NEW BREAK RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2025

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, 2025 ("**first quarter of 2025**" or "**Q1 2025**"). The comparative period is for the three months ended March 31, 2024 ("**first quarter of 2024**" or "**Q1 2024**"). 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, 2024 and 2023, and the unaudited condensed interim financial statements for the three months ended March 31, 2025 and 2024, 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, 2024 and 2023 for disclosure of the Company's material 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, 2025 and 2024 and the Company's Board of Directors approved these documents prior to their release.

This MD&A is dated May 23, 2025 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. The Moray property covers approximately 10,326 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. The principal exploration target at Moray is a large gold-mineralized syenite intrusive, which represents a similar geological environment to that at Young-Davidson.

In Kivalliq Region, Nunavut, New Break has retained a 20% interest in the Sundog gold project, which is carried through to a construction decision. The Sundog project covers approximately 9,415 hectares within parcel AR-35 on Inuit Owned Land, first discovered by famed Canadian prospector Ken Reading and is being advanced by Guardian Exploration Inc. ("**Guardian**") (**TSX-V: GX**). In addition, New Break owns 5.0 million shares of Guardian representing 4.6% of Guardian's outstanding share capital.

HIGHLIGHTS

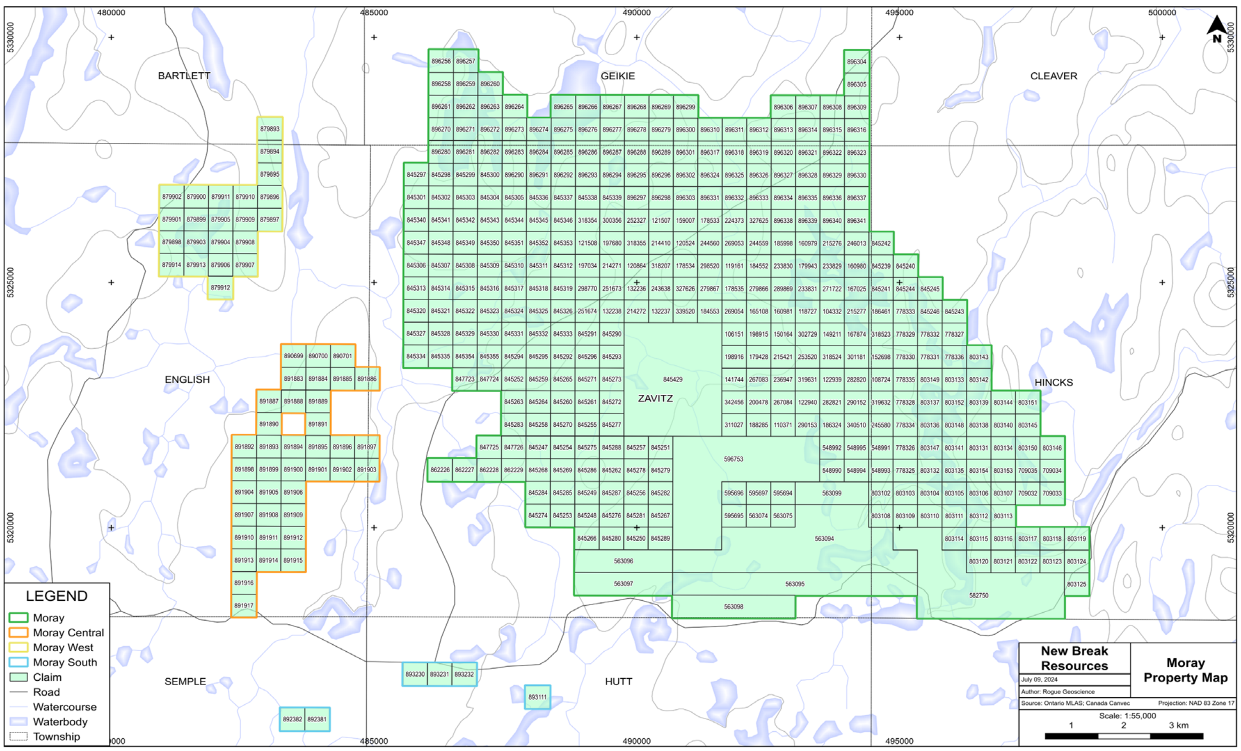
- On February 27, 2025, New Break announced that Michael Farrant, formerly President and Chief Executive Officer ("**CEO**"), assumed the roles of President, Chief Financial Officer ("**CFO**") and Corporate Secretary, replacing Jim O'Neill as CFO and Corporate Secretary and that Bill Love assumed the role of CEO, while continuing to oversee the Company's exploration efforts.
- On February 27, 2025, New Break announced the appointment of Bill Love as a director of the Company following the resignation of Ashley Kirwan from the board of directors and announced the resignations of Michael Skutezky and Gordon Morrison as directors of the Company.
- On March 26, 2025, New Break received $200,000 from the Ontario Ministry of Mines as a reimbursement of certain Moray exploration expenditures incurred under the fifth OJEP intake. The reimbursement was in respect of expenditures incurred from April 1, 2024 to February 28, 2025, including reimbursement of 50% of the cost of the Moray gradient IP survey.
- On April 10, 2025, New Break announced the signing of a definitive agreement with Guardian Exploration Inc. to sell its Sundog gold project in Kivalliq, Nunavut, along with 60 drums (12,300 litres) of Jet A fuel for 5,000,000 common shares of Guardian and $75,000 in cash, along with a further payment of $18,830 as reimbursement of the 2024-2025 annual Sundog rent paid to Nunavut Tunngavik Incorporated ("**NTI**") by New Break in December 2024. On April 30, 2025, New Break closed the transaction.

Developments during the three months ended March 31, 2025 and up to May 23, 2025

Mineral Properties and Exploration and Evaluation Activities

Moray Project - Matachewan, Ontario

The 10,326-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**"). In addition, New Break owns an additional approximately 2,005 hectares of mineral claims to the west and southwest of the main Moray property.

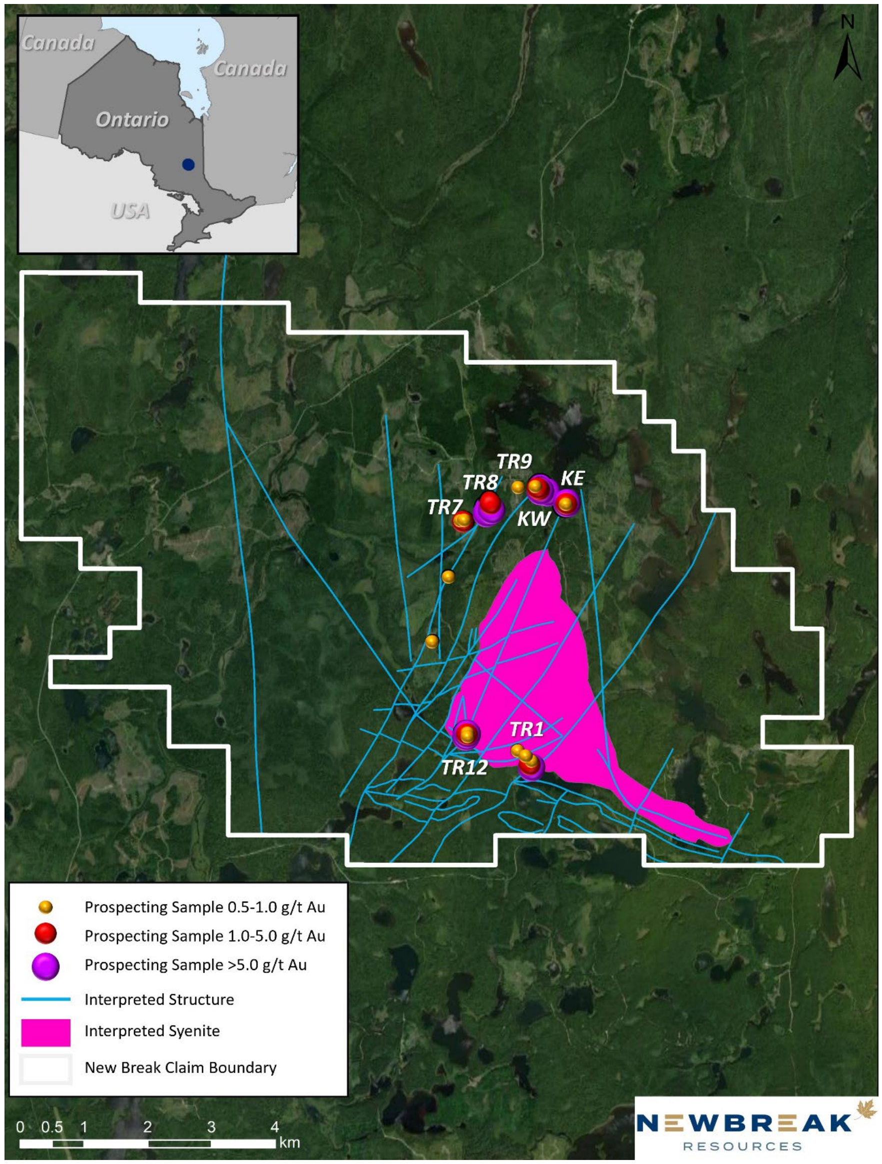


*(**Figure 1** – Moray Project, property map)*

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. The Moray Technical Report has not been further updated to include any additional exploration work or information subsequent to December 31, 2021.

Figure 2 below, depicts the Moray property with 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.



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

The results of exploration work completed by New Break to date, appears 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. The size of the interpreted syenite structure at Moray is three times the size of the syenite intrusion at Young-Davidson. 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. 2024 annual gold production at Young-Davidson was approximately 174,000 ounces at an average grade of 2.08 g/t Au, generating US$149 million of free cash flow annually. With gold prices having risen over US$700 per ounce or almost CDN$1,000 per ounce in Canadian dollars since the beginning of the year, 2025 has the potential to be significantly better. Mineral reserves at Young-Davidson as at December 31, 2024, stood at 3.030 million ounces, contained in 41.756 million tonnes at an average grade of 2.26 g/t Au (source: Alamos mineral reserve table as at December 31, 2024). 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.

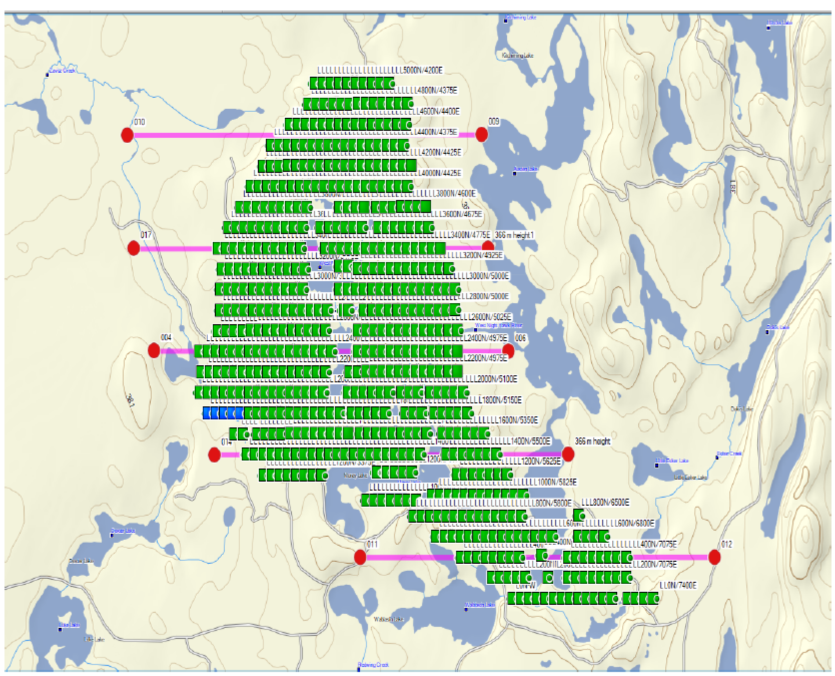
2024 Exploration Program

New Break undertook an exercise of comparing the characteristics of the gold mineralized syenite at the Young-Davidson gold mine to the gold mineralized syenite at Moray. It is understood that the majority of the orebody at Young-Davidson is contained within a syenite intrusive and that the gold-bearing syenite is described as trachytic, typified by large feldspar crystal laths. Historical drilling of the Moray syenite at the Fiset target area, yielded the presence of coarse porphyritic syenite, pyrite, chalcopyrite and galena, all of which are characteristics of the higher-grade gold ore at Young-Davidson. Assays from this drilling were redacted.

In late October 2024, the Company engaged CSX Canadian Exploration Services Ltd. out of Larder Lake, Ontario to complete a gradient induced polarization survey over the Fiset syenite target area, the first of its kind to cover the entire interpreted extent of the gold-mineralized Moray syenite intrusive. This also represents the last major exploration program prior to New Break undertaking a drilling program expected to focus primarily on the syenite intrusive.

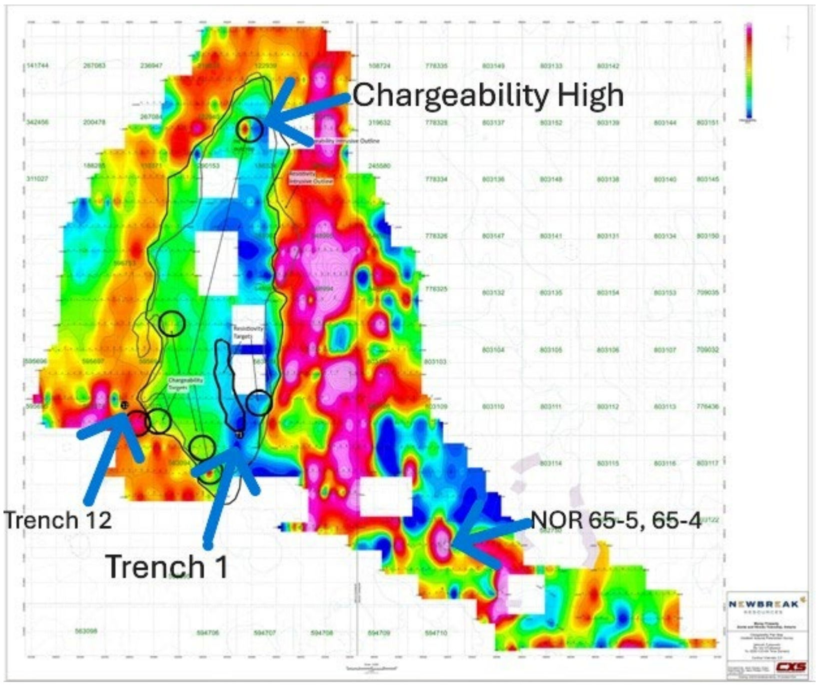
Gradient array IP surveys offer greater depth penetration and better penetration of conductive overburden than conventional IP surveys. The high-resolution IP survey was intended to test for high chargeability sulfides that may be associated with the gold mineralization, and high resistivity associated with quartz veining and silica flooding, within and on the margins of the syenite intrusive. High chargeability results could indicate the presence of pyrite, chalcopyrite and galena (lowest chargeability of the three sulphides) which, in the case of the surface results at Trench 1 within the Moray syenite, also carry gold.

The IP survey, which began on October 31 and was completed on December 18, 2024, was designed as a large footprint, reconnaissance survey covering 12.6 km2 with irregular dimensions of 4.5 x 6.0 km. Single logger locations were used with two in line 50-metre dipoles at each logger site, with current injection performed at 50 metre intervals over the 55.7 line-km of survey lines, as shown in Figure 3.

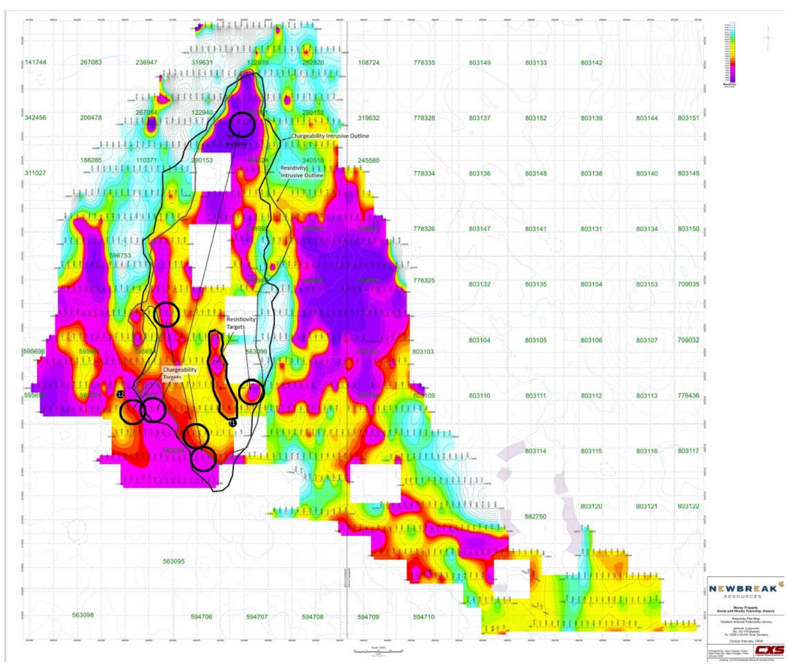


*(**Figure 3** - Survey Setup – Distributed Gradient Array IP)*

The results of the survey are presented in Figures 4 and 5 below.



*(**Figure 4** – IP Survey – Chargeability Results)*



*(**Figure 5** – IP Survey – Resistivity Results)*

The black circles in Figure 4 represent instances of high chargeability, indicating the potential presence of gold-bearing sulphides. The blue zones in Figure 4 also represent moderate to low resistivity anomalies, which encompasses the Trench 1 area that includes the gold-bearing NOR vein and newly identified Shelly vein. This area is a high priority target for drilling. The black circles in Figure 5 represent instances of low resistivity and high chargeability.

While there are a number of drill worthy targets at Moray, including follow up of 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 2025 drilling efforts on gold mineralized targets associated with the main syenite structure on the property, including the Trench 1, Fiset syenite target area. New Break has concluded that drilling the Moray syenite target area will provide the best opportunity for making a discovery which has the potential to ultimately yield an economic orebody. The planned 2025 drilling program is expected to be approximately 2,000 to 2,500 metres and cost approximately $600,000.

Ontario Junior Exploration Program ("OJEP")

OJEP is an initiative of the Conservative government in Ontario, that was initiated in 2022 to help attract investment in early exploration, expand the pipeline of mineral development projects, including critical minerals, and lead to more mines and jobs in Ontario. It is available to companies with a market capitalization of up to $100 million. New Break successfully participated in the 2022-2023 OJEP 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 successfully participated in two tranches of 2023-2024 OJEP related to qualifying exploration expenditures incurred at Moray from April 1, 2023 to February 15, 2024. In total, New Break received a reimbursement of $236,224, with $30,000 being received in November 2023 and the remaining $206,224 received in March 2024.

In 2024, New Break once again successfully participated in the 2024-2025 OJEP related to qualifying exploration expenditures incurred at Moray from April 1, 2024 to February 28, 2025, receiving a further reimbursement of $200,000 in March 2025, including 50% of the cost of the gradient IP survey. Overall, this brings the total reimbursement received to date in respect of exploration expenditures at Moray under OJEP to $636,224. New Break would like to thank and recognize the government of the Province of Ontario for their continuing commitment and support of junior mineral exploration in Ontario.

Nunavut Exploration Activities

Sale of Sundog Gold Project

On April 10, 2025, New Break entered into a definitive asset purchase and sale agreement with Guardian Exploration Inc., replacing a non-binding letter of intent signed December 5, 2024, to sell a 100% interest in the 9,415 hectare Sundog gold project, located in Kivalliq Region, Nunavut and 60 drums of Jet A fuel (12,300 litres) warehoused in Arviat, Nunavut (the "**Purchased Assets**"). On April 30, 2025, New Break completed the sale of the Purchased Assets in exchange for a cash payment from Guardian of $75,000 and the receipt of 5,000,000 shares of Guardian at an estimated fair value of $425,000, based on their market price of $0.085 per share. Guardian also reimbursed New Break for the $18,830 in Sundog annual rent paid to NTI on December 27, 2024, which was recorded in exploration and evaluation expenditures for the three months and year ended December 31, 2024. Guardian has assumed 100% of the responsibility for the obligations under the MEA including the annual exploration expenditure requirements and annual rent payments due to NTI, until a construction decision is made. New Break has retained an option to purchase a 20% interest in the Sundog gold project at any time for $1, carried through to a decision to mine (the "**Option**"). Upon exercise of the Option, New Break and Guardian would enter into an agreement on standard industry terms to be mutually agreed upon, governing the joint operation on a 20/80 basis, respectively. New Break would only become responsible for funding 20% of mine development costs once a construction decision has been made. New Break can sell its 20%

interest at any time, subject to Guardian having a right of first refusal to buy New Break's 20% interest. At present, New Break is not aware of the specifics of Guardian's planned exploration activities on the Sundog gold project during the 2025 field season.

Esker Gold Project

New Break is in the process of selling the Esker gold project to Guardian. The sale of the Esker claim in Kivalliq Region, Nunavut is not considered to be a material transaction.

Release of Common 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.

655,950 common shares were released from escrow on March 7, 2025. Only 655,950 common shares remain in escrow which are scheduled to be released on September 7, 2025.

Stock Option Expiries

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

Effective February 28, 2025, stock options to purchase up to 250,000 common shares of the Company at a price of $0.10 per share, granted to a former officer of the Company on November 19, 2021, expired unexercised in accordance with the terms of the Plan.

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

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

Corporate Developments - Management and Board of Directors

On February 8, 2025, Gordon Morrison resigned as a director of the Company after having joined the Board of Directors of New Break on January 4, 2024.

On February 21, 2025, Bill Love was appointed as a director of the Company to replace Ashley Kirwan who resigned as a director on February 8, 2025.

On February 22, 2025, Michael Skutezky resigned as a director of the Company.

On February 27, 2025, the Company announced that Michael Farrant, formerly President and CEO, assumed the roles of President, CFO and Corporate Secretary, replacing Jim O'Neill as CFO and Corporate Secretary, and that Bill Love assumed the role of CEO, while continuing to oversee the Company's exploration efforts.

Overview of Financial Results

Three Months Ended March 31, 2025 vs. March 31, 2024

(Expressed in Canadian Dollars)	Three Months Ended March 31, **2025**	2024
Expenses		
Exploration and evaluation	**$ 73,033**	$ 44,593
Management fees	**27,000**	37,500
Consulting fees	**550**	-
Professional fees	**15,805**	13,244
Investor relations	**15,394**	30,309
General and administrative	**21,515**	22,588
Shareholder costs	**4,452**	7,792
Loss before the undernoted	**(157,749)**	(156,026)
Bank charges	**(170)**	(207)
Interest income	**-**	216
Flow-through share premium recovery	**-**	5,279
Change in unrealized loss on value of investment	**(2,000)**	-
Net loss and comprehensive loss for the period	**$ (159,919)**	$ (150,738)
Net loss per share		
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)

Three months ended March 31, 2025 vs. three months ended March 31, 2024

- Overall, the Company recorded a net loss and comprehensive loss of $159,919 or $0.00 per share for the quarter ended March 31, 2025, compared to a net loss and comprehensive loss of $150,738 or $0.00 per share for the quarter ended March 31, 2024.
- Exploration and evaluation expenses were $73,033 in the first quarter of 2025 compared to $44,593 in the first quarter of 2024. The 2025 exploration expenditures included $71,335 on the Moray project, net of an OJEP reimbursement of $14,403 during the quarter and $16,101 spent on mineral claims west of the main Moray project area. Work on Moray included interpretation of the results of the Q4 2024 IP survey and planning associated with an anticipated drilling program at Moray. The 2024 expenditures predominantly related to consulting fees on the Moray project, net of an OJEP reimbursement of $14,998 during the quarter.
- Management fees were $27,000 in the first quarter of 2025 compared to $37,500 in the first quarter of 2024. The Q1 2025 fees relate solely to the Company's President, who also serves as CFO, while the Q1 2024 fees relate to amounts charged by the Company's President and CEO and additionally to its CFO.
- Consulting fees were $550 in the first quarter of 2025 compared to $nil in the first quarter of 2024.
- Professional fees were $15,805 in the first quarter of 2025 compared to $13,244 in the first quarter of 2024. These relate to legal fees and the accrual of audit and tax return preparation fees.
- Investor relations expenses were $15,394 in the first quarter of 2025 compared to $30,309 in the first quarter of 2024. The Q1 2025 amount relates to fees associated with market liquidity services, while the Q1 2024 amount also included fees associated with social media management services. In an effort to reduce costs, social media management services were suspended during Q1 2025, but resumed in Q2 2025 at a rate of $1,000 per month, down from $3,500 per month in Q1 2024.

- General and administrative expenses were $21,515 during the first quarter of 2025 compared to $22,588 during the first quarter of 2024.
- Shareholder costs and filing fees were $4,452 during the first quarter of 2025 compared to $7,792 during the first quarter of 2024. These costs include the monthly CSE listing fee, transfer agency fees, the cost of news releases and filing fees. The Q1 2024 fees were higher due to additional news releases and filing fees compared with Q1 2025.
- Flow-through share premium recovery was $nil during the first quarter of 2025, as there was no flow-through share premium on flow-through funds raised in 2024, compared to $5,279 during the first quarter of 2024 on eligible CEE of $39,595 from flow-through funds raised in 2023. The premium recoveries are non-cash amounts.
- Change in unrealized loss on value of investment was $2,000 during the first quarter of 2025 compared to $nil during the first quarter of 2024. The Q1 2025 unrealized loss is due to the change in value of 100,000 common shares owned by the Company in Planet Green Metals Inc., from $8,000 as at December 31, 2024 to $6,000 as at March 31, 2025. New Break did not hold any investments during Q1 2024.

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 2025 (unaudited)	Dec. 2024 (audited)	Dec. 2024 (unaudited)	Sept. 2024 (unaudited)	June 2024 (unaudited)
Revenue	$ -	$ -	$ -	$ -	$ -
Loss and comprehensive loss	$ (159,919)	$ (809,229)	$ (279,831)	$ (205,877)	$ (172,783)
Loss per share – basic and diluted	($0.00)	($0.02)	($0.00)	($0.00)	($0.00)
Assets	$ 691,392	$ 845,823	$ 845,823	$ 637,290	$ 644,467
	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

Liquidity and Capital Resources

The Company's cash increased by $72,041 during the quarter ended March 31, 2025, compared to an increase of $19,014 during the quarter ended March 31, 2024. As at March 31, 2025, the ending cash balance was $109,589 compared to $37,548 as at December 31, 2024.

Working Capital

As at March 31, 2025, the Company had a working capital deficit of $88,898 compared to a surplus of $71,021 as at December 31, 2024. As at March 31, 2025, $124,995 of flow-through funds raised during 2024, must be spent on eligible Canadian exploration expenditures ("**CEE**") by December 31, 2025.

A summary of the Company's cash position and changes in cash for the three months ended March 31, 2025 and 2024 are provided below:

	Three Months Ended March 31,	
	2025	2024
Cash used in operating activities – gross	**$ (157,919)**	$ (156,017)
Changes in non-cash operating working capital	**229,960**	155,031
Cash provided by (used in) operating activities – net	**72,041**	(986)
Cash used in investing activities	**-**	-
Cash provided by financing activities	**-**	20,000
Increase in cash during the period	**72,041**	19,014
Cash, beginning of period	**37,548**	212,205
Cash, end of period	**$ 109,589**	$ 231,219

Three months ended March 31, 2025 vs. three months ended March 31, 2024

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the three months ended March 31, 2025, was $157,919 compared to $156,017 for the three months ended March 31, 2024. While the composition of expenditures during the first quarter of 2025 were slightly different than during the first quarter of 2024 with more spending on exploration and evaluation and less on general and administrative items during Q1 2025, overall, expenditures were extremely comparable during the two periods.

Investing Activities

There were no investing activities during the first quarter of 2025 or 2024.

Financing Activities

Cash provided by financing activities during the three months ended March 31, 2025, was $nil compared to $20,000 for the three months ended March 31, 2024. 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 2025.

Liquidity Outlook

The Company had a cash balance of $109,589, HST receivable of $21,392, receivable of $1,000 and investment valued at $6,000, totaling $137,981 as at March 31, 2025 and accounts payable and accrued liabilities of $237,290. The Company also has a commitment as at March 31, 2025, to spend $124,995 on eligible CEE by December 31, 2025.

With respect to corporate costs, New Break announced a restructuring of management roles which allowed the Company to downsize its personnel from three to two, resulting in annual savings of $42,000. This initiative took effect December 1, 2024. In addition, the Company renegotiated the terms of its engagement with SmallCap Communications Inc. to provide social media management and communication services from $3,500 to $1,000 per month, resulting in further annual savings of $30,000. This initiative took effect November 1, 2024 with a temporary pause in services from January 1 to April 15, 2025, resulting in additional savings.

Since December 31, 2024, New Break has received the following amounts:

- January 27, 2025 - $58,067 from the Canada Revenue Agency towards the Q4 2024 HST receivable;
- March 26, 2025 - $200,000 OJEP reimbursement from the Ontario Government which included the $185,597 receivable as at December 31, 2024 and an additional $14,403 reimbursement against expenditures incurred at the Moray project from January 1 to February 28, 2025;
- May 1, 2025 - $75,000 from Guardian Exploration Inc. as cash consideration for the sale of the Company's interest in the Sundog gold project and related assets; and
- May 1, 2025 - $18,830 from Guardian as reimbursement of the 2024-2025 annual rent paid to NTI in December 2024, in respect of the Sundog property.

In addition, effective April 30, 2025, New Break received 5,000,000 common shares of Guardian in connection with the sale of the Sundog gold project and related assets. The fair value of the shares was estimated at $425,000, based on their market price of $0.085 per share on April 30, 2025. As at May 23, 2025, the shares had a value of $300,000 based on their market price of $0.06 per share.

The Company will have to raise additional funds to fully fund New Break's 2025 corporate operating budget and to run a planned drilling program at its Moray property, which will be the Company's principal focus during 2025. 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 not required to incur any expenditure on the Sundog project with respect to its 20% carried interest in the project. All required 2025 expenditures are the responsibility of Guardian Exploration Inc.

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

		Three months ended March 31, 2025		2024
Management fees	**$**	**27,000**	$	37,500
Management fees included in exploration and evaluation		**22,500**		22,500
Total fees paid to management and directors	**$**	**49,500**	$	60,000

Exploration and evaluation consulting fees charged by a geological consulting company, the President & CEO of which, is also a director of New Break [(1)]	**$**	**51,222**	$	27,015

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

Related Party Transactions

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

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

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

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

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

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

Subsequent Events

Sale of Sundog Gold Project and Related Assets

On April 10, 2025, New Break entered into a definitive asset purchase and sale agreement with Guardian Exploration Inc., replacing a non-binding letter of intent signed December 5, 2024, to sell a 100% interest in the Sundog gold project and 60 drums of Jet A fuel (12,300 litres) warehoused in Arviat, Nunavut. On April 30, 2025, New Break completed the sale of these assets (see *Sale of Sundog Gold Project* on pages 7 and 8 for further details).

Expiry of Stock Options

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

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

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 23, 2025 there were 57,428,600 common shares issued and outstanding.

As at May 23, 2025, the Company also had the following items issued and outstanding:

- 10,980,850 common share purchase warrants at a weighted average exercise price of $0.15.
- 2,840,000 stock options at an exercise price of $0.10.

Off-Balance Sheet Arrangements

As at March 31, 2025, 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 23, 2025, 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 2025 Moray exploration budget is planned to be partially funded from flow-through funds raised in July 2024 and from the $200,000 reimbursement received from the Ontario government through OJEP in March 2025. The 2025 operating expenses will be partially funded from the proceeds received in connection with the sale of the Company's interest in the Sundog gold project and related assets (see *Sale of Sundog Gold Project* on pages 7 and 8 for further details). There is no certainty of the Company's ability to complete additional financings.

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

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears interest at market rates. In the event that the Company held interest bearing debt, the Company could be exposed to interest rate risk. The Company does not have any interest-bearing debt. Other current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash. The Company has reduced its credit risk by investing its cash with a Canadian chartered bank.

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

	Amortized Cost	FVPL	Total
December 31, 2024			
Financial assets			
Cash	$ 37,548	$ -	$ 37,548
Other amounts receivable	$ 186,597	$ -	$ 186,597
Investment	$ -	$ 8,000	$ 8,000
Financial liabilities			
Accounts payable and accrued liabilities	$ 231,802	$ -	$ 231,802
March 31, 2025			
Financial assets			
Cash	$ 109,589	$ -	$ 109,589
Other amount receivable	$ 1,000	$ -	$ 1,000
Investment	$ -	$ 6,000	$ 6,000
Financial liabilities			
Accounts payable and accrued liabilities	$ 237,290	$ -	$ 237,290

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

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 material 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, 2024. The accounting policies and management estimates applied in the condensed interim financial statements for the three months ended March 31, 2025, are consistent with those used in the Company's audited financial statements for the year ended December 31, 2024.

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, 2025, are consistent with those used in the Company's audited financial statements for the year ended December 31, 2024. No new accounting standards or amendments to accounting standards were adopted during the period ended March 31, 2025.

Commitments

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

Flow-Through

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on eligible qualifying CEE. Certain interpretations are required to assess the eligibility of flow-through expenditures that if changed, could result in the denial of renunciation. The Company has indemnified current and previous flow-through subscribers for any tax and related costs payable by them in the event the Company does not incur the required exploration expenditures. No amounts have been recorded in these financial statements for potential liabilities relating to these indemnities as a triggering event has not taken place. Upon issuance of the flow-through shares during 2024 in the amount of $165,000 (2023 - $625,700), the Company recorded an aggregate flow-through share premium liability of $nil (2023 - $93,635). As eligible CEE is incurred, the amount is drawn down as income through the statement of loss. During the three months ended March 31, 2025, the Company incurred $85,939 (March 31, 2024 - $39,595) in eligible CEE and recorded a flow-through share premium recovery of $nil in the statement of loss (March 31, 2024 - $5,279).

Environmental

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

Contingent Payments

Effective October 1, 2021, the Company became party to certain consulting agreements that contain clauses that could require additional aggregate payments of $198,000 upon termination without cause and $396,000 upon termination in connection with a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in 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, 2024 and the "Risks and Uncertainties" discussion in the Company's MD&A for the year ended December 31, 2024, dated April 29, 2025, 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, 2025, 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, 2025 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, 2025.

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 7 of the unaudited condensed interim financial statements for the three months ended March 31, 2025 and 2024 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 23, 2025. A copy of this MD&A will be provided to anyone who requests it from the Company.

Additional Information

Officers:
Michael Farrant, President, Chief Financial Officer and Corporate Secretary
William Love, Chief Executive Officer

Non-Independent Directors
Michael Farrant, Director
William Love, Director (1)

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

(1) Member of the Audit Committee

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