NEW BREAK RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2024

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, 2024 ("**first quarter of 2024**" or "**Q1 2024**"). The comparative period is for the three months ended March 31, 2023 ("**first quarter of 2023**" or "**Q1 2023**"). 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, and the unaudited condensed interim financial statements for the three months ended March 31, 2024 and 2023, 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, 2023 and 2022 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, 2024 and 2023 and the Company's Board of Directors approved these documents prior to their release.

This MD&A is dated May 29, 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 ("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.

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 2004. Esker is located on Crown Land and was acquired through staking in 2021.

HIGHLIGHTS

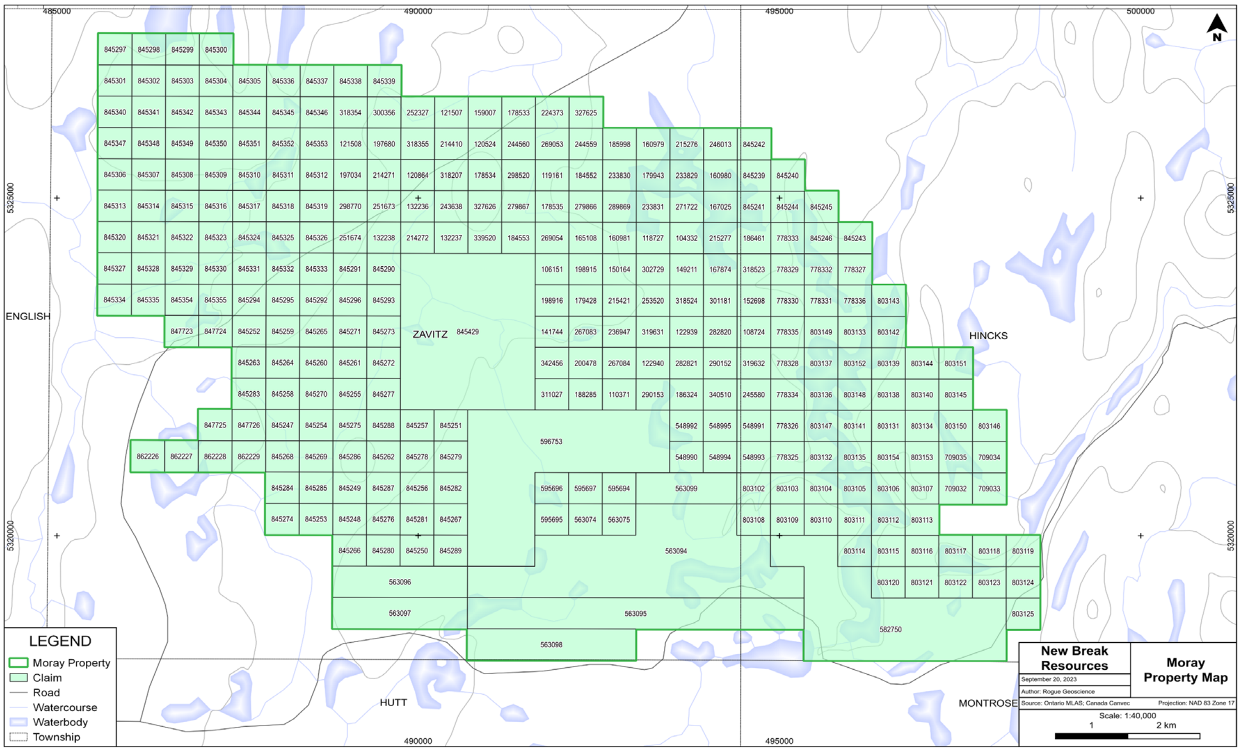
- January 4, 2024 – Gordon Morrison joined the board of New Break as a director.
- January 10, 2024 - New Break held its annual technical meeting of advisors, consultants and New Break technical personnel at the Orix office in Toronto, to dissect the results of the 2023 exploration field season and discuss 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 the three months ended March 31, 2024 and up to May 29, 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**").

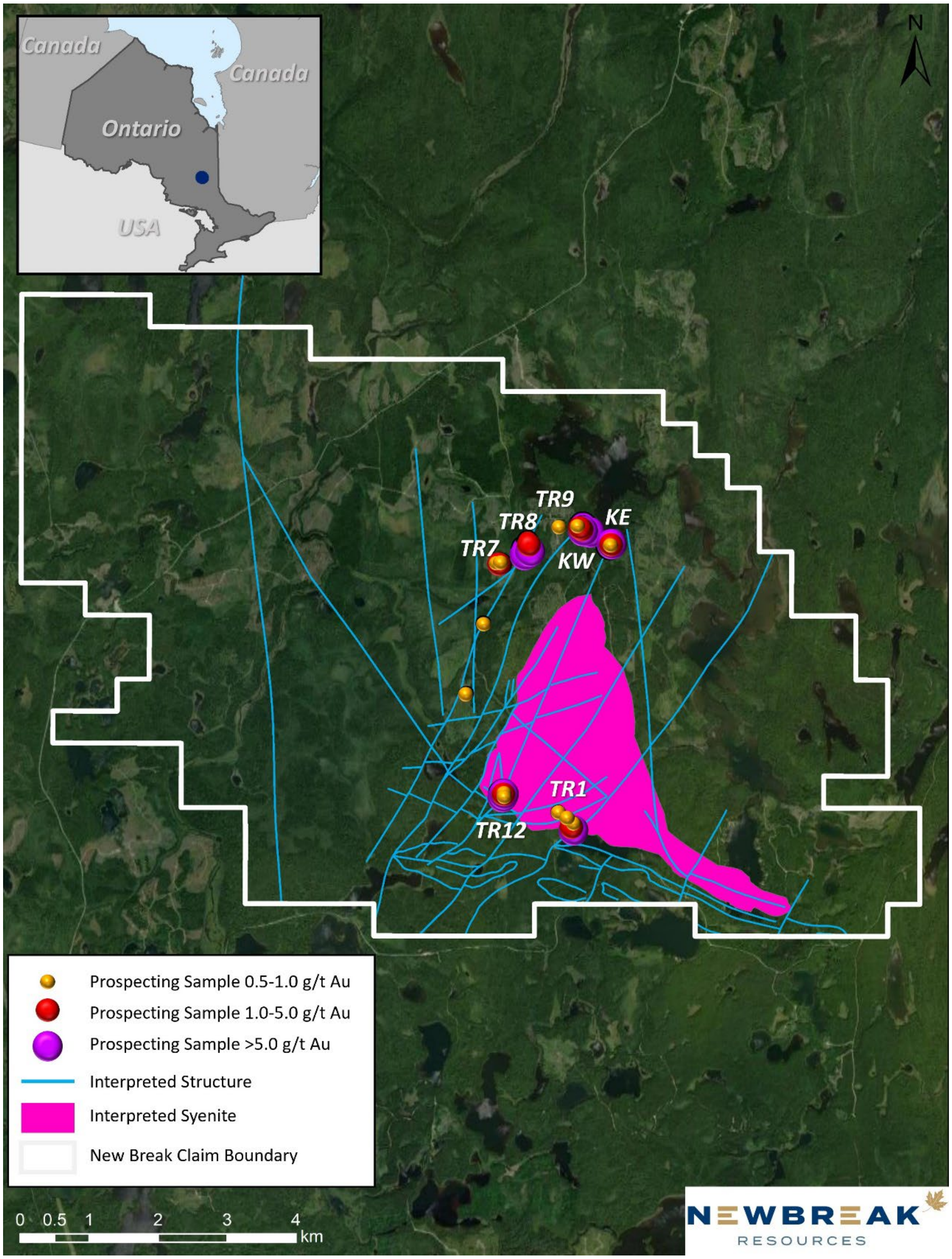


*(**Figure 1** – Moray Project, property map)*

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 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.

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 2** – Moray Property, trench locations, sample assays and interpreted structures)*

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.

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.

2023-2024 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.

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.

On May 8, 2024, New Break applied for funding under the next OJEP intake in respect of planned exploration expenditures at Moray, to be incurred from April 1, 2024 to February 15, 2025.

Nunavut Exploration Activities

No exploration activities were conducted on the Company's Nunavut properties during the first quarter of 2024.

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
- Lay the groundwork for a preliminary drilling program on the Sundog property, the first of its kind.

Private Placement Financing – March 5, 2024

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.

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, 2024, 655,950 common shares were released from escrow, representing 15% of the shares subject to escrow requirements. As at May 29, 2024, 1,967,850 shares remain in escrow.

Corporate Developments

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

Overview of Financial Results

Three Months Ended March 31, 2024 vs. March 31, 2023

(Expressed in Canadian Dollars)	Three Months Ended March 31, 2024	2023
Expenses		
Exploration and evaluation	**$ 44,593**	$ 73,400
Management fees	**37,500**	37,500
Consulting fees	**-**	4,422
Professional fees	**13,244**	9,077
Investor relations	**30,309**	88,554
General and administrative	**22,588**	27,445
Shareholder costs	**7,792**	7,058
Travel	**-**	935
Share-based compensation	**-**	6,993
Loss before the undernoted	**(156,026)**	(255,384)
Bank charges	**(207)**	(199)
Interest income	**216**	1,128
Flow-through share premium recovery	**5,279**	22,736
Net loss and comprehensive loss for the period	**$ (150,738)**	$ (231,719)
Net loss per share		
Basic and diluted loss per share	**$ (0.00)**	$ (0.01)

Three months ended March 31, 2024 vs. three months ended March 31, 2023

- Overall, the Company recorded a net loss and comprehensive loss of $150,738 or $0.00 per share for the quarter ended March 31, 2024 compared to a net loss and comprehensive loss of $231,719 or $0.01 per share for the quarter ended March 31, 2023.
- Exploration and evaluation expenses were $44,593 in the first quarter of 2024 compared to $73,400 in the first quarter of 2023. The 2024 expenditures predominantly related to consulting fees on the Moray project, net of an OJEP reimbursement of $14,998 during the quarter. The 2023 expenditures were exclusively on the Moray project, principally related to the continued evaluation of 2022 exploration results and planning the 2023 exploration program.
- Management fees were $37,500 in the first quarter of 2024 compared to $37,500 in the first quarter of 2023. They relate to amounts charged by the Company's Chief Executive Officer and Chief Financial Officer.
- Consulting fees were $nil in the first quarter of 2024 compared to $4,422 in the first quarter of 2023.
- Professional fees were $13,244 in the first quarter of 2024 compared to $9,077 in the first quarter of 2023. These relate to legal fees and the accrual of audit and tax return preparation fees.
- Investor relations expenses were $30,309 in the first quarter of 2024 compared to $88,554 in the first quarter of 2023. The majority of the 2024 amount relates to fees associated with market liquidity services and social media management services. The majority of the 2023 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 $22,588 during the first quarter of 2024 compared to $27,445 during the first quarter of 2023.

- Shareholder costs and filing fees were $7,792 during the first quarter of 2024 compared to $7,058 during the first quarter of 2023. These costs include the monthly CSE listing fee, transfer agency fees, the cost of news releases and filing fees.
- Share-based compensation was $nil during the first quarter of 2024 compared to $6,993 during the first quarter of 2023. 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 $5,279 during the first quarter of 2024 on eligible CEE of $39,595 from flow-through funds raised in 2023 compared to $22,736 during the first quarter of 2023 on eligible CEE of $68,206 from flow-through funds raised in 2022. 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 2024 (unaudited)	Dec. 2023 (audited)	Dec. 2023 (unaudited)	Sept. 2023 (unaudited)	June 2023 (unaudited)
Revenue	$ -	$ -	$ -	$ -	$ -
Loss and comprehensive loss	$ (150,738)	$(1,034,488)	$ (127,389)	$ (404,924)	$ (270,456)
Loss per share – basic and diluted	($0.00)	($0.02)	($0.00)	($0.01)	($0.01)
Assets	$ 807,433	$ 987,468	$ 987,468	$ 938,320	$ 1,292,590
	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

Liquidity and Capital Resources

The Company's cash increased by $19,014 during the quarter ended March 31, 2024, compared to a decrease of $61,251 during the quarter ended March 31, 2023. As at March 31, 2024, the ending cash balance was $231,219 compared to $212,205 as at December 31, 2023.

Working Capital

As at March 31, 2024, the Company had a working capital surplus of $164,966 compared to a surplus of $300,983 as at December 31, 2023. 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, 2024, $361,467 of flow-through funds raised during 2023, must be spent on eligible Canadian exploration expenditures ("**CEE**") by December 31, 2024.

A summary of the Company's cash position and changes in cash for the three-months ended March 31, 2024 and 2023 are provided below:

	Three Months Ended March 31,	
	2024	2023
Cash used in operating activities – gross	**$ (156,017)**	$ (247,462)
Changes in non-cash operating working capital	**155,031**	186,211
Cash used in operating activities – net	**(986)**	(61,251)
Cash used in investing activities	**-**	-
Cash provided by financing activities	**20,000**	-
Increase (decrease) in cash	**19,014**	(61,251)
Cash, beginning of period	**212,205**	230,462
Cash, end of period	**$ 231,219**	$ 169,211

Three months ended March 31, 2024 vs. three months ended March 31, 2023

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the three months ended March 31, 2024 was $156,017 compared to $247,462 for the three months ended March 31, 2023. This was the result of lower expenditures during the first quarter of 2024 compared to the first quarter of 2023.

Investing Activities

There were no investing activities during the first quarter of 2024 or 2023.

Financing Activities

Cash provided by financing activities during the three months ended March 31, 2024 was $20,000 compared to $nil for the three months ended March 31, 2023. 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. No financing activities occurred in the first quarter of 2023.

Liquidity Outlook

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 in Ontario at the Moray property with a summer exploration program to be performed in Nunavut on the Company's Sundog project, 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. New Break is required to spend a minimum of $94,150 on the Sundog project during the period September 1, 2023 to August 31, 2024 of which approximately half has already been incurred.

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.

	Three months ended March 31, 2024		2023
Management fees	**$ 37,500**	$	37,500
Management fees included in exploration and evaluation	**22,500**		22,500
Total fees paid to management and directors	**$ 60,000**	$	60,000

Exploration and evaluation consulting fees charged by a geological consulting company, the President & CEO of which, is also a director of New Break	**$ 27,015**	$	24,440

Related Party Transactions

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

On June 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.

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

As at March 31, 2024, $67,330 (December 31, 2023 - $66,511) included in accounts payable and accrued liabilities was owing to related parties, including $30,527 (December 31, 2023 - $32,761) 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

As at May 29, 2024, there are no items subsequent to March 31, 2024 requiring additional disclosure in the financial statements for the three months ended March 31, 2024 and 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 29, 2024 there were 49,822,600 common shares issued and outstanding.

As at May 29, 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.

Off-Balance Sheet Arrangements

As at March 31, 2024, 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 29, 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 funds received from the Ontario government through OJEP, received in March 2024. The 2024 operating expenses will be partially funded from amounts raised in 2023 and in March 2024. There is no certainty of the Company's ability to complete additional financings.

As at March 31, 2024 the Company held current assets of $264,433 (December 31, 2023 - $444,468) to settle current liabilities of $99,467 (December 31, 2023 - $143,485), 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, 2024 and December 31, 2023 were as follows:

	Amortized Cost	FVPL	Total
December 31, 2023			
Financial assets			
Cash	$ 212,205	$ -	$ 212,205
Other amount receivable	$ 191,225	$ -	$ 191,225
Financial liabilities			
Accounts payable and accrued liabilities	$ 143,485	$ -	$ 143,485

March 31, 2024			
Financial assets			
Cash	$ 231,219	$ -	$ 231,219
Financial liabilities			
Accounts payable and accrued liabilities	$ 99,467	$ -	$ 99,467

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, 2023. The accounting policies and management estimates applied in the condensed interim financial statements for the three months ended March 31, 2024, are consistent with those used in the Company's audited financial statements for the year ended December 31, 2023.

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, 2024, are consistent with those used in the Company's audited financial statements for the year ended December 31, 2023. The Company adopted the following accounting standards and amendments to accounting standards, effective January 1, 2024:

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 have been adopted by the Company and did not result in any changes to the financial statements.

Commitments

As at March 31, 2024, the Company had a commitment to spend $361,467 (December 31, 2023 - $401,062) 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 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 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 three months ended March 31, 2024, the Company incurred $39,595 (March 31, 2023 - $68,206) in eligible CEE and recorded a flow-through share premium recovery of $5,279 in the statement of loss (March 31, 2023 - $22,736).

Environmental

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

Contingent Payments

Effective October 1, 2021, the Company became party to certain consulting agreements that contain clauses that could require additional aggregate payments of $198,000 upon termination without cause and $396,000 upon termination in connection with a change of control. 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, 2023 and the "Risks and Uncertainties" discussion in the Company's MD&A for the year ended December 31, 2023, dated April 26, 2024, 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, 2024, which have been posted on SEDAR+ at www.sedarplus.ca 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, 2024 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, 2024.

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, 2024 and 2023 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 May 29, 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