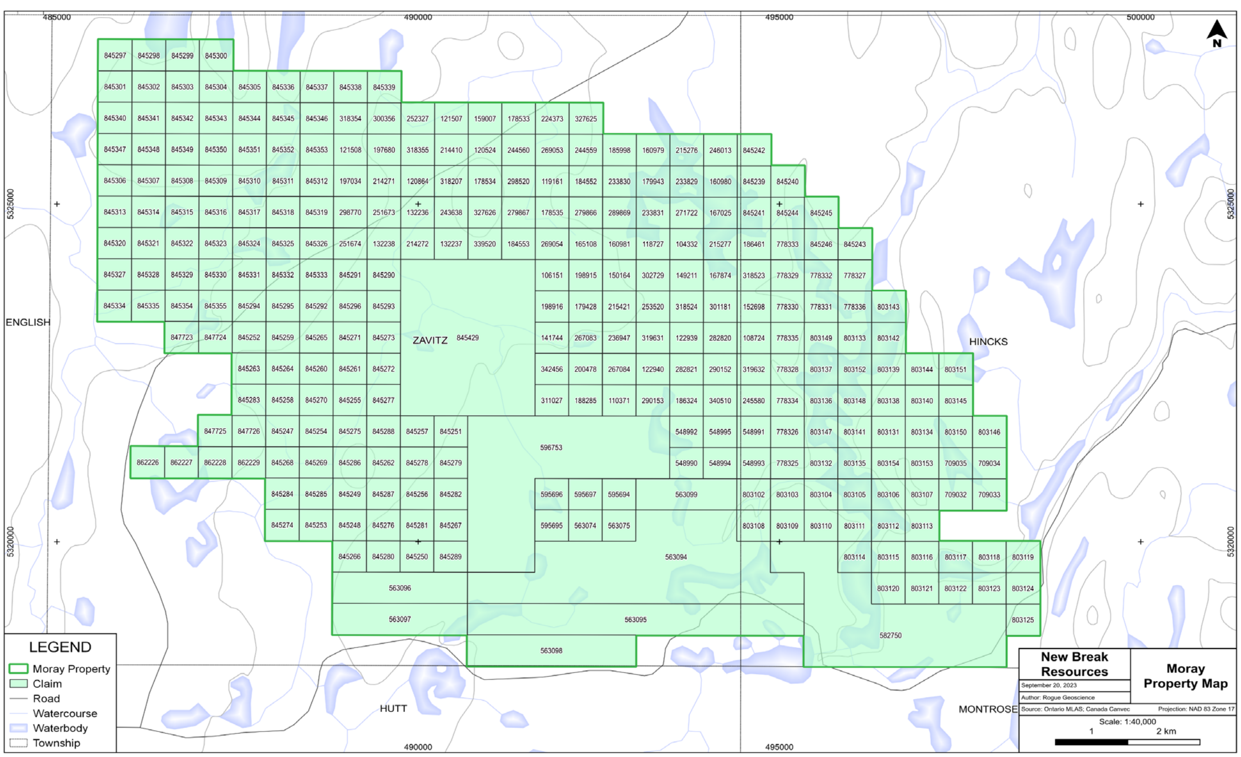
- January 10, 2024 - New Break held its annual technical meeting of advisors, consultants and New Break technical personnel at the Orix office in Toronto, to dissect the results of the 2023 exploration field season and discuss plans for 2024 exploration programs and related matters.
- March 5, 2024 – New Break closed the final tranche of a non-brokered private placement of Units at a price of $0.08 per Unit for gross proceeds of $20,000 through the issuance of 250,000 common shares and 250,000 warrants having an exercise price of $0.12 for a period of two years from the date of issuance.
- March 15, 2024 – New Break received $6,224 from the Ontario Ministry of Mines as a reimbursement of certain Moray exploration expenditures incurred under the third OJEP intake, bringing the total received under the third intake to $36,224. The reimbursements were in respect of expenditures incurred from April 1, 2023 to February 15, 2024.
- March 20, 2024 – New Break received $200,000 from the Ontario Ministry of Mines as a reimbursement of certain Moray exploration expenditures incurred under the fourth OJEP intake. The reimbursement was in respect of expenditures incurred from April 1, 2023 to February 15, 2024.

Developments during 2023 and up to April 26, 2024

Mineral Properties and Exploration and Evaluation Activities

Moray Project - Matachewan, Ontario

The 8,483-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**").



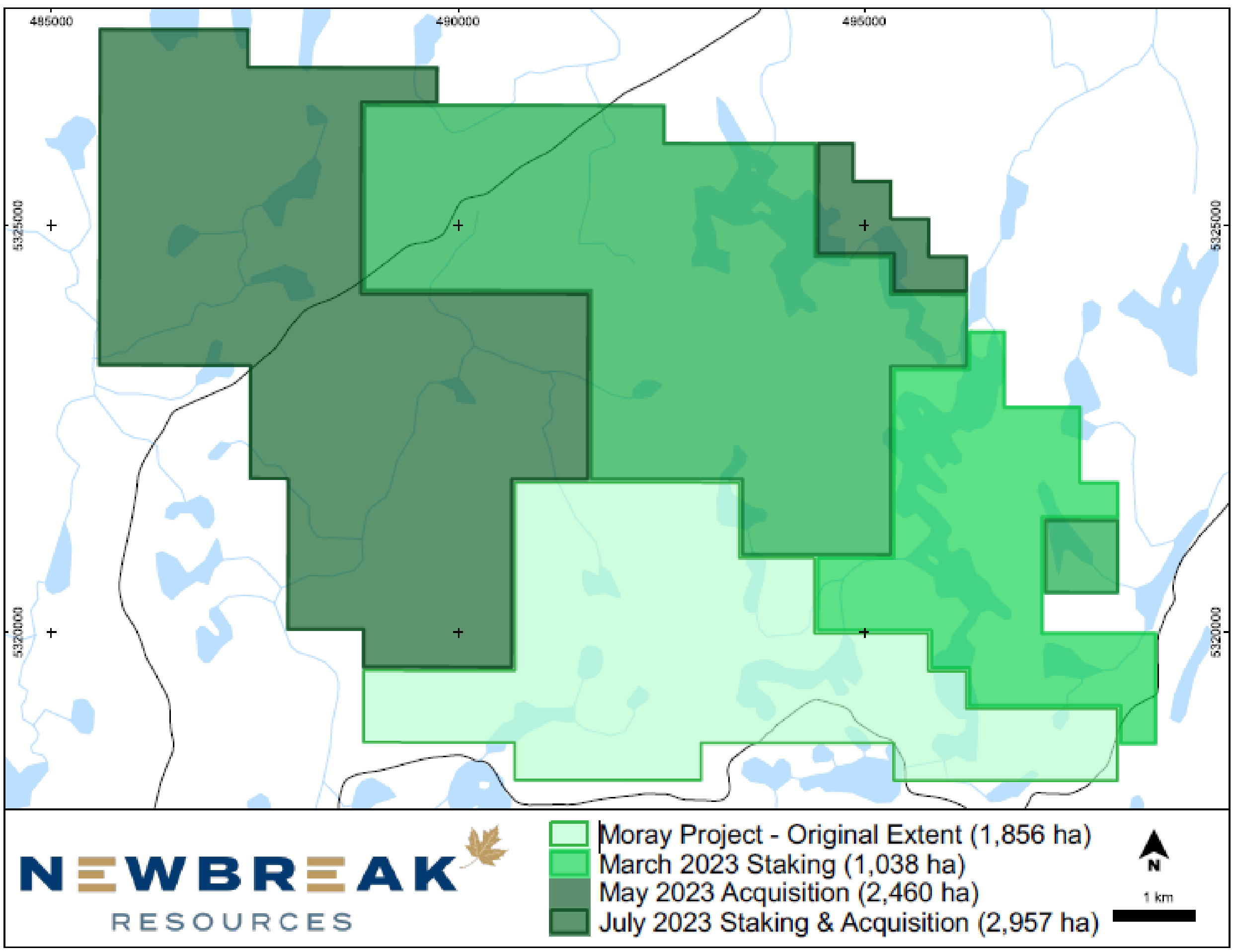
*(**Figure 1** – Moray Project, property map)*

Since March 1, 2023, New Break has increased its property position at Moray by 6,627 hectares to 8,483 hectares through staking and acquisitions, which include the following:

- March 1, 2023 – staked 1,038 hectares at a cost of $2,400;
- May 23, 2023 – acquired 2,460 hectares for $80,000 and 1,500,000 shares and a 1.5% NSR which can be reduced at any time to 0.5% for a cash payment of $750,000;
- July 11, 2023 – staked 1,446 hectares at a cost of $3,350;
- July 21, 2023 – acquired 1,511 hectares for $10,000 and 300,000 shares (no royalty);
- July 27, 2023 – staked 86 hectares at a cost of $200.
- September 19, 2023 – staked 86 hectares at a cost of $200.

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.

Figure 2 below, depicts the consolidation of the Moray property, other than the additional 86 hectares of mineral claims that were staked July 27, 2023 and the 86 hectares staked on September 19, 2023.



*(**Figure 2** – Moray Project, property map showing property additions)*

The original Moray claims covering approximately 1,856 hectares (Moray Project – Original Extent), 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 $100,000 in cash.

The newly staked and acquired ground during 2023, is not subject to any area of influence requirement and is automatically added to the area covered by the October 22, 2021, Memorandum of Understanding between New Break and the Matachewan and Mattagami First Nations.

Field work comprising the 2023 exploration program on the northern portion of the Moray Project, has yielded numerous prospective gold assays from both grab and channel samples from multiple locations as follows (measured in grams per tonne ("**g/t Au**"):

Table 1: Grab Sampling Program Assays – Trench 8 ("TR8") and Kitchiming Lake West ("KW") Areas

Sample Number	Grade (g/t Au)	Location	Program
H724806	9.86	TR8	June 2023
H724811	8.46	TR8	June 2023
X947937	2.16	KW	June 2023
X947965	0.74	50 m west of TR1	July 2023
X947974 (float)	6.16	KW	September 2023
X947983	1.66	TR8	September 2023
X947984	2.88	TR8	September 2023
X947985	0.69	TR8	September 2023
X947986	0.87	TR8	September 2023

Table 2: Historical Grab Sampling Program Assays by Previous Property Owners – KW Trench Area

Sample Number	Grade (g/t Au)	Date
3146	1,556.00	2012
3152	13.90	2012
3160	6.20	2012
173936	2.60	2018
173953	6.56	2018

Table 3: Channel Sampling Program Assays – Trench 7 ("TR7" and Trench 9 ("TR9") Areas

Sample Numbers	Location	Grade (1) (g/t Au)	Length (m)	Program
J251115 – J251116	TR9	0.55	1.16	September 2023
M549920	TR7	0.87	1.00	November 2023

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

Figure 3 below, depicts the entire Moray property boundary, trench locations, interpreted geological structures and the interpreted syenite intrusion, which forms the principal basis for the comparison of the Moray property to the Young-Davidson property. The historical Fiset gold showing is hosted in syenite at Trench 1, while the historical Voyager gold showing is hosted at Trench 12 on the margin of the syenite.

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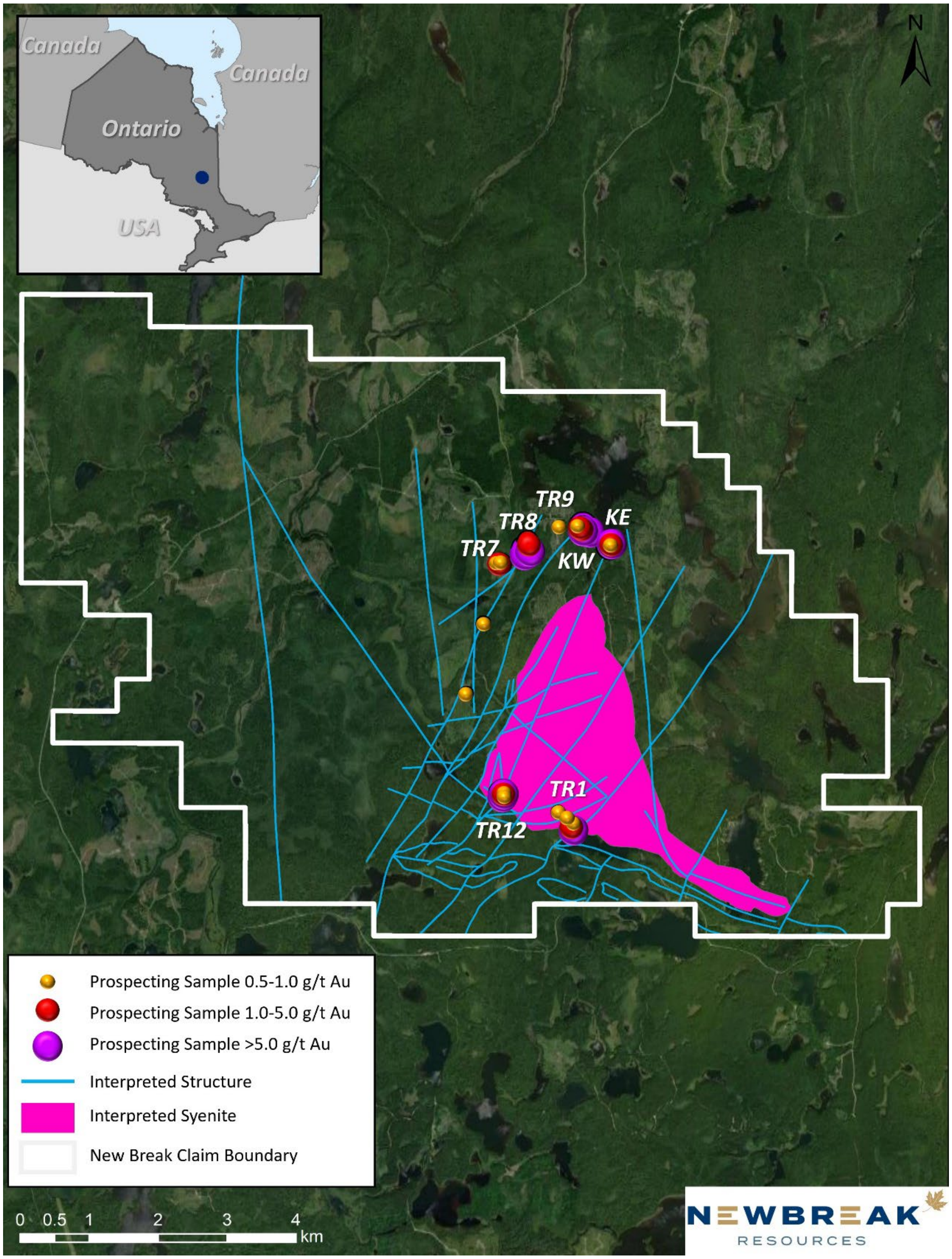
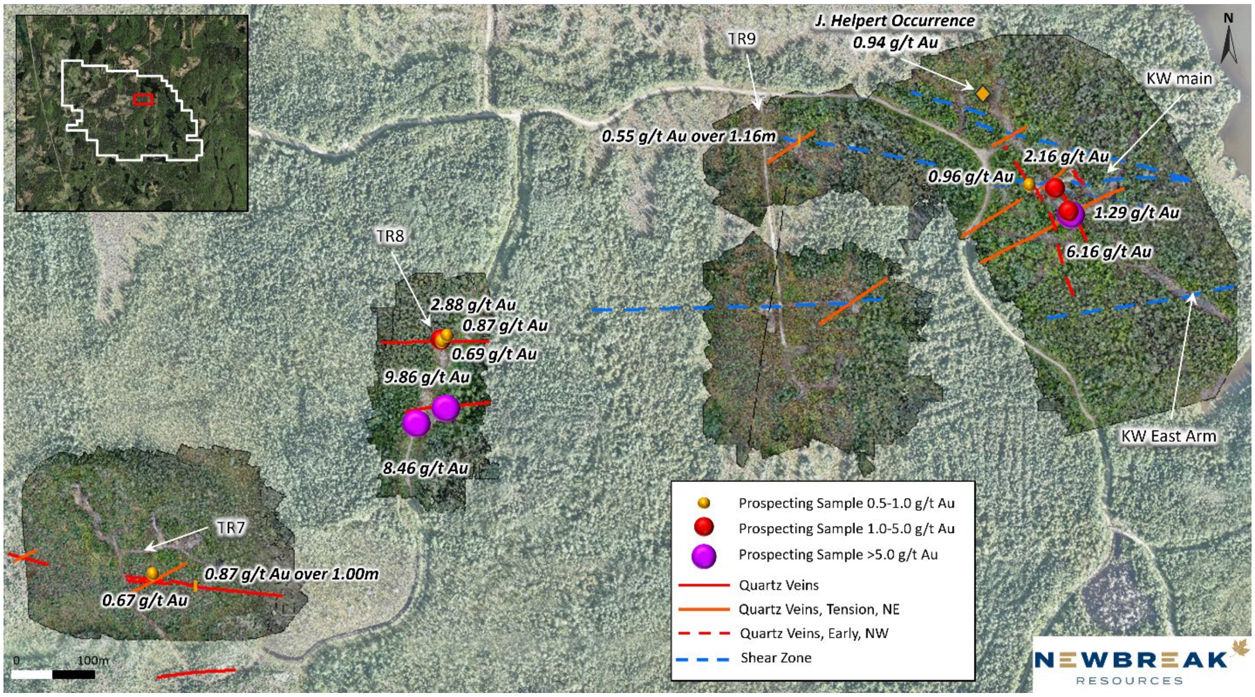


*(**Figure 3** – Moray Property, trench locations, sample assays and interpreted structures)*

The NE-SW gold bearing structure first identified in trench 12 ("TR12") in 2022, has now been traced for approximately 4 km, north to the Kitichiming Lake East ("KE") trench. The chronology of gold bearing events (from oldest to youngest) has been determined to occur first in the NNW trending veins, followed by the E-W shear veins and lastly in the NE-SW veins. The size of the interpreted syenite structure at Moray is three times the size of the syenite intrusion at Young-Davidson.

Figure 4 shows the assay results from areas trenched during the 2023 exploration program and the interpreted geological structures in this particular exploration area.



*(**Figure 4** – Moray Property, 2023 exploration areas and selected assay results)*

The E-W shear veins appear to host the majority of the gold mineralization in the northern portion of the Moray project. TR7 has now been stripped and sampled for over 100 metres of strike length and extends intermittently for up to 250 metres.

The results of exploration work completed by New Break to date, appear to support the Company's thesis of pursuing a Young-Davidson gold mineralization model at Moray, 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 approximately 185,000 ounces at an average grade of 2.3 g/t Au, generating in excess of US$185 million of free cash flow annually at current gold prices. 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.

Moray Exploration Permits

On October 22, 2021, New Break was issued Exploration Permit PR-21-000250 which authorized drilling and stripping on areas within the original 1,856-hectare Moray property boundary. This permit expires October 21, 2024. The exploration program on the newly acquired ground, carried out from June to September 2023, was carried out under an existing Exploration Permit PR-19-000202, issued to the previous property owners on January 8, 2021. It expired on January 7, 2024. On July 10, 2023, New Break applied for a new exploration permit to allow for additional drilling and stripping activities on an expanded 5,354-hectare May 2023 property boundary. Exploration Permit PR-23-000236 was issued on September 21, 2023 and is valid until September 20, 2026. The remainder of the 2023 stripping program was conducted under this new permit.

2024 Exploration Program

While there are a number of drill worthy targets at Moray, including follow up with respect to the high-grade gold grab and channel samples at the Trench 12 Voyager area, the E-W shear vein structures at Trench 7, the gold bearing vein sets at Trench 8 and the main shear and lamprophyre veins at the Kitchiming West target area, the Company has decided to focus its maiden drilling program on gold mineralized targets associated with the main syenite structure on the property, including the Trench 1, Fiset syenite target area. Immediately prior to this, New Break plans to complete and induced polarization ("**IP**") survey over the majority of the syenite target area.

During the analysis of the 2023 exploration results, and with the significantly increased involvement of the Company's new director, Gordon Morrison, New Break undertook a more rigorous comparison exercise between the characteristics of the gold mineralized syenite at the Young-Davidson gold mine and that at Moray. Analysis of exploration work at Young-Davidson suggests that the majority of the orebody is constrained to the syenite, and that at Moray, drilling the syenite target area will provide the best opportunity for making a discovery which has the potential to ultimately yield an economic orebody. Historical drilling of the Fiset syenite yielded the presence of both coarse porphyritic syenite and galena, both of which are characteristic of the higher-grade gold ore at Young-Davidson. Assays from this drilling were redacted. The syenite target at Moray is three times the size of the syenite intrusion at Young-Davidson. Mineral reserves at Young-Davidson as at December 31, 2023, stood at 3.261 million ounces, contained in 43.911 million tonnes at an average grade of 2.31 g/t Au (source: Alamos Gold mineral reserve table as at December 31, 2023). Disclaimer: The mineralization style and setting associated with the Young-Davidson gold mine is not necessarily indicative of the mineralization observed on the Moray property.

2023 Moray Quality Assurance and Quality Control (QA/QC)

Samples collected in the 2023 grab and channel sampling program were delivered to ALS Global ("**ALS**") in Timmins or Sudbury, Ontario for preparation and were assayed for gold by ALS in Vancouver, British Columbia.

New Break implemented a strict QA/QC protocol in processing all grab and channel 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 20^{th} sample in the grab sample sequence was either a blank or a certified standard.

The grab and channel sampling programs were supervised in the field by Randall Salo, P. Geo., a consultant to New Break. All grab and channel samples were put in sturdy plastic bags, tagged, and sealed in the field by Mr. Salo. The grab and channel sample bags were then put in rice pouches before being transported by Ali Ghorbani, P. Geo. and project geologist with Orix Geoscience Inc., to the ALS lab in Sudbury or by Mr. Salo to the ALS lab in Timmins. At their Timmins or Sudbury Ontario facilities, ALS completed 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 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.

2023-2024 Ontario Junior Exploration Program

The Ontario Junior Exploration Program ("OJEP") is an initiative of the Ontario government that will help attract investment in early exploration. Under the current government, the program was initiated in 2022 and related to qualifying expenditures incurred from April 1, 2022 to February 15, 2023. New Break successfully participated in the second of two tranches of 2022-2023 funding in respect of Moray exploration work conducted between April 1 and December 31, 2022, receiving a total reimbursement of $200,000. $60,000 was received on November 7, 2022, with the remaining $140,000 received on March 20, 2023.

In 2023, New Break again successfully participated in two tranches of funding related to qualifying exploration expenditures incurred from April 1, 2023 to February 15, 2024 on its Moray property. In total, New Break received a reimbursement of $236,224 in respect of Moray exploration work conducted during this period. $30,000 was received in November 2023, with the remaining $206,224 received in March 2024. New Break would like to thank and recognize the government of the Province of Ontario for supporting junior exploration in the province.

Nunavut Exploration Activities

In September 2023, a New Break field team comprised of famed Canadian prospector Ken Reading, Shaun Parent, P. Geo. of Superior Exploration Ltd. and a field assistant, accessed the Sundog Gold Project in Kivalliq Region, Nunavut by float plane from Thompson, Manitoba. The team performed a reconnaissance site visit to confirm access to the project area, assess the impact of environmental changes, reproduce historical gold assays from a small sample of historical trenches and gather samples from previously unsampled vein structures near existing historical trenches. New gold bearing structures were discovered on the property, with half of the eight samples taken grading over 7.5 g/t Au as shown in the following table:

Table 1: 2023 Sundog Sample Highlights

Sample ID	Type	Description and Location	Grade (g/t Au)(1)
211954	Rock chip	New quartz vein near 1987 Trench 29	7.56
211957(2)	Grab	Quartz vein sulfide within 1987 Trench 10	8.11
211958	Rock chip	New quartz vein near 1987 Trench 10	9.68
211959	Rock chip	New quartz vein near 1987 Trench 10	8.69

(1) Grade determined through fire assay.
(2) A reference sample taken from the same location as sample 211957 exhibits visible gold on the cut surface.

Next Exploration Steps

New Break plans to undertake a summer 2024 field season at Sundog, subject to regulatory and Inuit approvals and financing, in order to complete the following objectives:

- Systematically sample potentially gold bearing structures and in-situ veins;
- Complete drone magnetics and very low frequency ("VLF") geophysical surveys;
- Complete reconnaissance mapping and sampling along strike length and parallel structures within the Sundog concession;
- Further define gold bearing systems between fine and coarse gold environments; and
- Complete a preliminary drilling program on the Sundog property, the first of its kind.

2023 Sundog Quality Assurance and Quality Control (QA/QC)

New Break collected 8 samples during the September 2023 sampling trip. Shaun Parent, P. Geo. supervised the collection of the samples. The samples were delivered to Activation Laboratories Ltd. ("**Actlabs**") in Ancaster, Ontario. The samples were crushed to up to 80% passing 2mm, riffle split (250g) and pulverized to 95% passing 105 micrometres. Seven of the samples were subject to fire assay with atomic absorption ("**AA**") finish. Samples assaying greater than 5.0 g/t Au were rerun by fire assay with a gravimetric finish. One sample (Trench 10 sample) was also run for multi element data in addition to being rerun by fire assay with a gravimetric finish.

For multi element analysis, a 0.25g sample was digested with four acids beginning with hydrofluoric, followed by a mixture of nitric and perchloric acids, heated using precise programmer-controlled heating in several ramping and holding cycles which takes the samples to dryness. After dryness is attained, samples are brought back into solution using hydrochloric and nitric acids. This digestion may not be completely total as resistate minerals are present. Digested samples are diluted and analyzed by an ICP-MS. Actlabs is accredited by the Standards Council of Canada under the requirements of ISO/IEC 17025:2017.

Private Placement Financings – May 31, 2023, December 29, 2023 and March 5, 2024

On May 31, 2023, the Company completed a non-brokered private placement for gross proceeds of $500,700 through the issuance of 3,338,000 flow-through shares ("**FT Shares**") at a price of $0.15 per FT Share. The Company paid aggregate finder's fees of $12,915 and issued an aggregate of 51,000 finder warrants. Each finder warrant is exercisable into one common share of the Company at a price of $0.15 for a period of twenty-four (24) months. As a result of the completion of the financing John Ross and Patricia Quigley (the "**Acquiror**") became a greater than 10% securityholder of New Break.

On December 29, 2023, the Company completed a non-brokered private placement of flow-through units ("**FT Units**") at a price of $0.10 per FT Unit and non-flow-through units ("**Units**") at a price of $0.08 per Unit. The Company issued 1,250,000 FT Units for gross proceeds of $125,000 and 750,000 Units for gross proceeds of $60,000. No finder's fees were paid in connection with the closing of the financing. Each Unit consists of one common share of the Company and one common share purchase warrant which is exercisable into one common share of the Company at a price of $0.12 for a period of twenty-four (24) months. Each FT Unit consists of one FT Share and one non-flow-through common share purchase warrant which is exercisable into one common share of the Company at a price of $0.15 for a period of twenty-four (24) months.

On March 5, 2024, the Company closed the final tranche of its non-brokered private placement financing through the issuance of 250,000 Units at $0.08 per Unit for gross proceeds of $20,000. A company owned by an officer of New Break purchased 125,000 of the Units. No finder's fees were paid in connection with the closing of the financing.

Warrant Repricing, Warrant Exercise Incentive Program and Warrant Exercises

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

On June 8, 2023, the Company announced the repricing of 1,715,500 common share purchase warrants with an exercise price of $0.20 and an expiry date of June 23, 2023 (the "**Repriced Warrants**") to an exercise price of $0.15. In addition, New Break announced a warrant exercise incentive program, whereby holders of the Repriced Warrants and holders of existing $0.15 warrants, also due to expire on June 23, 2023, would receive an incentive warrant at $0.20 for a period of three (3) years, for each warrant exercised prior to their June 23, 2023 expiry.

Effective June 23, 2023, Repriced Warrants to purchase 418,850 common shares of the Company at a new price of $0.15 per share, were exercised for proceeds of $62,827. 173,000 of these were exercised by a greater than 10% securityholder.

Effective June 23, 2023, warrants to purchase 655,000 common shares of the Company at a price of $0.15 per share, were exercised for aggregate proceeds of $98,250. 25,000 of these were exercised by an investment company that is wholly-owned by one of the directors of the Company.

On June 23, 2023, in connection with the exercise of 418,850 Repriced Warrants and the exercise of 655,000 warrants at $0.15, New Break issued 1,073,850 incentive warrants at a price of $0.20 for a period of three (3) years, to those warrant holders who exercised their warrants. 173,000 and 25,000 of these, respectively, were issued to a greater than 10% securityholder and an investment company owned by a director of the Company.

Stock Option Grants

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.

On June 2, 2023, the Company granted options to purchase up to 300,000 common shares of the Company to two consultants at a price of $0.10 per share for a period of five years. The options vested immediately. 240,000 of these were granted to a consultant who is a greater than 10% securityholder.

Stock Option Expiries

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, expired unexercised.

On October 19, 2023, stock options to purchase up to 250,000 common shares of the Company at a price of $0.10 per share, granted to the Company's former Chairman on November 19, 2021, expired unexercised.

Release of Shares from Escrow

On August 4, 2022, the Company entered into an escrow agreement in connection with its plans to go public, pursuant to which 4,348,000 common shares were placed into escrow and are subject to release in tranches over time, in accordance with the policies of the Canadian Securities Administrators (the "**Escrow Agreement**"). 10% were released on September 7, 2022, the date upon which the common shares of the Company became listed for trading on the CSE. An additional 15% will be released at every six-month interval thereafter, over a period of 36 months.

On March 7, 2023, 652,200 common shares representing 15% of the number originally escrowed, were released from escrow.

On June 23, 2023, 25,000 common shares purchased by an investment company wholly-owned by a director of New Break, pursuant to the exercise of warrants at $0.15 per share, became subject to the Escrow Agreement. 25% of these, or 6,250 were eligible for immediate release, while the remaining 18,750 were added to the existing balance held in escrow.

An additional 655,950 were released from escrow on each of September 7, 2023 and March 7, 2024, each representing 15% of the shares originally escrowed plus the June 23, 2023 addition.

Corporate Developments

Social Media Management and Communications

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 X (formerly Twitter) under the name @newbreakgold and on LinkedIn and Facebook.

Board of Directors and Annual General Meeting of Shareholders

Effective January 4, 2024, Gordon Morrison joined the Board of Directors as an independent director.

The Company held its Annual General Meeting of shareholders on Thursday, August 24, 2023 (the "**Meeting**"). A total of 29,052,820 common shares were represented in person or by proxy at the Meeting, representing 61.07% of the Company's issued and outstanding common shares. All directors nominated as listed in the Management Information Circular dated July 24, 2023 (the "**Circular**"), were re-elected. In addition, shareholders unanimously re-appointed McGovern Hurley LLP, Chartered Professional Accountants as the auditor of New Break and unanimously re-approved the Company's stock option plan.

Change of Registered and Mailing Address of Company

On October 5, 2023, New Break changed its registered address to 110 Yonge Street, Suite 1601, Toronto, ON M5C 1T4 from its previous address of 18 King Street East, Suite 901, Toronto, ON M5C 1C4.

NEWBREAK RESOURCES

Overview of Financial Results

Three months and Year Ended December 31, 2023 vs. December 31, 2022

(Expressed in Canadian Dollars)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Year Ended December 31, 2023	Year Ended December 31, 2022
Expenses				
Exploration and evaluation	**$ 7,922**	$ 115,298	**$ 497,026**	$ 755,275
Management fees	**37,500**	37,500	**150,000**	150,000
Consulting fees	**135**	2,500	**12,984**	18,635
Professional fees	**12,583**	14,246	**55,672**	128,453
Investor relations	**27,800**	79,975	**220,867**	109,945
General and administrative	**20,237**	19,219	**95,259**	77,248
Shareholder costs and filing fees	**5,240**	8,831	**34,169**	46,074
Travel	**-**	-	**935**	9,648
Share-based compensation	**1,597**	26,985	**44,280**	26,985
Total expenses	**113,014**	304,554	**1,111,192**	1,322,263
Loss before the undernoted	**(113,014)**	(304,554)	**(1,111,192)**	(1,322,263)
Bank charges	**(199)**	(162)	**(1,131)**	(1,059)
Part X11.6 tax	**(684)**	(3,587)	**(611)**	(3,587)
Interest income	**398**	1,669	**6,994**	7,947
Flow-through share premium recovery	**(13,890)**	130,847	**71,452**	360,968
Net loss and comprehensive loss for the period	**$ (127,389)**	$ (175,787)	**$ (1,034,488)**	$ (957,994)
Net loss per share				
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)	**$ (0.02)**	$ (0.02)

Three months ended December 31, 2023 vs. three months ended December 31, 2022

- Overall, the Company recorded net loss and comprehensive loss of $127,389 or $0.00 per share for the quarter ended December 31, 2023 compared to a net loss and comprehensive loss of $175,787 or $0.00 per share for the quarter ended December 31, 2022.
- Exploration and evaluation expenses were $208,147, before a $200,226 OJEP reimbursement accrual in the fourth quarter of 2023 compared to $255,298, before a $140,000 OJEP reimbursement accrual, in the fourth quarter of 2022. $76,938 was spent at Moray in the fourth quarter of 2023, including the continuation of the 2023 stripping and structural mapping programs. This amount was reduced by an accrual of $200,226 relating to a reimbursement from OJEP which was subsequently received in March 2024. In addition, $74,658 was expensed in relation to Sundog, while $52,110 in mineral claim deposits relating to the Sy, Noomut and Angikuni Lake properties were expensed. By comparison, $238,058 was spent at 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.
- Management fees were $37,500 in the fourth quarter of 2023 compared to $37,500 in the fourth quarter of 2022. These amounts relate to fees charged by the Company's CEO and CFO.
- Consulting fees were $135 in the fourth quarter of 2023 compared to $2,500 in the fourth quarter of 2022.

- Professional fees were $12,583 in the fourth quarter of 2022 compared to $14,246 in the fourth quarter of 2022. These fees generally relate to the accrual of audit and tax return preparation fees and legal fees.
- Investor relations expenses were $27,800 in the fourth quarter of 2023 compared to $79,975 in the fourth quarter of 2022. The 2023 costs principally relate to fees paid in relation to social media management and market liquidity services. The 2022 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.
- General and administrative expenses were $20,237 during the fourth quarter of 2023 compared to $19,219 during the fourth quarter of 2022.
- Shareholder costs and filing fees were $5,240 during the fourth quarter of 2023 compared to $8,831 during the fourth quarter of 2022. The 2022 amount was higher as a result of holding the Company's annual and general meeting of shareholders in December 2022 compared to holding it in August in 2023.
- Share-based compensation was $1,597 during the fourth quarter of 2023 compared to $26,985 during the fourth quarter of 2022. The 2023 amount relates to the remaining amortization of the grant date fair value of 200,000 stock options granted on January 202, 2023, while the 2022 amount relates to the grant date fair value of 350,000 stock options granted on December 30, 2022. These amounts are non-cash expenses.
- Flow-through share premium recovery was a reversal of $13,890 during the fourth quarter of 2023 compared to a recovery of $130,847 during the fourth quarter of 2022. The reversal in the fourth quarter of 2023 resulted from the accrual of the amount recoverable from OJEP which reduces flow-through expenditures. 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. These amounts are non-cash.

Year ended December 31, 2023 vs. year ended December 31, 2022

- Overall, the Company recorded a net loss and comprehensive loss of $1,034,488 or $0.02 per share for the year ended December 31, 2023 compared to a net loss and comprehensive loss of $957,994 or $0.02 per share for the year ended December 31, 2022.
- Exploration and evaluation expenses were $718,252 before a $221,226 OJEP reimbursement from the Ontario government for the year ended December 31, 2023 compared to $955,275, before a $200,000 OJEP reimbursement from the Ontario government, for the year ended December 31, 2022. $531,430 was spent at Moray during 2023, principally on prospecting, trenching, stripping and structural mapping programs on the mineral claims newly acquired during 2023. This amount was reduced by amounts received and accrued of $221,226 relating to a reimbursement from OJEP. In addition, $131,590 was expensed in relation to Sundog, $52,110 in mineral claim deposits relating to the Sy, Noomut and Angikuni Lake properties were expensed and $3,122 of other exploration costs were incurred. The 2022 expenses include $708,535 spent at 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 Resources Inc. This amount was reduced by amounts received and accrued of $200,000 relating to a reimbursement from OJEP. In addition, $150,532 was expensed in relation to Sundog, $87,740 was incurred in relation to the Esker, Sy and Angikuni Lake properties, while $8,407 of other exploration expenditures were incurred (see Note 6 to the financial statements for further details).

- Management fees were $150,000 for the year ended December 31, 2023 compared to $150,000 for the year ended December 31, 2022. These amounts relate to fees charged by the Company's CEO and CFO.
- Consulting fees were $12,984 for the year ended December 31, 2023 compared to $18,635 for the year ended December 31, 2022. The 2022 fees were higher as a result of fees paid to the Company's former Chairman during the first three months of 2022. No such amount was paid in 2023.
- Professional fees were $55,672 for the year ended December 31, 2023 compared to $128,453 for the year ended December 31, 2022. These fees generally relate to the accrual of audit and tax return preparation fees and legal fees. The 2022 fees were higher as they included legal and accounting fees of $93,169 in connection with the Company's public listing on the CSE on September 7, 2022.
- Investor relations expenses were $220,867 for the year ended December 31, 2023 compared to $109,945 for the year ended December 31, 2022. $119,688 (2022 - $100,913) of these costs relate 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. The majority of the remainder of the 2023 costs principally relate to fees paid in relation to social media management and market liquidity services.
- General and administrative expenses were $95,259 for the year ended December 31, 2023 compared to $77,248 for the year ended December 31, 2022. Part of the increase during 2023 relates to a full year of D&O insurance premiums, compared to only approximately four months in 2022, following the Company becoming publicly listed.
- Shareholder costs and filing fees were $34,169 for the year ended December 31, 2023 compared to $46,074 for the year ended December 31, 2022. In general, these costs include CSE listing fees, filing fees associated with financings and annul filings, costs related to shareholder meetings, the cost of news releases and costs associated with the Company's transfer agent. The 2022 amount includes filing and other related fees of $25,495 associated with the Company's public listing on the CSE during 2022.
- Share-based compensation was $44,280 for the year ended December 31, 2023 compared to $26,985 for the year ended December 31, 2022. The 2023 amount relates to the granted date fair value of 200,000 stock options granted on January 20, 2023 and 300,000 granted on June 2, 2023. The 2022 amount relates to the grant date fair value of 350,000 stock options granted December 30, 2022. These amounts are non-cash expenses.
- Flow-through share premium recovery was $71,452 during the year ended December 31, 2023 compared to $360,968 during the year ended December 31, 2022. The 2023 amount is the amortization of flow-through share premium liability relating to the expenditure of eligible qualifying CEE incurred during 2023 from flow-through funds raised December 30, 2022 and May 31, 2023. The 2022 amount is the amortization of flow-through share premium liability relating to the expenditure of eligible qualifying CEE incurred during 2022 from flow-through funds raised during 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 Dec. 2023 (audited)	Q4 Dec. 2023 (unaudited)	Q3 Sept. 2023 (unaudited)	Q2 June 2023 (unaudited)	Q1 March 2023 (unaudited)
Revenue	$ -	$ -	$ -	$ -	$ -
Loss and comprehensive loss	$(1,034,488)	$ (127,389)	$ (404,924)	$ (270,456)	$ (231,719)
Loss per share – basic and diluted	($0.02)	($0.00)	($0.01)	($0.01)	($0.01)
Assets	$ 987,468	$ 987,468	$ 938,320	$ 1,292,590	$ 590,447

	Annual Dec. 2022 (audited)	Q4 Dec. 2022 (unaudited)	Q3 Sept. 2022 (unaudited)	Q2 June 2022 (unaudited)	Q1 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

Liquidity and Capital Resources

The Company's cash increased by $11,466 during the quarter ended December 31, 2023, compared to a decrease of $128,470 during the quarter ended December 31, 2022. The Company's cash decreased by $18,257 during the year ended December 31, 2023 compared to a decrease of $1,007,166 during the year ended December 31, 2022. As at December 31, 2023, the ending cash balance was $212,205 compared to $230,462 as at December 31, 2022.

Working Capital

As at December 31, 2023, the Company had a working capital surplus of $300,983 compared to a surplus of $510,421 as at December 31, 2022. The non-cash flow-through share premium liability amount has been excluded from current liabilities in the calculation of working capital. $401,062 of flow-through funds raised during 2023, must be spent on qualifying CEE by December 31, 2024.

A summary of the Company's cash position and changes in cash for the three-month periods and years ended December 31, 2023 and December 31, 2022 are provided below:

	Three Months Ended December 31,		**Year Ended December 31,**	
	2023	2022	**2023**	2022
Cash used in operating activities – gross	**$ (59,792)**	$ (279,649)	**$(1,009,550)**	$ (1,291,977)
Changes in non-cash operating working capital	**(113,742)**	26,679	**191,181**	(310,439)
Cash used in operating activities – net	**(173,534)**	(252,970)	**(818,369)**	(1,602,416)
Cash used in investing activities	**-**	-	**(90,000)**	-
Cash provided by financing activities	**185,000**	124,500	**890,112**	595,250
Increase (decrease) in cash	**11,466**	(128,470)	**(18,257)**	(1,007,166)
Cash, beginning of period	**200,739**	358,932	**230,462**	1,237,628
Cash, end of period	**$ 212,205**	$ 230,462	**$ 212,205**	$ 230,462

Three months ended December 31, 2023 vs. three months ended December 31, 2022

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the three months ended December 31, 2023 was $59,792 compared to $279,649 for the three months ended December 31, 2022.

Financing Activities

During the quarter ended December 31, 2023, cash provided by financing activities was $185,000 compared to $124,500 for the quarter ended December 31, 2022.

On December 29, 2023, the Company issued 1,250,000 flow-through units at a price of $0.10 per FT Unit for gross proceeds of $125,000 and issued 750,000 non-flow-through units at a price of $0.08 per Unit for gross proceeds of $60,000.

Comparatively, 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.

Year ended December 31, 2023 vs. year ended December 31, 2022

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the year ended December 31, 2023 was $1,009,550 compared to $1,291,977 for the year ended December 31, 2022. 2022 is higher, primarily due to 2022 exploration and evaluation expenditures being higher than 2023 by $258,249.

Investing Activities

During the year ended December 31, 2023, cash used in investing activities was $90,000 compared to $nil for the year ended December 31, 2022. During 2023, the Company made payments totaling $80,000 and $10,000, respectively as partial consideration for the purchase of additional mineral claims in May and July 2023, contiguous to existing mineral claims at the Company's Moray property.

Financing Activities

During the year ended December 31, 2023, cash provided by financing activities was $890,112 compared to $595,250 for the year ended December 31, 2022.

The 2023 amount was the result of the following:

- On May 31, 2023, the Company issued 3,338,000 flow-through shares at $0.15 per flow-through share for gross proceeds of $500,700 and paid $12,915 in finder's fees.
- On December 29, 2023, the Company issued 1,250,000 flow-through units at a price of $0.10 per FT Unit for gross proceeds of $125,000 and issued 750,000 non-flow-through units at a price of $0.08 per Unit for gross proceeds of $60,000.
- On April 28, 2023, the Company received proceeds of $56,250 from the exercise of 375,000 warrants at $0.15 per share and on June 23, 2023, the Company received proceeds of $161,077 from the exercise of 1,073,850 warrants at $0.15 per share.

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.

Liquidity Outlook

The Company had a cash balance of $212,205, HST receivable of $22,337 and OJEP receivable of $191,225, totaling $425,767 as at December 31, 2023 and accounts payable and accrued liabilities of $143,485. The Company also had a commitment as at December 31, 2023, to spend $401,062 on eligible CEE by December 31, 2024 from flow-through funds raised during 2023.

Since December 31, 2023, New Break has received the following amounts:

- February 16, 2024 - $22,285 from the Canada Revenue Agency for the Q4 2023 HST refund;
- March 2024 - $206,224 OJEP reimbursement from the Ontario Government; and
- March 5, 2024 - $20,000 from the issuance of 250,000 units at $0.08 per unit.

The Company will have to raise additional funds to fully fund New Break's 2024 corporate operating budget and to run a planned drilling program at its Moray property. The principle focus during 2024, 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.

		For the years ended December 31,	
		2023	2022
Management fees and benefits		**$ 170,489**	$ 168,135
Management fees included in exploration and evaluation		**90,000**	90,000
Consulting fees – paid to a non-independent director		**-**	10,500
Total fees paid to management and directors		**260,489**	268,635
Share-based payments		**-**	19,275
		$ 260,489	$ 287,910
Exploration and evaluation consulting fees charged by a geological consulting company, the President & CEO of which, is also a director of New Break		**$ 185,600**	$ 335,638

Related Party Transactions

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

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

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.

On June 2, 2023, the Company granted options to purchase up to 300,000 common shares of the Company at a price of $0.10 per share for a period of five years. 240,000 of these were granted to a consultant of the Company, who is also a greater than 10% securityholder.

On June 23, 2023, warrants to purchase 1,073,850 common shares of the Company at a price of $0.15 were exercised for proceeds of $161,077. 25,000 were exercised by an investment company that is wholly-owned by one of the Company's directors and 173,000 were exercised by a greater than 10% securityholder. As a result of the exercise, the investment company and the greater than 10% securityholder were also issued 25,000 and 173,000 incentive warrants, respectively at $0.20 for a period of three years.

On December 29, 2023, the Company completed a non-brokered private placement for gross proceeds of $60,000 through the issuance of 750,000 units at a price of $0.08 per unit and $125,000 through the issuance of 1,250,000 F-T units at a price of $0.10 per F-T unit. A geological consulting company, the President and CEO of which is a director of New Break, subscribed for 125,000 of the units for proceeds of $10,000 and was issued 125,000 warrants exercisable at $0.12 for a period of 24 months. In addition, a greater than 10% securityholder subscribed for 375,000 of the units and 1,000,000 of the F-T units for gross proceeds of $30,000 and $100,000, respectively and was issued 375,000 warrants exercisable at $0.12 and 1,000,000 warrants exercisable at $0.15 for a period of 24 months.

As at December 31, 2023, $66,511 (December 31, 2022 - $24,397) included in accounts payable and accrued liabilities was owing to related parties, including $32,761 (December 31, 2022 - $16,669) owed to a geological consulting company, the President and Chief Executive Officer of which, is also a director of New Break. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

Subsequent Events

Non-Brokered Private Placement

On March 5, 2024, the Company completed a non-brokered private placement for gross proceeds of $20,000 through the issuance of 250,000 units at a price of $0.08 per unit. 125,000 of the units were purchased by company owned by an officer of the Company. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one common share at an exercise price of $0.12 for a period of twenty-four months.

Escrow Shares

On March 7, 2024, an additional 655,950 common shares were released from escrow, leaving a remaining balance of 1,967,850 common shares held in escrow.

Receipt of Other Amount Receivable

On March 15 and 20, 2024, the Company received payments of $6,224 and $200,000, respectively, from the Ontario Ministry of Mines under two Ontario Transfer Payment Agreements as a final reimbursement of 50% of certain exploration and evaluation expenditures for work and activities on the Moray Gold Project for the period April 1, 2023 to February 15, 2024, bringing the total reimbursement to $236,224. $191,225 of this amount was recorded as other amount receivable as at December 31, 2023.

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 26, 2024 there were 49,822,600 common shares issued and outstanding.

As at April 26, 2024, the Company also had the following items issued and outstanding:

- 4,712,850 common share purchase warrants at a weighted average exercise price of $0.21.
- 3,800,000 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, 2023 and 2022.

Off-Balance Sheet Arrangements

As at December 31, 2023, 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 26, 2024, 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 2024 Moray exploration budget is planned to be partially funded from flow-through funds raised in December 2023 and from an amount receivable from the government of Ontario under OJEP, while the 2024 corporate operating expenses will be partially funded from amounts raised in December 2023 and March 2024. There is no certainty of the Company's ability to complete additional financings.

As at December 31, 2023 the Company held current assets of $444,468 (December 31, 2022 - $598,092) to settle current liabilities of $143,485 (December 31, 2022 - $87,671), 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, 2023 and 2022 were as follows:

	Amortized Cost	FVPL	Total
December 31, 2022			
Financial assets			
Cash	$ 230,462	$ -	$ 230,462
HST receivable	$ 38,849	$ -	$ 38,849
Other amount receivable	$ 140,000	$ -	$ 140,000
Financial liabilities			
Accounts payable and accrued liabilities	$ 87,671	$ -	$ 87,671
December 31, 2023			
Financial assets			
Cash	$ 212,205	$ -	$ 212,205
HST receivable	$ 22,337	$ -	$ 22,337
Other amount receivable	$ 191,225	$ -	$ 191,225
Financial liabilities			
Accounts payable and accrued liabilities	$ 143,485	$ -	$ 143,485

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.

Material Accounting Policies

The Company's material accounting policies are described in Note 3 to the audited financial statements for the year ended December 31, 2023. 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) New Standards Issued and Adopted

The Company adopted the following accounting standards and amendments to accounting standards, effective January 1, 2023:

On February 12, 2021, the IASB issued Definition of Accounting Estimates (Amendments to IAS 8) and Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgments). The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarifies how to distinguish changes in accounting policies from changes in accounting estimates. The adoption of the new amendments has been applied to the disclosure of material accounting policies in note 3 of these financial statements, however, the amendments did not result in any change to the Company's accounting policies or application thereof.

(n) 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, 2024. Many are not applicable or do not have a significant impact on the Company and have been excluded.

Standards issued, but not yet adopted include:

On January 23, 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements, to clarify the classification of liabilities as current or non-current. For the purposes of non-current classification, the amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must have substance and exist at the end of the reporting period. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option. The amendments state that:

- settlement of a liability includes transferring a company's own equity instruments to the counterparty, and
- when classifying liabilities as current or non-current a company can ignore only those conversion options that are recognized as equity

The amendments are effective for annual periods beginning on or after January 1, 2024. The Company does not anticipate the adoption of the new standard to impact the financial statements.

Commitments and Contingencies

As at December 31, 2023, the Company had a commitment to spend \$401,062 (December 31, 2022 - \$124,500) on eligible CEE, from amounts raised from flow-through financing, by December 31, 2024.

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 2023 in the amount of $625,700 (2022 - $124,500), the Company recorded an aggregate flow-through share premium liability of $93,635 (2022 - $41,500). As eligible CEE is incurred, the amount is drawn down as income through the statement of loss. During the year ended December 31, 2023, the Company incurred $349,138 (2022 - $797,286) in eligible CEE and recorded a flow-through share premium recovery of $71,452 in the statement of loss (December 31, 2022 - $360,968).

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 and Commitments

Effective October 1, 2021, the Company became party to certain consulting agreements that contain clauses that could require additional aggregate payments of $198,000 upon termination without cause and $396,000 upon termination in connection with a change of control. 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.

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 $1,034,488 for the year ended December 31, 2023 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, 2023 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, 2023.

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, 2023 and 2022 that are available on SEDAR+ at www.sedarplus.ca 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 26, 2024. A copy of this MD&A will be provided to anyone who requests it from the Company.

Additional Information

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

Non-Independent Directors
Ashley Kirwan, Director (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)
Gordon Morrison (1)

(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