

**NEW BREAK RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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 and six months ended June 30, 2024 ("**second quarter of 2024**" or "**Q2 2024**" and "**first half of 2024**" or "**H1 2024**"). The comparative periods are for the three and six months ended June 30, 2023 ("**second quarter of 2023**" or "**Q2 2023**" and "**first half of 2023**" or "**H1 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 and six months ended June 30, 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 and six months ended June 30, 2024 and 2023 and the Company's Board of Directors approved these documents prior to their release.

This MD&A is dated August 28, 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 10,338 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

- During May and June 2024, New Break staked an additional 44 mineral claims to the west and southwest of the main Moray property at a cost of \$2,200.
- On July 8, 2024, New Break staked an additional 86 mineral claims covering approximately 1,855 hectares, contiguous with the northern boundary of the main Moray property, expanding the size of the property from 8,483 hectares to 10,338 hectares at a cost of \$4,300.
- On July 18, 2024, New Break completed a non-brokered private placement offering with a greater than 10% security holder, through the issuance of 1,500,000 flow-through units at a price of \$0.11 per flow-through unit for aggregate gross proceeds of \$165,000. Following the investment, the security holder now owns or beneficially owns 16.3% of the outstanding common shares of New Break.
- On July 29, 2024, a New Break technical team conducted a site visit to the Moray property. The team included New Break’s Vice-President Exploration, William Love, New Break directors Gordon Morrison and Ashley Kirwan, and Randall Salo, P. Geo., who has an extensive history of exploring the Moray property.
- On August 12, 2024, a notice of record date and meeting was filed on SEDAR+ by the Company’s transfer agent, TSX Trust Company. New Break intends to hold an annual general meeting of shareholders on October 7, 2024. Record date for the Meeting is September 6, 2024.

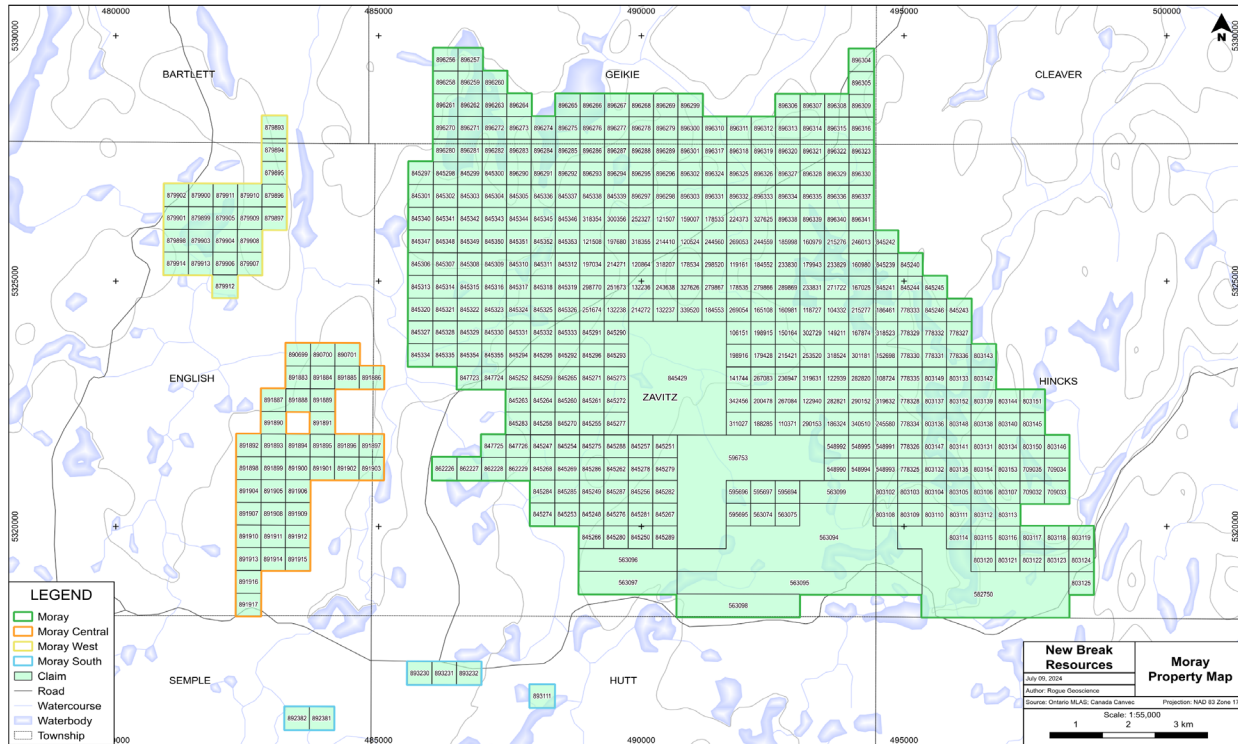
Developments under the three months ended June 30, 2024 and up to August 28, 2024

Mineral Properties and Exploration and Evaluation Activities

Moray Project - Matachewan, Ontario

The 10,338-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 1,425 hectares of mineral claims to the west and southwest of the main Moray property.

During May and June 2024, New Break staked an additional 44 mineral claims to the west and southwest of the main Moray property at a cost of \$2,200 and on July 8, 2024, New Break staked an additional 86 mineral claims covering approximately 1,855 hectares, contiguous with the northern boundary of the main Moray property, expanding the size of the property from 8,483 hectares to 10,338 hectares at a cost of \$4,300.

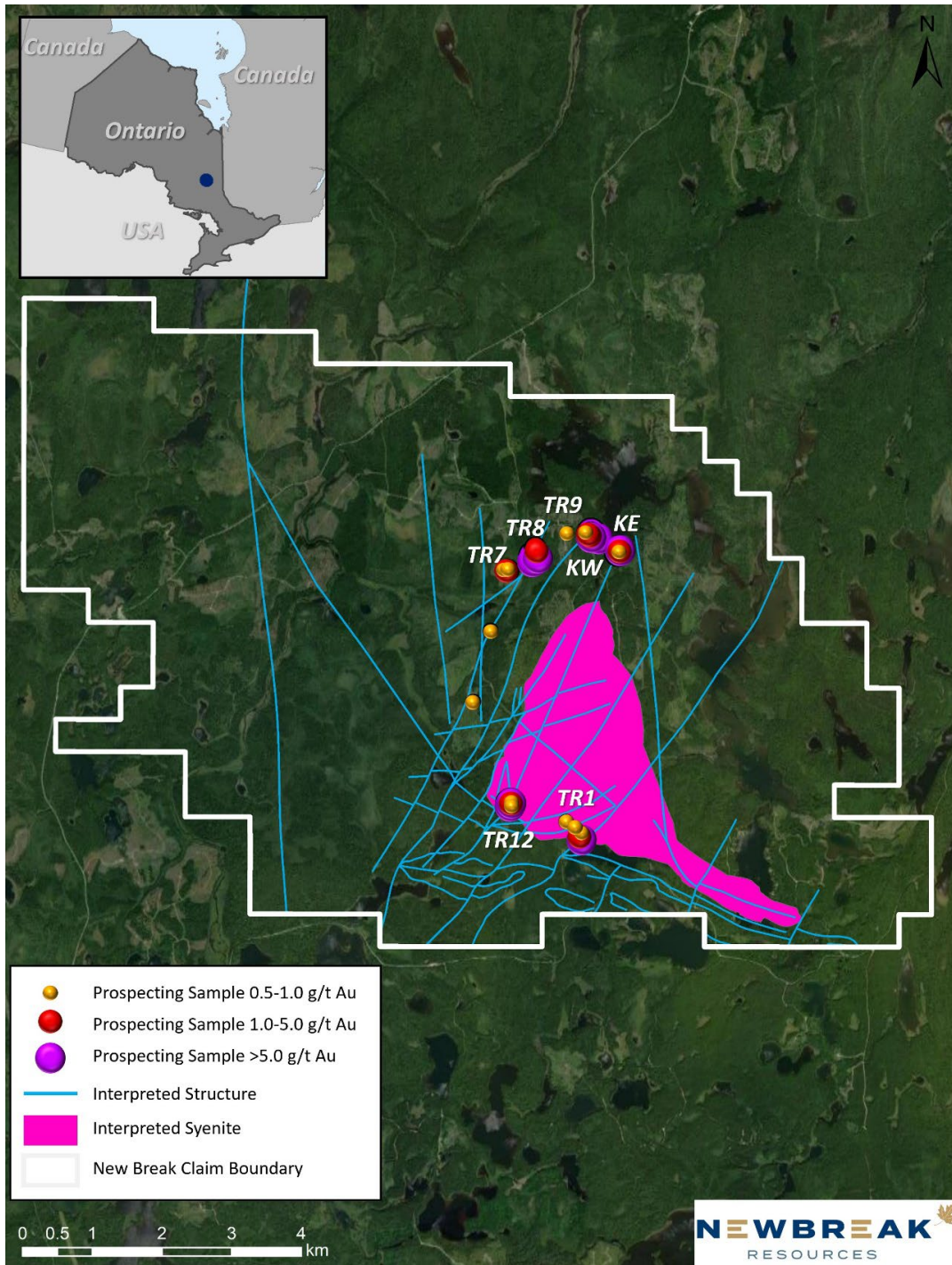


(Figure 1 – Moray Project, property map)

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 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. 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 between US\$100 million to US\$200 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.

New Break undertook an exercise of comparing 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.

On July 29, 2024, a New Break technical team conducted a site visit to the Moray property. The team included New Break's Vice-President Exploration, William Love, New Break directors Gordon Morrison and Ashley Kirwan, and Randall Salo, P. Geo., who has an extensive history of exploring the Moray property. The primary purpose of the site visit was to confirm New Break's understanding of the gold mineralization and validate next exploration steps.

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

Limited exploration activities were conducted on the Company's Nunavut properties during the second quarter of 2024. In addition, the Company abandoned the mineral claims comprising the Sy and Angikuni Lake projects and the Noomut claims other than the Esker claim. With the majority of the Company's exploration focus and success having been on the Moray property, New Break hopes to find strategic partners to assist in the advancement of both the Sundog and Esker gold projects.

Private Placement Financing – July 18, 2024

On July 18, 2024, the Company completed a non-brokered private placement offering with a greater than 10% security holder, through the issuance of 1,500,000 F-T Units at a price of \$0.11 per F-T Unit, for aggregate gross proceeds of \$165,000. Each F-T Unit consists of one F-T Share and one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one non-flow-through common share at an exercise price of \$0.25 for a period of seventy-two (72) months from the date of closing. No finder fees were paid in connection with the private placement.

Corporate Developments

Effective May 29, 2024, Gordon Morrison replaced Ashley Kirwan as a member of the Audit Committee, such that New Break's Audit Committee is now comprised entirely of independent directors.

Annual General Meeting of Shareholders

On August 12, 2024, a notice of record date and meeting was filed on SEDAR+ by the Company's transfer agent, TSX Trust Company. New Break intends to hold an annual general meeting of shareholders on October 7, 2024 (the "**Meeting**"). Record date for the Meeting is September 6, 2024. A Notice of Meeting and Information Circular dated September 6, 2024, will be mailed to shareholders in due course. Business to be dealt with at the Meeting will include receiving the audited financial statements for the year ended December 31, 2023, election of directors, re-appointment of the Company's auditor and re-approval of the Company's stock option plan.

Overview of Financial Results

Three and Six Months Ended June 30, 2024 vs. June 30, 2023

(Expressed in Canadian Dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Expenses				
Exploration and evaluation	\$ 70,897	\$ 102,750	\$ 115,490	\$ 176,150
Management fees	37,500	37,500	75,000	75,000
Consulting fees	6,000	7,639	6,000	12,061
Professional fees	8,159	24,032	21,403	33,109
Investor relations	26,100	57,975	56,409	146,529
General and administrative	26,320	21,936	48,908	49,381
Shareholder costs and filing fees	6,135	11,217	13,927	18,275
Travel	-	-	-	935
Share-based compensation	-	32,723	-	39,716
Loss before the undernoted	(181,111)	(295,772)	(337,137)	(551,156)
Bank charges	(366)	(528)	(573)	(727)
Interest income	-	1,366	216	2,494
Flow-through share premium recovery	8,694	24,478	13,973	47,214
Net loss and comprehensive loss for the period	\$ (172,783)	\$ (270,456)	\$ (323,521)	\$ (502,175)
Net loss per share				
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding – basic and diluted	49,822,600	43,123,868	49,734,688	42,060,716

Three months ended June 30, 2024 vs. three months ended June 30, 2023

- Overall, the Company recorded a net loss and comprehensive loss of \$172,783 or \$0.00 per share for the quarter ended June 30, 2024 compared to a net loss and comprehensive loss of \$270,456 or \$0.01 per share for the quarter ended June 30, 2023.
- Exploration and evaluation expenses were \$70,897 in the second quarter of 2024 compared to \$102,750 in the second quarter of 2023. The 2024 expenditures predominantly relate to consulting fees on the Moray project, along with some field work in preparation for an IP survey, land management costs and the cost of staking additional mineral claims. The 2023 expenditures were almost exclusively on the Moray project, principally related to the compilation and evaluation of historical exploration work on claims newly acquired during May 2023, prospecting, sampling and structural mapping of the newly acquired Moray ground and work associated with the submission of a new exploration permit application for Moray.
- Management fees were \$37,500 in the second quarter of 2024 compared to \$37,500 in the second quarter of 2023. They relate to amounts charged by the Company's Chief Executive Officer and Chief Financial Officer.
- Consulting fees were \$6,000 in the second quarter of 2024 compared to \$7,639 in the second quarter of 2023.

- Professional fees were \$8,159 in the second quarter of 2024 compared to \$24,032 in the second quarter of 2023. In general, these relate to legal fees and the accrual of audit and tax return preparation fees. The second quarter of 2024 was lower as there were no legal fees incurred compared to \$10,656 in the second quarter of 2023. In addition, tax preparation fees incurred in the second quarter of 2023 were higher due to the preparation of two sets of 2022 tax returns resulting from a deemed year end on September 6, 2022, associated with New Break going public.
- Investor relations expenses were \$26,100 in the second quarter of 2024 compared to \$57,975 in the second 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 \$26,320 during the second quarter of 2024 compared to \$21,936 during the second quarter of 2023.
- Shareholder costs and filing fees were \$6,135 during the second quarter of 2024 compared to \$11,217 during the second quarter of 2023. These costs include the monthly CSE listing fee, transfer agency fees, the cost of news releases and filing fees. Filing fees associated with news releases were higher in the second quarter of 2023.
- Share-based compensation was \$nil during the second quarter of 2024 compared to \$32,723 during the second quarter of 2023. The 2023 amount relates to the amortization of the fair value of stock options granted on January 20, 2023 and on June 2, 2023. This is a non-cash expense.
- Flow-through share premium recovery was \$8,694 during the second quarter of 2024 on eligible CEE of \$65,202 from flow-through funds raised in 2023 compared to \$24,478 during the second quarter of 2023 on eligible CEE of \$99,152 from flow-through funds raised in 2022. The premium recoveries are non-cash amounts.

Six months ended June 30, 2024 vs. six months ended June 30, 2023

- Overall, the Company recorded a net loss and comprehensive loss of \$323,521 or \$0.01 per share for the six months ended June 30, 2024 compared to a net loss and comprehensive loss of \$502,175 or \$0.01 per share for the six months ended June 30, 2023.
- Exploration and evaluation expenses were \$115,490 in the first six months of 2024 compared to \$176,150 in the first six months of 2023. The 2024 expenditures predominantly relate to consulting fees on the Moray project, along with some field work in preparation for an IP survey, land management costs and the cost of staking additional mineral claims, net of a reimbursement of \$14,998 under the Ontario Junior Exploration Program. The 2023 expenditures were almost exclusively on the Moray project, principally related to the compilation and evaluation of historical exploration work on claims newly acquired during May 2023, prospecting, sampling and structural mapping of the newly acquired Moray ground and work associated with the submission of a new exploration permit application for Moray.
- Management fees were \$75,000 in the first six months of 2024 compared to \$75,000 in the first six months of 2023. These fees relate to amounts charged by the Company's President and CEO and by the Chief Financial Officer.
- Consulting fees were \$6,000 in the first six months of 2024 compared to \$12,061 in the first six months of 2023.
- Professional fees were \$21,403 in the first six months of 2024 compared to \$33,109 in the first six months of 2023. In general, these relate to legal fees and the accrual of audit and tax return

preparation fees. The first half of 2024 was lower due to lower legal fees and lower tax return preparation fees.

- Investor relations expense was \$56,409 in the first six months of 2024 compared to \$146,529 in the first six months of 2023. 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. In addition, in January 2023, the Company retained SmallCap Communications Inc. to provide social media communications management services and in February 2023, New Break engaged the services of Venture Liquidity Providers Inc. to assist with market liquidity. The majority of the 2024 amount relates to fees associated with these market liquidity services and social media management services.
- General and administrative expenses were \$48,908 during the first six months of 2024 compared to \$49,381 during the first six months of 2023.
- Shareholder costs and filing fees were \$13,927 in the first six months of 2024 compared to \$18,275 in the first six months of 2023.
- Travel expenses were \$nil in the first six months of 2024, compared to \$935 in the first six months of 2023.
- Share-based compensation was \$nil during the first six months of 2024 compared to \$39,716 during the first six months of 2023. The 2023 amount relates to the amortization of the fair value of stock options granted on January 20, 2023 and on June 2, 2023. This is a non-cash expense.
- Flow-through share premium recovery was \$13,973 during the first six months of 2024 on eligible CEE of \$104,797 from flow-through funds raised in 2023 compared to \$47,214 during the first six months of 2023 on eligible CEE of \$167,358 from flow-through funds raised in 2023 and 2022. These 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.

	Q2	Q1	Annual	Q4	Q3
	June 2024 (unaudited)	March 2024 (unaudited)	Dec. 2023 (audited)	Dec. 2023 (unaudited)	Sept. 2023 (unaudited)
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Loss and comprehensive loss	\$ (172,783)	\$ (150,738)	\$(1,034,488)	\$ (127,389)	\$ (404,924)
Loss per share – basic and diluted	(\$0.00)	(\$0.00)	(\$0.02)	(\$0.00)	(\$0.01)
Assets	\$ 644,467	\$ 807,433	\$ 987,468	\$ 987,468	\$ 938,320
	Q2	Q1	Annual	Q4	Q3
	June 2023 (unaudited)	March 2023 (unaudited)	Dec. 2022 (audited)	Dec. 2022 (unaudited)	Sept. 2022 (unaudited)
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Loss and comprehensive loss	\$ (270,456)	\$ (231,719)	\$ (957,994)	\$ (175,787)	\$ (324,744)
Loss per share – basic and diluted	(\$0.01)	(\$0.01)	(\$0.02)	(\$0.00)	(\$0.01)
Assets	\$ 1,292,590	\$ 590,447	\$ 875,202	\$ 875,202	\$ 1,075,008

Liquidity and Capital Resources

The Company's cash decreased by \$158,652 during the quarter ended June 30, 2024, compared to an increase of \$459,717 during the quarter ended June 30, 2023. The Company's cash decreased by \$139,638 during the six months ended June 30, 2024, compared to an increase of \$398,466 during the six months ended June 30, 2023. As at June 30, 2024, the ending cash balance was \$72,567 compared to \$212,205 as at December 31, 2023.

Working Capital

As at June 30, 2024, the Company had a working capital deficit of \$16,511 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 June 30, 2024, \$296,265 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 and six months ended June 30, 2024 and 2023 are provided below:

	Three Months Ended June 30,		Six Months Ended June 30	
	2024	2023	2024	2023
Cash used in operating activities – gross	\$ (181,477)	\$ (262,211)	\$ (337,494)	\$ (509,673)
Changes in non-cash operating working capital	22,825	96,816	177,856	283,027
Cash used in operating activities – net	(158,652)	(165,395)	(159,638)	(226,646)
Cash used in investing activities	-	(80,000)	-	(80,000)
Cash provided by financing activities	-	705,112	20,000	705,112
(Decrease) increase in cash	(158,652)	459,717	(139,638)	398,466
Cash, beginning of period	231,219	169,211	212,205	230,462
Cash, end of period	\$ 72,567	\$ 628,928	\$ 72,567	\$ 628,928

Three months ended June 30, 2024 vs. three months ended June 30, 2023

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the three months ended June 30, 2024 was \$181,477 compared to \$262,211 for the three months ended June 30, 2023. This was the result of lower exploration and evaluation expenditures, lower professional fees and lower investor relations costs during the second quarter of 2024 compared to the second quarter of 2023.

Investing Activities

Cash used in investing activities during the three months ended June 30, 2024 was \$nil compared to \$80,000 for the three months ended June 30, 2023. The Q2 2023 outlay relates to the cash portion of the acquisition of an additional 2,460 hectares of mineral claims at Moray that closed on May 23, 2023.

Financing Activities

Cash provided by financing activities during the three months ended June 30, 2024 was \$nil compared to \$705,112 for the three months ended June 30, 2023. The Q2 2023 amount represents gross proceeds of \$500,700 raised in a non-brokered private placement of flow-through common shares that closed on May 31, 2023, less finder's fees of \$12,915 and the exercise of 1,448,850 warrants at \$0.15 per share for proceeds of \$217,327.

Six months ended June 30, 2024 vs. six months ended June 30, 2023

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the six months ended June 30, 2024 was \$337,494 compared to \$509,673 for the six months ended June 30, 2023. This was primarily the result of lower exploration and evaluation expenditures, lower professional fees and lower investor relations costs during the first half of 2024 compared to the first half of 2023.

Investing Activities

Cash used in investing activities during the six months ended June 30, 2024 was \$nil compared to \$80,000 for the six months ended June 30, 2023. The 2023 outlay relates to the cash portion of the acquisition of an additional 2,460 hectares of mineral claims at Moray that closed on May 23, 2023.

Financing Activities

Cash provided by financing activities during the six months ended June 30, 2024 was \$20,000 compared to \$705,112 for the six months ended June 30, 2023. The 2024 amount represents gross proceeds of \$20,000 raised in a non-brokered private placement that closed on March 5, 2024, through the issuance of 250,000 units at a price of \$0.08 per unit. The 2023 amount represents gross proceeds of \$500,700 raised in a non-brokered private placement of flow-through common shares that closed on May 31, 2023, through the issuance of 3,338,000 flow-through common shares at a price of \$0.15 each, less finder's fees of \$12,915 and the exercise of 1,448,850 warrants at \$0.15 per share for proceeds of \$217,327.

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 the completion of an IP survey at the Moray property in Ontario, to be followed by an approximate 2,000 to 2,500 metre drilling program to test the syenite intrusive. New Break estimates that the initial planned drilling program at Moray will cost approximately \$500,000 to \$600,000. On July 18, 2024, New Break closed a non-brokered flow-through private placement through the issuance of 1,500,000 F-T units at a price of \$0.11 per F-T unit.

In general, completion 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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Management fees	\$ 37,500	\$ 37,500	\$ 75,000	\$ 75,000
Management fees included in exploration and evaluation	22,500	22,500	45,000	45,000
Total fees paid to management and directors	\$ 60,000	\$ 60,000	\$ 120,000	\$120,000
Exploration and evaluation fees and consulting fees charged by a geological consulting company, the President & CEO of which, is also a director of New Break	\$ 35,123	\$ 49,150	\$ 62,138	\$73,590

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 June 30, 2024, \$93,436 (December 31, 2023 - \$66,511) included in accounts payable and accrued liabilities was owing to related parties, including \$34,329 (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

Non-brokered Private Placement

On July 18, 2024, the Company completed a non-brokered private placement offering with a greater than 10% security holder, through the issuance of 1,500,000 F-T Units at a price of \$0.11 per F-T Unit, for aggregate gross proceeds of \$165,000. Each F-T Unit consists of one F-T Share and one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one non-flow-through common share at an exercise price of \$0.25 for a period of seventy-two (72) months from the date of closing. No finder fees were paid in connection with the private placement.

Outstanding Capital and Share Data

New Break's authorized capital stock consists of an unlimited number of common shares without par value. As at August 28, 2024 there were 51,322,600 common shares issued and outstanding.

As at August 28, 2024, the Company also had the following items issued and outstanding:

- 6,212,850 common share purchase warrants at a weighted average exercise price of \$0.22.
- 3,800,000 stock options at an exercise price of \$0.10.

Off-Balance Sheet Arrangements

As at June 30, 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 August 28, 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, from funds received from the Ontario government through OJEP, received in March 2024 and from flow-through funds raised in July 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 June 30, 2024 the Company held current assets of \$101,467 (December 31, 2023 - \$444,468) to settle current liabilities of \$117,978 (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 June 30, 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
June 30, 2024			
Financial assets			
Cash	\$ 72,567	\$ -	\$ 72,567
Financial liabilities			
Accounts payable and accrued liabilities	\$ 117,978	\$ -	\$ 117,978

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 and six months ended June 30, 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 and six months ended June 30, 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 June 30, 2024, the Company had a commitment to spend \$296,265 (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 June 30, 2024, the Company incurred \$65,202 (June 30, 2023 - \$99,152) in eligible CEE and recorded a flow-through share premium recovery of \$8,694 in the statement of loss (June 30, 2023 - \$24,478). During the six months ended June 30, 2024, the Company incurred \$104,797 (June 30, 2023 - \$167,358) in eligible CEE and recorded a flow-through share premium recovery of \$13,973 in the statement of loss (June 30, 2023 - \$47,214).

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 and six months ended June 30, 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 June 30, 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 June 30, 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 and six months ended June 30, 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 August 28, 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 Puppenthal, 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