NEW BREAK RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 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 three months ended March 31, 2023 ("**first quarter of 2023**" or "**Q1 2023**"). The comparative period is for the three months ended March 31, 2022 ("**first quarter of 2022**" or "**Q1 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, 2022 and 2021, and the unaudited condensed interim financial statements for the three months ended March 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 International Financial Reporting Interpretations Committee ("**IFRIC**"). Please refer to Note 3 of the annual audited financial statements as at and for the years ended December 31, 2022 and 2021 for disclosure of the Company's significant accounting policies.

The audit committee of the Company has reviewed this MD&A and the unaudited condensed interim financial statements for the three months ended March 31, 2023 and 2022 and the Company's Board of Directors approved these documents prior to their release.

This MD&A is dated May 26, 2023 and is current to that date.

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

Caution Regarding Forward Looking Information

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

Qualified Person

Technical information contained in this MD&A has been prepared by or under the supervision of Peter C. Hubacheck, P. Geo., consulting geologist to New Break, who is a Qualified Person ("QP") 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 18 King Street East, Suite 902 Toronto, Ontario, M5C 1C4, Canada.

Description of the Business

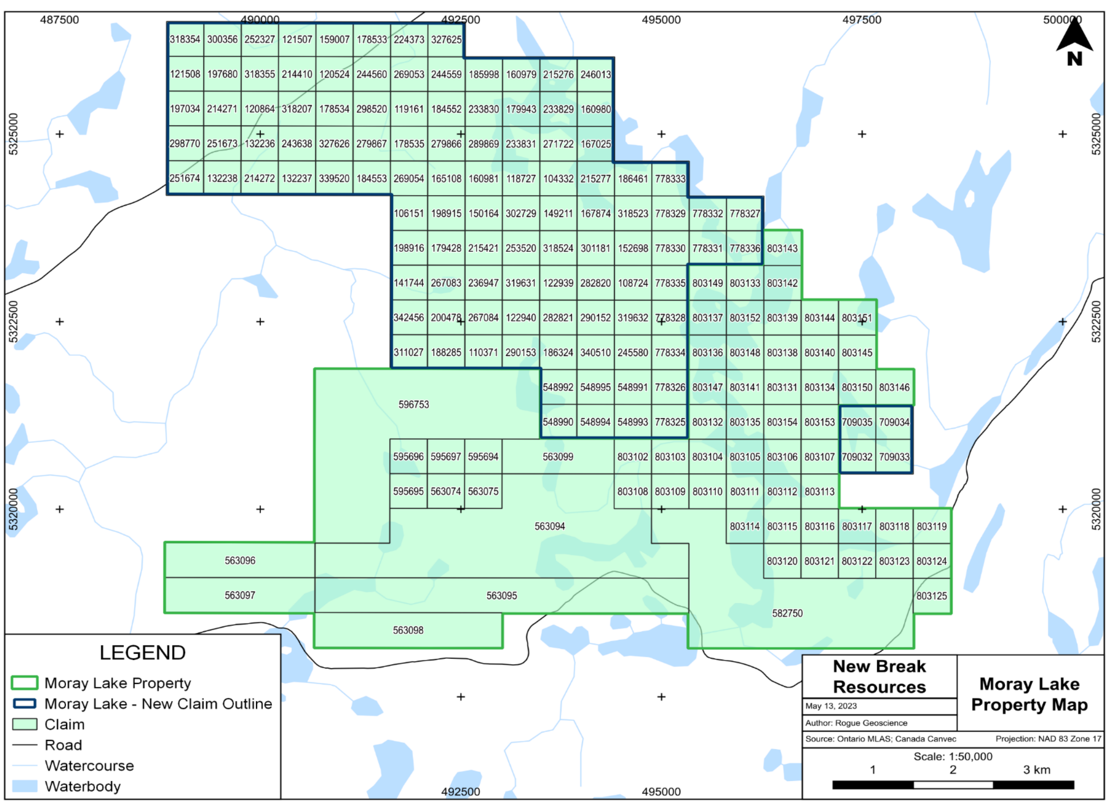
New Break is a Canadian mineral exploration and evaluation stage company, focused principally on gold exploration at its 100% owned Moray property, covering approximately 5,354 hectares located in the southern Abitibi greenstone belt, approximately 49 km southeast of Timmins, Ontario and 32 km northwest of the Young-Davidson gold mine operated by Alamos Gold Inc. and at its four gold projects located in Kivalliq Region, Nunavut. The Sundog Gold Project covers approximately 9,415 hectares within parcel AR-35 on Inuit Owned Land. The 100% owned Esker/Noomut, Sy and Angikuni Lake Gold Projects, cover approximately 21,960 hectares on Crown Land and were acquired through staking in 2021.

Developments during the three months ended March 31, 2023 and up to May 26, 2023

Mineral Properties and Exploration and Evaluation Activities

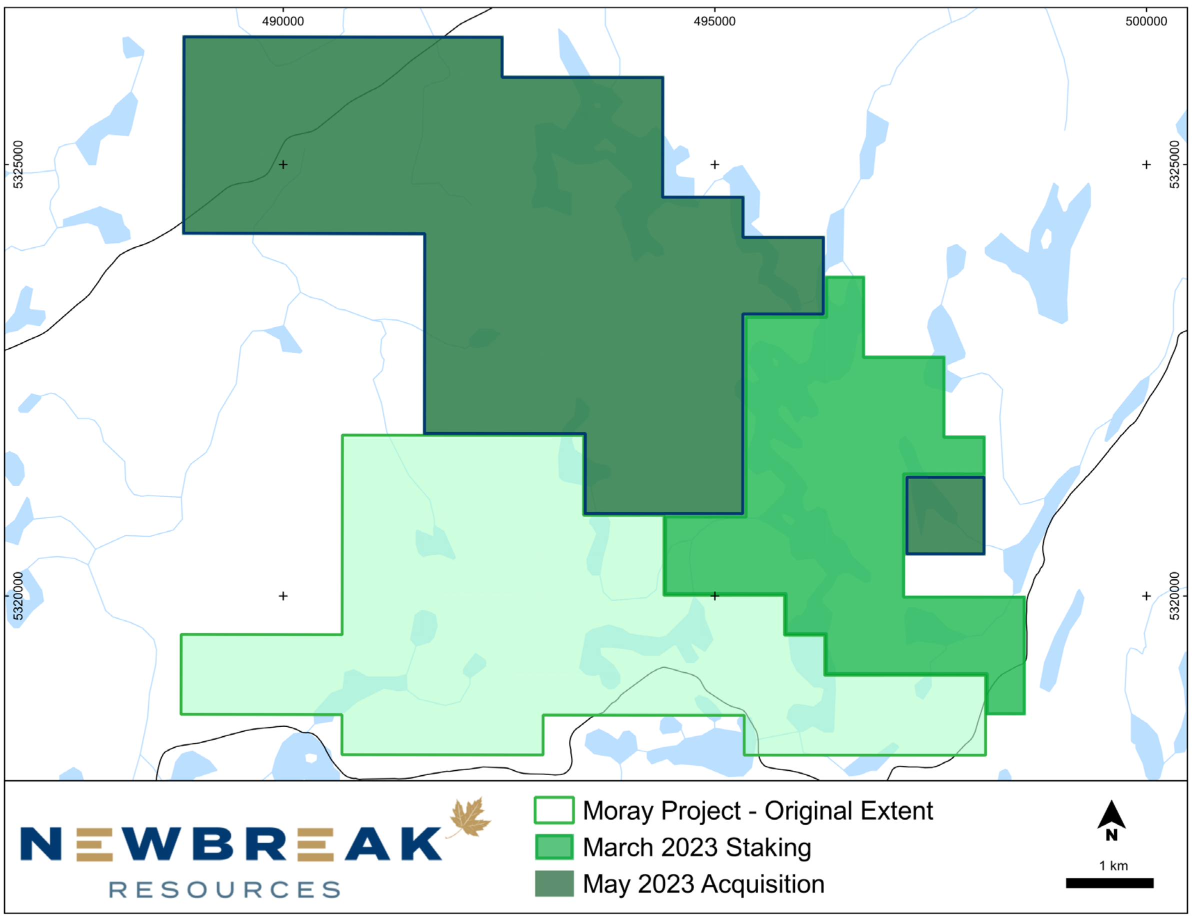
Moray Project - Matachewan, Ontario

The 5,354-hectare Moray property ("**Moray**"), is located approximately 49 km south of Timmins, Ontario and 32 km northwest of the Young-Davidson gold mine, operated by Alamos Gold Inc. ("**Alamos**").



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

The original Moray claims covering approximately 1,856 hectares (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. On March 1, 2023, New Break added approximately 1,038 hectares of new mineral claims (March 2023 Staking) at a cost of $2,400 through staking, when the ground became open, and on May 13, 2023, New Break entered into a mining claim acquisition agreement to acquire approximately 2,460 hectares for 1,500,000 shares of New Break and $80,000 in cash, bringing the total area of the property to approximately 5,354 hectares. The newly staked and acquired ground is automatically added to the existing Memorandum of Understanding ("**MOU**") between New Break and the Matachewan and Mattagami First Nations ("**First Nations**").



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

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

On May 9, 2023, New Break announced its intention to raise up to $750,000 in a flow-through financing, with the majority of the gross proceeds raised to be used to conduct a drilling program at Moray focusing on some of the following targets:

Drill Targets Resulting from Structural Interpretation

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

Ontario Junior Exploration Program ("OJEP")

New Break entered into a Transfer Payment Agreement with the Province of Ontario dated April 1, 2022 which covers funding of eligible exploration work completed on the Moray property between April 1, 2022 and February 15, 2023. Eligible expenses are reimbursed at a rate of 50% with the aggregate reimbursement capped at $200,000. On November 7, 2022, the Company received an initial $60,000 reimbursement payment. On March 1, 2023, New Break submitted its final report in respect of the program and on March 20, 2023, the Company received the remaining $140,000 reimbursement in respect of 2022 Moray exploration expenditures.

Nunavut Exploration Activities

No exploration activities were conducted on the Company's Nunavut properties during the first quarter of 2023.

Moray Project - Additional Property Acquisition and Claim Staking

On March 1, 2023, New Break staked approximately 1,038 hectares of new mineral claims adjacent to its Moray property at a cost of $2,400.

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

Planned Flow-Through Private Placement

On May 9, 2023, the Company announced its intention to complete a non-brokered private placement to raise gross proceeds of up to $750,000 through the issuance of up to 5,000,000 flow-through shares at a price of $0.15 per flow-through share.

Warrant Exercise

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

Stock Option Grant

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

Stock Option Cancellation

Effective March 31, 2023, stock options to purchase up to 50,000 common shares of the Company at a price of $0.10 per share, granted to a consultant on November 19, 2021, were cancelled.

Release of Shares from Escrow

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

Social Media Communications and Management

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 included 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 Grant" above). New Break is now active on Twitter under the name @newbreakgold and on LinkedIn and Facebook.

Overview of Financial Results

Three Months Ended March 31, 2023 vs. March 31, 2022

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

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

- Overall, the Company recorded a net loss and comprehensive loss of $231,719 or $0.01 per share for the quarter ended March 31, 2023 compared to a net loss and comprehensive loss of $175,068 or $nil per share for the quarter ended March 31, 2022.
- Exploration and evaluation expenses were $73,400 in the first quarter of 2022 compared to $158,025 in the first quarter of 2022. The 2023 expenditures were exclusively on the Moray project, principally related to the continued evaluation of 2022 exploration results and planning and design work with respect to a first pass drilling program at Moray. Much of the 2022 amount relates to consulting fees associated with data compilation and exploration program planning on all of the Company's mineral properties. During Q1 2022, New Break also purchased historical Moray related IP survey data for $20,000 and various exploration data on the Esker claim for $10,000.
- Management fees were $37,500 in the first quarter of 2023 compared to $37,500 in the first quarter of 2022. They relate to amounts charged by the Company's Chief Executive Officer and Chief Financial Officer.
- Consulting fees were $4,422 in the first quarter of 2023 compared to $13,500 in the first quarter of 2022. The majority of the 2022 amount relates to consulting fees paid to the Company's former Chairman. No such fees were paid subsequent to Q1 2022.
- Professional fees were $9,077 in the first quarter of 2023 compared to $8,202 in the first quarter of 2022. These relate to legal fees and the accrual of audit and tax return preparation fees.
- Investor relations expenses were $88,554 in the first quarter of 2023 compared to $nil in the first quarter of 2022. These costs relate principally to the amortization of prepaid fees associated with marketing and advertising programs, which began to be amortized once the Company became

publicly traded on September 7, 2022. In addition, during the first quarter of 2023, the Company retained SmallCap Communications Inc. to provide social media communications management services. No such costs existed in the first quarter of 2022.

- General and administrative expenses were $27,445 during the first quarter of 2023 compared to $17,868 during the first quarter of 2022.
- Shareholder costs and filing fees were $7,058 during the first quarter of 2023 compared to $2,285 during the first quarter of 2022. The 2023 amount includes the monthly CSE listing fee, transfer agency fees and the cost of news releases. 2023 expenses are higher due to the Company being publicly traded since September 7, 2022.
- Share-based compensation was $6,993 during the first quarter of 2023 compared to $nil during the first quarter of 2022. The 2023 amount relates to the grant of 200,000 stock options granted January 20, 2023. This is a non-cash expense.
- Flow-through share premium recovery was $22,736 during the first quarter of 2023 on eligible CEE of $68,206 from flow-through funds raised in 2022 compared to $63,454 during the first quarter of 2022 on eligible CEE of $149,889 from flow-through funds raised in 2021. The premium recoveries are non-cash amounts.

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.

	Q1	Annual	Q4	Q3	Q2
	March 2023 (unaudited)	Dec. 2022 (audited)	Dec. 2022 (unaudited)	Sept. 2022 (unaudited)	June 2022 (unaudited)
Revenue	$ -	$ -	$ -	$ -	$ -
Loss and comprehensive loss	$ (231,719)	$ (957,994)	$ (175,787)	$ (324,744)	$ (282,395)
Loss per share – basic and diluted	($0.01)	($0.02)	($0.00)	($0.01)	($0.01)
Assets	$ 590,447	$ 875,202	$ 875,202	$ 1,075,008	$ 1,278,187

	Q1	Annual	Q4	Q3	Q2
	March 2022 (unaudited)	Dec. 2021 (audited)	Dec. 2021 (unaudited)	Sept. 2021 (unaudited)	June 2021 (unaudited)
Revenue	$ -	$ -	$ -	$ -	$ -
Loss and comprehensive loss	$ (175,068)	$ (821,721)	$ (482,079)	$ (131,774)	$ (138,476)
Loss per share – basic and diluted	($0.00)	($0.03)	($0.01)	($0.00)	($0.01)
Assets	$ 1,459,178	$ 1,543,060	$ 1,543,060	$ 1,095,034	$ 1,182,421

Liquidity and Capital Resources

The Company's cash decreased by $61,251 during the quarter ended March 31, 2023, compared to a decrease of $288,689 during the quarter ended March 31, 2022. As at March 31, 2023, the ending cash balance was $169,211 compared to $230,462 as at December 31, 2022.

Working Capital

As at March 31, 2023, the Company had a working capital surplus of $262,959 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. As at March 31, 2023, $56,294 of flow-through funds raised during 2022, must be spent on eligible Canadian exploration expenditures ("**CEE**") by December 31, 2023.

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

	Three Months Ended March 31,			
		2023		2022
Cash used in operating activities – gross	**$**	**(247,462)**	$	(238,522)
Changes in non-cash operating working capital		**186,211**		(194,667)
Cash used in operating activities – net		**(61,251)**		(433,189)
Cash used in investing activities		**-**		-
Cash provided by financing activities		**-**		144,500
Decrease in cash		**(61,251)**		(288,689)
Cash, beginning of period		**230,462**		1,237,628
Cash, end of period	**$**	**169,211**	$	948,939

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

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the three months ended March 31, 2023 was $247,462 compared to $238,522 for the three months ended March 31, 2022.

Investing Activities

There were no investing activities during the first quarter of 2023 or 2022.

Financing Activities

Cash provided by financing activities during the three months ended March 31, 2023 was $nil compared to $144,500 for the three months ended March 31, 2022. On March 30, 2022, the Company completed a non-brokered private placement for gross proceeds of $144,500 through the issuance of 578,000 units at a price of $0.25 per unit. No financing activities occurred in the first quarter of 2023.

Liquidity Outlook

The Company expects that it will have to raise additional funds to fully fund New Break's 2023 corporate operating budget and to run a planned drilling program at its Moray property.

Subsequent to March 31, 2023, the Company received $56,250 from the exercise of 375,000 warrants at $0.15 per share. These proceeds were used towards the $80,000 aggregate cash payment made on May 23, 2023, in connection with the closing of the acquisition of the Acquired Claims at Moray.

On May 9, 2023, New Break announced its intention to raise up to $750,000 in a flow-through financing, with the majority of the gross proceeds raised to be used to pay for the planned drilling program at Moray.

New Break estimates that the first pass 2,000 to 2,500 metre drilling program at Moray will cost approximately $500,000 to $600,000.

The Company does not expect to have to incur additional exploration expenditures during 2023 to maintain its Nunavut properties in good standing. The principle focus during 2023 is expected to be on drilling the Moray property with a summer exploration program to be performed in Nunavut on the Company's Sundog property, if sufficient funding is raised.

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" in the annual MD&A for the year ended December 31, 2022).

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.

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

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

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 flow-through share. An officer of the Company subscribed for 30,000 of the flow-through shares issued.

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

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

Subsequent Events

Warrant Exercise

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

Mineral Property Acquisition

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

Outstanding Capital and Share Data

New Break's authorized capital stock consists of an unlimited number of common shares without par value. As at May 26, 2023 there were 42,860,750 common shares issued and outstanding.

As at May 26, 2023, the Company also had the following items issued and outstanding:

- 7,624,200 common share purchase warrants at a weighted average exercise price of $0.20.
- 3,750,000 stock options at an exercise price of $0.10.

Off-Balance Sheet Arrangements

As at March 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 May 26, 2023, there are no material property acquisitions or possible transactions that the Company is examining.

Financial Instruments

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

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

Market Risk

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

Commodity Risk

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

Liquidity Risk

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

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

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

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

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

Going Concern

The unaudited condensed interim 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 unaudited condensed interim 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.

Critical Accounting Policies and the Use of Estimates and Judgment

The preparation of the condensed interim financial statements in conformity with IFRS requires that management make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses and income during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. A detailed summary of the Company's significant accounting policies and use of estimates, is included in Notes 2 and 3 of the Company's audited financial statements for the year ended December 31, 2022. The accounting policies and management estimates applied in the condensed interim financial statements for the three months ended March 31, 2023, are consistent with those used in the Company's audited financial statements for the year ended December 31, 2022.

Adoption of New Accounting Standards

The accounting policies and management estimates applied in the condensed interim financial statements for the three months ended March 31, 2023, are consistent with those used in the Company's audited financial statements for the year ended December 31, 2022. The Company adopted the following accounting standards and amendments to accounting standards, effective January 1, 2023:

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

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

New Accounting Standards Issued but Not Yet Effective

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

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

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

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

Commitments

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

Flow-Through

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

Environmental

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

Contingent Payments

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

Risks and Uncertainties

Readers of the MD&A should give careful consideration to the information included or incorporated by reference in this document and the Company's unaudited condensed interim financial statements and related notes. 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 in the Company's audited financial statements for the year ended December 31, 2022 and the "Risks and Uncertainties" discussion in the Company's MD&A for the year ended December 31, 2022, dated April 25, 2023, before investing in the Company's common shares. Readers are also encouraged to read and consider the risk factors more particularly described in Note 4 to the unaudited condensed interim financial statements for the three months ended March 31, 2023, which have been posted on SEDAR at www.sedar.com and on the Company's website at www.newbreakresources.ca. The risks described in these documents is 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 risks noted in the Company's financial disclosure 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.

Regulatory standards continue to change, making the review process longer, more complex and more costly. Even if an apparently mineable mineral deposit is developed, there is no assurance that it will ever reach production or be profitable, as its potential economics are influenced by many key factors such as commodity prices, foreign exchange rates, equity markets and political interference, which cannot be controlled by management. As a result, the Company's future business, operations and financial condition could differ materially from the forward-looking information contained in this MD&A and described in the "Forward-Looking Statements" section below.

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 March 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 March 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 unaudited condensed interim financial statements and in Note 6 of the unaudited condensed interim financial statements for the three months ended March 31, 2023 and 2022 that are available on SEDAR at www.sedar.com and on the Company's website at www.newbreakresources.ca.

Approval

The Board of Directors of New Break approved the disclosure contained in this MD&A on May 26, 2023. A copy of this MD&A will be provided to anyone who requests it from the Company.

Additional Information

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

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

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

(1) Member of the Audit Committee

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

Legal Counsel, Auditors and Transfer Agent

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