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New Break Announces Closing of Non-Brokered Private Placement Financings

Toronto, Ontario, January 6, 2022 – New Break Resources Ltd. (“**New Break**” or the “**Company**”) is pleased to announce that effective December 10, 2021, it closed a non-brokered private placement financing, through the issuance of 1,467,000 flow-through common shares (“**Flow-Through Shares**”) at a price of \$0.30 per Flow-Through Share, for gross proceeds of \$440,100 and effective December 30, 2021, closed the first tranche of a non-brokered private placement financing through the issuance of 80,000 units (“**Units**”) at a price of \$0.25 per Unit, for gross proceeds of \$20,000.

The \$0.25 Unit offering is being undertaken on a best effort basis, in connection with the Company’s plans to go public in early 2022. The Company intends to offer up to 4,000,000 Units for gross proceeds of \$1,000,000 with an over-allotment option of up to 100%.

Each Unit consists of one common share (a “**Common Share**”) of the Company and one common share purchase warrant (each whole warrant a “**Warrant**”), with each Warrant entitling the holder thereof, to purchase one additional Common Share of the Company at a price of \$0.35 for a period of twenty-four (24) months following a Liquidity Event, defined as the completion of an event which results in the Common Shares of the Company freely tradable on a recognized public stock exchange. The Warrants are subject to an acceleration clause in the event the Common Shares become listed for trading on a stock exchange in Canada and the volume-weighted average trading price equals or exceeds \$0.50 for a period of ten (10) consecutive trading days.

The gross proceeds received by the Company from the sale of the Flow-Through Shares will be used to incur eligible Canadian Exploration Expenses (“**CEE**”) that are “flow-through mining expenditures”, as such term is defined in the *Income tax Act* (Canada), related to the Company’s mineral exploration properties, including:

- Exploration activities at the Company’s fully permitted Moray Gold Project located in Ontario on the Cadillac Larder-Lake Fault Zone, approximately 49 km southeast of Timmins.
- Exploration activities on the Company’s properties in Kivalliq Region, Nunavut, including:
 - the Sundog Gold Project, held through a fully executed Inuit Owned Lands Mineral Exploration Agreement between the Company and Nunavut Tunngavik Incorporated.
 - the recently staked Esker claim, drilled by Comaplex Minerals Corp. in 1997, the results of which included 2.35 g/t Au over 70.95 metres (hole 97-13), 8.18 g/t Au over 13.27 metres (hole 97-15), 4.00 g/t Au over 5.57 metres (hole 97-16) and 7.24 g/t Au over 5.0 metres (hole 97-23), all at depths between 10 to 155 metres below surface.

The Company will renounce such CEE to the purchasers of the Flow-Through Shares with an effective date of no later than December 31, 2021.

In connection with the \$0.30 Flow-Through Share offering, the Company paid finder’s fees to eligible persons (the “**Finders**”) totaling \$7,200 in cash, being 6% of the proceeds raised from subscribers introduced to the Company by such Finders and issued 12,000 common share purchase warrants (each a “**Finder Warrant**”), being 6% of the Flow-Through Shares purchased by a subscriber. Each Finder Warrant is non-transferrable and exercisable for one Common Share at an exercise price of \$0.30 for a period of twenty-four (24) months from the date of closing. No fees were paid in connection with the closing of the first tranche of Units.

The Flow-Through offering constituted a related party transaction within the meaning of Multilateral Instrument 61-101 (“MI 61-101”) as insiders of the Company subscribed for an aggregate of 52,000 Flow-Through Shares for gross proceeds of \$15,600. However, the valuation and minority shareholder approval requirements of MI 61-101 do not apply to the Company as the Company is not currently a reporting issuer.

The securities issued pursuant to the financings are subject to a statutory hold period in accordance with applicable securities laws. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements.

About New Break Resources Ltd.

New Break is a private Canadian mineral exploration and development company with a dual vision for value creation. In northern Ontario, New Break is focused on acquiring highly prospective gold projects in well-established mining camps, within proximity to existing infrastructure, while at the same time, through our prospective land holdings in Nunavut, we provide our shareholders with significant exposure to the vast potential for exploration success in one of the most up and coming regions in Canada for gold exploration and production. These complimentary visions are supported by a highly experienced team of mining professionals committed to placing a premium on Environmental, Social and Corporate Governance, respecting the values and interests of all our stakeholders.

For further information on New Break, please visit www.newbreakresources.ca or contact:

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No stock exchange, regulation securities provider, securities commission or other regulatory authority has approved or disapproved the information contained in this news release.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

Except for statements of historic fact, this news release contains certain “forward-looking information” within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to comments regarding the timing and expectations for finalizing property agreements, timing and content of upcoming work programs, geological interpretations, receipt of property titles, an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of commodities, capital market conditions, restriction on labour and international travel and supply chains etc. Forward-looking information addresses future events and conditions and therefore involves inherent risks and uncertainties, including factors beyond the Company’s control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to update publicly or otherwise any forward-looking information, except as may be required by law. Additional information identifying risks and uncertainties that could affect financial results is contained in the Company’s financial statements and management’s discussion and analysis (the “Filings”), such Filings available upon request.