

## SUBSCRIPTION PROCEDURES

The Purchaser (as defined herein) shall:

1. carefully review the Subscription Agreement (as defined herein);
2. obtain independent legal, financial and tax advice regarding the Subscription Agreement and the Purchaser's investment in the Purchased Securities (as defined herein);
3. submit a completed and executed copy of the Subscription Agreement;
4. if the Purchaser is a family member, close personal friend and/or close business associate of a director, executive officer, founder or control person of the Company, submit a completed and executed copy of the **Family Member, Close Personal Friend and/or Close Business Associate Questionnaire** in the form attached hereto as Schedule A-1 (including Schedule A-2 if the Purchaser is resident in Ontario, and Schedule A-3 if the Purchaser is resident in Saskatchewan);
5. if the Purchaser is resident in or otherwise subject to the laws of any of the provinces or territories of Canada, submit a completed and executed copy of the **Canadian Accredited Investor Certificate** in the form attached hereto as Schedule A-4;
6. if the Purchaser is resident in or otherwise subject to the laws of the United States (as defined herein), submit a completed and executed copy of the **United States Accredited Investor Certificate** in the form attached hereto as Schedule A-5;
7. if the Purchaser is resident outside of Canada and the United States, submit a completed and executed copy of the **Declaration of Non-Canadian Beneficial Ownership** attached hereto as Schedule A-6;
8. deliver the aggregate Purchase Price (as defined herein) payable by the Purchaser for the Purchased Securities to the Company (as defined herein) at or before the Closing Time (as defined herein) on the Closing Date (as defined herein), by certified cheque or bank draft drawn on a Canadian chartered bank or trust company or a wire transfer in same day freely transferable Canadian dollars and payable in such manner as may be specified by the Company; and
9. provide and submit any other documents or information required by the Securities Laws (as defined herein) or otherwise that the Company may reasonably request.

**A completed and executed copy of the Subscription Agreement, including all applicable schedules thereto, must be delivered by no later than 5:00 p.m. (Toronto time) on May 31, 2022.**

**New Break Resources Ltd.  
18 King Street East, Suite 902  
Toronto, ON M5C 1C4**

**Attention: Michael Farrant  
Email: [mfarrant@newbreakresources.ca](mailto:mfarrant@newbreakresources.ca)**

## SUBSCRIPTION AGREEMENT

**TO:**                    **New Break Resources Ltd.** (the “Company”)

The undersigned (the “**Purchaser**”), on its own behalf and, if applicable, on behalf of those for whom the Purchaser is contracting hereunder as trustee or agent (each, a “**Beneficial Purchaser**”), hereby irrevocably subscribes for and agrees to purchase that number of units of the Company (the “**Units**”) set out below at a price of \$0.25 per Unit. Each Unit shall consist of one (1) common share in the capital of the Company (a “**Common Share**”) and one Common Share purchase warrant (a “**Warrant**”). Each Warrant shall entitle the holder thereof to acquire one common share (a “**Warrant Share**”) at a price of \$0.35 until 5:00 p.m. (Toronto time) on the date which is twenty-four (24) months following a Liquidity Event (as defined herein), whereupon the Warrants expire. The Company can elect to accelerate the expiry of the Warrants in the event that (i) the Common Shares become listed for trading on a stock exchange in Canada and/or the United States; and (ii) the volume-weighted average trading price of the Common Shares, on a stock exchange, equals or exceeds \$0.50 for 10 consecutive trading days, in which case the Warrants will expire 20 calendar days after the issuance of a news release by the Company announcing the reduced warrant term. This agreement, which for greater certainty includes and incorporates the attached schedules, as each may be amended, supplemented or restated, is referred to herein as the “**Subscription Agreement**”. The Purchaser agrees to be bound by the terms and conditions set forth in the attached **Terms and Conditions of Subscription** including without limitation the representations, warranties and covenants set forth in the schedules attached thereto. The Purchaser further agrees, without limitation, that the Company may rely on the Purchaser’s representations, warranties and covenants contained in such documents. A term sheet with respect to the Offering is attached hereto as Schedule A-7.

**Issuer:**                    New Break Resources Ltd.                    **Issue:**                    Units

<b>Price Per Unit: \$0.25</b>	
<b>Number of Units Purchased:</b> _____	<b>Total Subscription Price of Units: \$</b> _____

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

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**Name and Address of Purchaser:**

\_\_\_\_\_  
(Name of Purchaser - please print clearly)

\_\_\_\_\_  
(Purchaser’s Address – Line 1)

By: \_\_\_\_\_  
      Authorized Signature

\_\_\_\_\_  
(Purchaser’s Address – Line 2)

\_\_\_\_\_  
(Official Capacity or Title - please print clearly)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Please print name of individual whose signature appears above if different than the name of the Purchaser printed above.)

\_\_\_\_\_  
(E-Mail Address)

**Details of the Beneficial Purchaser (if applicable):**

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(Name of Beneficial Purchaser - please print clearly)

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(Beneficial Purchaser's Address – Line 1)

(if space is inadequate please attach a schedule containing the necessary information)

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(Beneficial Purchaser's Address – Line 2)

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(Beneficial Purchaser's Address – Line 3)

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**Registration Instructions:  
(registration of the certificates representing the  
Units should be made as follows)**

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Name

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Account reference, if applicable

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Address

**ACCEPTANCE**

The Company hereby accepts the subscription for Units as set forth on the face page of this Subscription Agreement on the terms and conditions contained in this Subscription Agreement (including all applicable schedules) this \_\_\_\_ day of \_\_\_\_\_, 2022.

**NEW BREAK RESOURCES LTD.**

Per: \_\_\_\_\_  
Authorized Signing Officer

Michael Farrant  
President, Chief Executive Officer and Director

## TERMS AND CONDITIONS OF SUBSCRIPTION

1. **Definitions.** In this Subscription Agreement, unless the context otherwise requires:
- (a) “**affiliate**” has the meaning ascribed to it in the *Securities Act* (Ontario);
  - (b) “**Beneficial Purchaser**” has the meaning ascribed to it on page 2 hereof;
  - (c) “**Closing**” means the completion of the issue and sale by the Company and the purchase by the Purchasers of the Units pursuant to the Subscription Agreements;
  - (d) “**Closing Date**” means May 31, 2022 or such other date as the Company may agree;
  - (e) “**Closing Time**” means 10:00 a.m. (Toronto time) on the Closing Date or such other time as the Company may agree;
  - (f) “**Common Share**” has the meaning ascribed to it on page 2 hereof;
  - (g) “**Company**” has the meaning ascribed to it on page 2 hereof;
  - (h) “**distribution**” has the meaning ascribed to it in the *Securities Act* (Ontario);
  - (i) “**Liquidity Event**” means the closing of (i) a distribution to the public of Common Shares pursuant to a prospectus and the concurrent listing of such Common Shares for trading on a recognized public stock exchange; or (ii) another transaction the result of which is that all of the outstanding Common Shares of the Company or the securities of another issuer issued in exchange for such outstanding Common Shares, are listed for trading on a recognized public stock exchange and are freely tradable (subject to control block restrictions);
  - (j) “**NI 45-106**” means National Instrument 45-106 - *Prospectus and Registration Exemptions* as such instrument is in effect upon Closing in the province or territory in which the Purchaser resides;
  - (k) “**Offering**” has the meaning ascribed to it in section 2;
  - (l) “**Offshore Jurisdiction**” has the meaning ascribed to it in subsection 8(l);
  - (m) “**OSC**” means the Ontario Securities Commission;
  - (n) “**PCMLTFA**” has the meaning ascribed to it in subsection 8(i);
  - (o) “**person**” is to be interpreted broadly and includes an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof, and every other form of legal or business entity of whatsoever nature or kind;
  - (p) “**Personal Information**” means any information about a person (whether an individual or otherwise) and includes information contained in this Subscription Agreement;
  - (q) “**Purchase Price**” has the meaning ascribed to it in section 2;
  - (r) “**Purchased Securities**” has the meaning ascribed to it in section 2;
  - (s) “**Purchaser**” has the meaning ascribed to it on page 2 hereof, and “**Purchasers**” means all purchasers of the Units, including the Purchaser;

- (t) **“Regulatory Authorities”** means, collectively, the applicable securities commission or regulatory authority in each of the provinces and territories of Canada;
- (u) **“Securities Laws”** means the applicable securities laws of each of the provinces and territories of Canada and the respective regulations and rules made and forms prescribed thereunder, together with all applicable and legally enforceable published policy statements, blanket orders, and rulings of the Regulatory Authorities, and all discretionary orders or rulings, if any, of the Regulatory Authorities made in connection with the transactions contemplated by this Subscription Agreement, together with applicable published policy statements of the Canadian Securities Administrators;
- (v) **“Subscription Agreement”** has the meaning ascribed to it on page 2 hereof, and **“Subscription Agreements”** means all subscription agreements received by the Company in connection with the Offering, including this Subscription Agreement;
- (w) **“Term Sheet”** means the term sheet delivered to potential Purchasers of Shares, a copy of which is attached hereto as Schedule A-7.
- (x) **“Transaction”** has the meaning ascribed to it in section 3;
- (y) **“Unit”** has the meaning ascribed to it on page 2 hereof;
- (z) **“United States”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (aa) **“U.S. Person”** means a U.S. person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act;
- (bb) **“U.S. Securities Act”** means the United States *Securities Act of 1933*, as amended, and the regulations promulgated thereunder;
- (cc) **“Warrant”** has the meaning ascribed to it on page 2 hereof; and
- (dd) **“Warrant Share”** has the meaning ascribed to it on page 2 hereof.

**2. Subscription.** The Purchaser hereby tenders to the Company this subscription which, upon acceptance by the Company, will constitute an irrevocable agreement of the Purchaser to purchase from the Company and of the Company to sell to the Purchaser the number of Units set out on page 2 hereof (the **“Purchased Securities”**) at the price of \$0.25 per Unit (the **“Purchase Price”**), all on the terms and subject to the conditions set out in this Subscription Agreement.

**Description of Units.** Each Unit shall consist of one (1) Common Share and one Warrant. Each Warrant shall entitle the holder thereof to acquire one Warrant Share at a price of \$0.35 until 5:00 p.m. (Toronto time) on the date which is twenty-four (24) months following a Liquidity Event (as defined herein), whereupon the Warrants expire. The Company can elect to accelerate the expiry of the Warrants in the event that: (i) the Common Shares become listed for trading on a stock exchange in Canada and/or the United States; and (ii) the volume-weighted average trading price of the Common Shares, on a stock exchange, equals or exceeds \$0.50 for 10 consecutive trading days, in which case the Warrants will expire 20 days after the date that the Company provides written notice of acceleration.

**Offering.** The Purchaser acknowledges that this subscription forms part of a larger offering by the Company to offer for sale up to 4,000,000 Units at the Purchase Price for gross proceeds to the Company of \$1,000,000, subject to increase of an additional 4,000,000 Units, as described in Section 6 (the **“Offering”**).

**3. Delivery and Payment.** The Purchaser agrees that the following shall be delivered to the Company at the address and by the date and time set out on the face page hereof, or such other time, date or place as the Company may advise:

- (a) a completed copy of this Subscription Agreement duly executed by the Purchaser;
- (b) if the Purchaser is a family member, close personal friend and/or close business associate questionnaire of a director, executive officer, founder or control person of the Company, submit a completed and executed copy of the **Family Member, Close Personal Friend and/or Close Business Associate Questionnaire** in the form attached hereto as Schedule A-1 (including Schedule A-2 if the Purchaser is resident in Ontario, and Schedule A-3 if the Purchaser is resident in Saskatchewan);
- (c) if the Purchaser (or any Beneficial Purchaser) is resident in or otherwise subject to the laws of any of the provinces or territories of Canada and is purchasing the Purchased Securities as an “accredited investor” as defined in NI 45-106, a duly completed and executed copy of the **Canadian Accredited Investor Certificate** in the form attached hereto as Schedule A-4;
- (d) if the Purchaser (or any Beneficial Purchaser) is resident in or otherwise subject to the laws of the United States or is a U.S. Person or was offered the Units in the United States, a duly completed and executed copy of the **United States Accredited Investor Certificate** in the form attached hereto as Schedule A-5;
- (e) if the Purchaser (or any Beneficial Purchaser) is resident outside of Canada and the United States, a duly completed and executed copy of the **Declaration of Non-Canadian Beneficial Ownership** attached hereto as Schedule A-6;
- (f) payment of the aggregate Purchase Price for the Purchased Securities by:
  - (i) a certified cheque or bank draft drawn on a Canadian chartered bank or trust company in same day freely transferable Canadian dollars, in an amount representing the aggregate Purchase Price for the Purchased Securities and made payable to New Break Resources Ltd. or in such other manner as may be directed by the Company;
  - (ii) a wire transfer of immediately available Canadian funds of the same amount delivered to New Break Resources Ltd., as follows:

Beneficiary:  
New Break Resources Ltd.  
18 King Street East, Suite 902  
Toronto, ON M5C 1C4  
CANADA

Beneficiary’s Bank:  
BANK OF NOVA SCOTIA (SCOTIABANK)  
44 King Street West  
Toronto, ON M5H 1H1  
CANADA  
Bank Number: 002      Transit Number: 80002  
Account Number: 0447218  
SWIFT CODE: NOSCCATT
  - (iii) such other method of payment of the same amount against delivery of the Purchased Securities as the Company may accept; and
- (g) any other documents or information required by the Securities Laws that the Company may request.

The Purchaser, and each Beneficial Purchaser, if any, acknowledges and agrees that such documents, when executed and delivered by the Purchaser, will form part of and will be incorporated into this Subscription Agreement and each shall constitute a representation, warranty or covenant of the Purchaser hereunder in favour of the Company. The Purchaser and each such Beneficial Purchaser consents to the filing of such documents as may be required to be filed with the Regulatory Authorities in connection with the transactions contemplated hereby.

**4. Closing.** The transactions contemplated hereby will be completed at the Closing Time at the offices of Peterson McVicar LLP, Suite 902, 18 King Street East, Toronto, Ontario, M5C 1C4.

The Purchaser understands that Closing is not subject to a maximum or minimum total number of subscriptions.

If the Purchaser delivers the aggregate Purchase Price to the Company's legal counsel, Peterson McVicar LLP, in trust, the Purchaser hereby irrevocably directs Peterson McVicar LLP to pay the aggregate Purchase Price to the Company upon receipt of a completed and duly signed copy of this Subscription Agreement, and this shall be Peterson McVicar LLP's good and sufficient authority to do so.

**5. Conditions of Closing.** The Purchaser acknowledges that the Company's obligation to sell Shares to the Purchaser is subject to, among other things, the following conditions:

- (a) the Purchaser or Beneficial Purchaser, if any, executing and returning to the Company as directed in Section 3 all documents required by Securities Laws for delivery on behalf of the Purchaser or Beneficial Purchaser, if any, including, without limitation, the documents specified in section 3, by no later than 5:00 p.m. (Toronto time) on May 31, 2022, or other date as the Company may decide;
- (b) the issue, sale and delivery of the Purchased Securities being exempt from the requirements to file a prospectus or deliver an offering memorandum (as defined in Securities Laws, including Ontario Securities Commission Rule 14-501 - *Definitions*) or any similar document under Securities Laws and other applicable securities laws relating to the issue, sale and delivery of the Purchased Securities, or that the Company has received such orders, consents or approvals as may be required to permit such issue, sale and delivery without the requirement to file a prospectus or deliver an offering memorandum or any similar document; and
- (c) the representations and warranties of the Purchaser made herein being true and correct as at the Closing Time.

**The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that as the sale of the Purchased Securities will not be qualified by a prospectus, such sale is subject to the condition that the Purchaser (or, if applicable each Beneficial Purchaser) sign and return to the Company all relevant documentation required by Securities Laws.**

The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that the Company will be required to provide to the Regulatory Authorities a list setting out the identities of any Beneficial Purchasers. Notwithstanding that the Purchaser may be purchasing Shares as an agent on behalf of an undisclosed principal (if permissible under Securities Laws and other applicable securities laws), the Purchaser agrees to provide, on request, particulars as to the identity of such undisclosed principal as may be required by the Company in order to comply with the foregoing and other Securities Laws.

**6. Acceptance or Rejection.** The Company will have the right to accept or reject this offer in whole or in part at any time prior to the Closing Time. The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that the acceptance of this offer will be conditional upon the satisfaction of the conditions set forth in Section 6 hereof. The Company will be deemed to have accepted this offer upon the Company's execution of the acceptance form on page 4 of this Subscription Agreement and the delivery to the Company at Closing of certificates representing the Purchased Securities in accordance with the provisions hereof.



If this Subscription Agreement is rejected in whole, the Purchaser and each Beneficial Purchaser, if any, understands that any funds, certified cheque or bank draft delivered by the Purchaser to the Company representing the aggregate Purchase Price for Purchased Securities will be promptly returned by the Company to the Purchaser without interest. If this Subscription Agreement is accepted only in part, the Purchaser and each Beneficial Purchaser, if any, understands that a cheque representing the portion of the aggregate Purchase Price for that portion of its subscription for Purchased Securities that is not accepted will be promptly delivered by the Company to the Purchaser without interest.

If the Company receives aggregate subscriptions for more than the 4,000,000 Units to be issued under the Offering, it intends to (i) increase the size of the Offering up to an additional 4,000,000 Units.

**7. Purchaser's Representations, Warranties and Covenants.** The Purchaser and each Beneficial Purchaser, if any, represents, warrants and covenants in favour of the Company as follows and acknowledges that the Company is relying on such representations, warranties and covenants in connection with the transactions contemplated in this Subscription Agreement:

- (a) **Authorization and Effectiveness.** If the Purchaser (or the Beneficial Purchaser) is an individual, it is of the full age of majority and has all requisite legal capacity and competence to execute and deliver this Subscription Agreement and to observe and perform its covenants and obligations hereunder, or if the Purchaser (or the Beneficial Purchaser) is a corporation, the Purchaser (or the Beneficial Purchaser) is duly incorporated and is a valid and existing corporation, has the necessary corporate capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Purchased Securities and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Purchaser (or the Beneficial Purchaser) is a partnership, syndicate or other form of unincorporated organization, the Purchaser has the necessary legal capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Purchased Securities and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in any case, upon acceptance by the Company, this Subscription Agreement will constitute a legal, valid and binding agreement of the Purchaser (and any Beneficial Purchaser), enforceable against the Purchaser (and any Beneficial Purchaser) in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of any of the Purchaser's (or the Beneficial Purchaser's) constating documents, by-laws or authorizing resolutions (if applicable), any agreement to which the Purchaser (or the Beneficial Purchaser) is a party or by which it is bound or any law or judgment applicable to the Purchaser (or the Beneficial Purchaser) or any decree, order, statute, rule or regulation applicable to the Purchaser (or the Beneficial Purchaser);
- (b) **Residence.**
  - (i) The Purchaser and each Beneficial Purchaser, if any, was offered the Purchased Securities in, and is a resident of, the jurisdiction referred to under "Name and Address of Purchaser" and "Details of Beneficial Purchaser", respectively, set out on pages 2 and 3 hereof, and intends that the securities laws of that jurisdiction shall govern any transactions involving the securities subscribed for by the Purchaser (or the Beneficial Purchaser) hereunder and that such addresses were not created and are not used solely for the purpose of acquiring the Purchased Securities;
  - (ii) if the Purchaser (or any Beneficial Purchaser) is resident in or otherwise subject to securities laws of a country other than Canada or the United States, it (or the Beneficial Purchaser) complies with the requirements of all applicable securities laws in the jurisdiction of its residence and will provide such evidence of compliance with all such matters as the Company or their respective counsel may request; and
  - (iii) unless the representations and warranties contained in subsection 7(k) are made, the offer was not made to the Purchaser (or any Beneficial Purchaser) when the Purchaser (or the

Beneficial Purchaser) was in the United States, and at the time the Purchaser's buy order was made and this Subscription Agreement was executed and delivered, the Purchaser (and any Beneficial Purchaser) was outside the United States, and the Purchaser (and any Beneficial Purchaser) was not and is not a U.S. Person;

- (c) **Private Placement Exemptions.** The Purchaser has properly completed, executed and delivered to the Company the applicable certificate (dated as of the date hereof) set forth in the schedules attached hereto, and the information contained therein is true and correct and the representations, warranties and covenants contained in the applicable certificate will be true and correct both as of the date of execution of this Subscription Agreement and as at the Closing Time;
- (d) **Purchasing as Principal.** Unless subsection 7(g) below applies, the Purchaser is purchasing the Purchased Securities as principal (as defined in Securities Laws) for its own account, and not for the benefit of any other person;
- (e) **Purchasing for Investment Only.** Unless subsection 7(g) below applies, the Purchaser is purchasing the Purchased Securities for investment only and not with a view to resale or distribution;
- (f) **No Syndication.** Unless subsection 7(g) below applies, the Purchaser was not created solely to purchase or hold securities as an accredited investor as described in subsection (m) of the definition of "accredited investor" provided in Schedule A-4;
- (g) **Purchasing as Trustee or Agent.**
  - (i) In the case of the purchase by the Purchaser of the Purchased Securities as trustee or agent for any principal whose identity is disclosed or identified, each Beneficial Purchaser: (1) is purchasing its Purchased Securities as principal (as defined in Securities Laws) for its own account and not for the benefit of any other person; (2) is purchasing its Purchased Securities for investment only and not with a view to resale or distribution; (3) was not created solely to purchase or hold securities as an accredited investor as described in subsection (m) of the definition of "accredited investor" provided in Schedule A-4; and (4) either (A) the Beneficial Purchaser is an "accredited investor" as defined in NI 45-106, or (B) the Beneficial Purchaser is a resident of an Offshore Jurisdiction;
  - (ii) in the case of the purchase by the Purchaser of the Purchased Securities as trustee or agent for any principal whose identity is disclosed or identified, the Purchaser is the duly authorized trustee or agent of such Beneficial Purchaser with due and proper power and authority to execute and deliver, on behalf of each such Beneficial Purchaser, this Subscription Agreement and all other documentation in connection with the purchase of the Purchased Securities hereunder, to agree to the terms and conditions herein and therein set out and to make the representations, warranties, acknowledgements and covenants herein and therein contained, all as if each such Beneficial Purchaser were the Purchaser, and the Purchaser's actions as trustee or agent are in compliance with applicable law and the Purchaser and each Beneficial Purchaser acknowledges that the Company is required by law to disclose to certain Regulatory Authorities the identity of each Beneficial Purchaser for whom the Purchaser may be acting; and
  - (iii) in the case of the purchase by the Purchaser of the Purchased Securities on behalf of an undisclosed Beneficial Purchaser, the Purchaser is deemed under Securities Laws to be purchasing as principal;
- (h) **Finder's Fee.** A finder's fee may be paid in connection with the transaction contemplated herein. There are no other arrangements or persons acting or purporting to act in connection with the transactions contemplated herein which creates any entitlement to any brokerage or finder's fee. If any person establishes a claim that any fee or other compensation is payable in connection with this

subscription for Shares other than as provided for herein, the Purchaser covenants to indemnify and hold harmless the Company with respect thereto and with respect to all costs reasonably incurred in the defence thereof.

- (i) **Illegal Use of Funds.** None of the funds being used to purchase the Purchased Securities are, to the Purchaser's (and any Beneficial Purchaser's) knowledge, proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to purchase the Purchased Securities which will be advanced by the Purchaser to the Company hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "PCMLTFA"), and the Purchaser (and the Beneficial Purchaser) acknowledges that the Company may in the future be required by law to disclose the Purchaser's (and the Beneficial Purchaser's) name and other information relating to this Subscription Agreement and the subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of the Purchaser's (and any Beneficial Purchaser's) knowledge, none of the funds to be provided by the Purchaser (or the Beneficial Purchaser) are being tendered on behalf of a person or entity who has not been identified to the Purchaser, and the Purchaser shall promptly notify the Company if the Purchaser (or the Beneficial Purchaser) discovers that any of such representations cease to be true, and shall promptly provide the Company with all necessary information in connection therewith;
- (j) **Resale Restrictions.** The Purchaser (and each Beneficial Purchaser) (i) has been advised to consult its own legal advisors with respect to trading in the Purchased Securities and with respect to the resale restrictions imposed by the securities laws of the jurisdiction in which the Purchaser (or the Beneficial Purchaser) resides and other applicable securities laws, (ii) acknowledges that the Purchaser (or the Beneficial Purchaser) is solely responsible for determining applicable resale restrictions, including applicable hold periods imposed by Securities Laws, and **because the Company is not a reporting issuer (or the equivalent thereof) in any jurisdiction, the statutory hold period may never expire**, (iii) is solely responsible (and the Company is not in any way responsible) for compliance with applicable resale restrictions, and (iv) is aware that the Purchaser (or any Beneficial Purchaser) may not be able to resell such securities except in accordance with limited exemptions under the Securities Laws and other applicable securities laws. In addition, the Purchaser agrees that the Purchased Securities (or securities received in substitution therefor) shall be subject to the same escrow obligations as those securities held by management of the Company upon listing of the common shares of the Company or its successor on a recognized stock exchange;
- (k) **Residents of the United States.** If the Purchaser (or any Beneficial Purchaser) is resident in or otherwise located within the United States or is a U.S. Person or was offered the Units in the United States, the Purchaser (and the Beneficial Purchaser):
  - (i) understands that the Purchased Securities have not been and will not be registered under the U.S. Securities Act or any applicable state securities or "blue sky" laws, and that the offer and sale of such securities to it will be made in reliance upon an exemption from registration available to the Company for offers and sales to "accredited investors" that satisfy one of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act and as set forth on Schedule A-5 hereto;
  - (ii) is an "accredited investor" as described in the immediately foregoing sub-paragraph and is acquiring the Units for investment purposes only and not with a view to any resale, distribution or other disposition of the Purchased Securities in violation of United States federal, state securities or "blue sky" laws;
  - (iii) shall complete and deliver to the Company the **United States Accredited Investor Certificate** attached hereto as Schedule A-5;
  - (iv) acknowledges that it has not purchased the Units as a result of any "general solicitation" or "general advertising" (as those terms are defined in Regulation D under the U.S. Securities Act), including, but not limited to, any advertisements, articles, notices or other

communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio, television, or on the internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

- (v) understands and acknowledges that the Purchased Securities are “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act and that if it decides to offer, sell, pledge or otherwise transfer any of the Purchased Securities, such securities may be offered, sold, pledged or otherwise transferred only: (1) to the Company; (2) outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations; (3) in compliance with Rule 144 or Rule 144A under the U.S. Securities Act, if available, and, in either case, in compliance with any applicable state securities or “blue sky” laws; or (4) in another transaction exempt from registration under the U.S. Securities Act or any applicable state securities or “blue sky” laws, and, in the case of a proposed transfer pursuant to the foregoing clause 1 or clause 2, it has furnished to the Company an opinion of counsel of recognized standing or other evidence of exemption in form and substance satisfactory to the Company;
- (vi) acknowledges that upon the original issuance of the Purchased Securities, and until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, certificates representing the Purchased Securities and all certificates issued in exchange therefor or in substitution thereof shall bear the following legends:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO NEW BREAK RESOURCES LTD. (THE “CORPORATION”), (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH RULE 144 OR RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES OR “BLUE SKY” LAWS, OR (D) IN ANOTHER TRANSACTION EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES OR “BLUE SKY” LAWS, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE SATISFACTORY TO THE CORPORATION.

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

provided that, if the Purchased Securities are being sold at a time when the Company is a “foreign issuer” as defined in Rule 902 of Regulation S under the U.S. Securities Act, the legends set forth above may be removed by providing a declaration in the form of Appendix 1 to Schedule A-5 attached hereto (or such other form as the Company may prescribe from time to time) and other documentation that the Company or its transfer agent may prescribe, including, but not limited to, an opinion of counsel or other evidence of exemption, in either case satisfactory to the Company and its transfer agent, to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act; and provided further that, if any of the Purchased Securities are being sold pursuant to Rule 144 of the U.S. Securities Act, the legend may be removed by delivery to the Company or its transfer agent of an opinion of counsel of recognized

standing in form and substance satisfactory to the Company, to the effect that the legends are no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

- (vii) acknowledges that the Company is not obligated to file and has no present intention of filing with the United States Securities and Exchange Commission or with any state securities commission any registration statement in respect of resales of the Purchased Securities in the United States;
  - (viii) acknowledges that the certificates representing the Purchased Securities will also bear a legend that such Common Shares cannot be traded through the facilities of stock exchanges in Canada since the certificate is not freely transferable and consequently is not “good delivery” in transactions on such stock exchanges, and acknowledges that such stock exchanges would deem the selling security holder to be responsible for any loss incurred on a sale made by such security holder of such securities; and
  - (ix) acknowledges that the Company (1) is not obligated to remain a “foreign issuer” within the meaning of Regulation S under the U.S. Securities Act, (2) may not, at the time the Purchased Securities are resold by it or at any other time, be a foreign issuer, and (3) may engage in one or more transactions which could cause the Company not to be a foreign issuer;
- (l) **Residents of Other Jurisdictions.** If the Purchaser (or any Beneficial Purchaser) is resident in a jurisdiction other than Canada or the United States (an “**Offshore Jurisdiction**”):
- (i) the Purchaser (and any Beneficial Purchaser) is knowledgeable of, or has been independently advised as to, the securities laws of such Offshore Jurisdiction;
  - (ii) the subscription for the Purchased Securities by the Purchaser (or the Beneficial Purchaser) does not contravene any of the applicable securities laws in the Offshore Jurisdiction in which the Purchaser (or the Beneficial Purchaser) resides and does not give rise to any obligation on the part of the Company to prepare and file a prospectus or similar document or to register the Purchased Securities, or to be registered with or to file any report or notice with any governmental or regulatory authority;
  - (iii) the Purchaser (or the Beneficial Purchaser) is purchasing the Purchased Securities pursuant to exemptions from prospectus or registration requirements under applicable securities laws, or if such is not applicable, the Purchaser (or the Beneficial Purchaser) is permitted to purchase the Purchased Securities under the applicable securities laws of the Offshore Jurisdiction without the need to rely on any exemptions;
  - (iv) the applicable securities laws of the Offshore Jurisdiction do not require the Company to make any filings or seek approvals of any kind whatsoever from any securities regulator of any kind whatsoever in the Offshore Jurisdiction in connection with the issue and sale or resale of the Purchased Securities;
  - (v) the Purchaser (and any Beneficial Purchaser) acknowledges and agrees that the Purchased Securities will be subject to certain resale restrictions under Securities Laws and the Purchaser (and the Beneficial Purchaser) agrees to comply with such restrictions;
  - (vi) the Purchaser (or the Beneficial Purchaser) shall complete and deliver to the Company the **Declaration of Non-Canadian Beneficial Ownership** attached hereto as Schedule A-6;
  - (vii) the Purchaser will, if requested by the Company, deliver to the Company a certificate or opinion of local counsel from the Offshore Jurisdiction which will confirm the matters

referred to in the foregoing sub-paragraphs (ii), (iii), (iv) and (v) to the satisfaction of the Company; and

- (viii) the Purchaser (or the Beneficial Purchaser) shall not sell the Purchased Securities until all applicable hold periods have expired;
- (m) **Company or Unincorporated Organization.** If the Purchaser (or any Beneficial Purchaser) is a corporation or a partnership, syndicate, trust, association or any other form of unincorporated organization or organized group of persons, the Purchaser (or the Beneficial Purchaser) was not created and is not being used solely to permit purchases of or to hold securities without a prospectus in reliance on a prospectus exemption;
- (n) **Absence of Offering Memorandum or Similar Document.** The Purchaser (and any Beneficial Purchaser) has not received, nor has it requested, nor does it have any need to receive, any offering memorandum or any other document describing the business and affairs of the Company, nor has any document been prepared for delivery to, or review by, prospective purchasers in order to assist them in making an investment decision in respect of the Units. The Purchaser's decision to subscribe for the Units was based solely upon the Term Sheet attached hereto as Schedule A-7;
- (o) **Absence of Advertising.** The offering and sale of the Units to the Purchaser (and any Beneficial Purchaser) was not made or solicited through, and the Purchaser (and any Beneficial Purchaser) is not aware of, any general solicitation or general advertising with respect to the Offering, including advertisements, articles, notices or other communications published in any printed public media, radio, television or telecommunications, including electronic display (such as the internet), or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (p) **Investment Suitability.** The Purchaser (and any Beneficial Purchaser) has such knowledge of and experience in financial and business affairs so as to be capable of evaluating the merits and risks of the investment hereunder in the Units and is able to bear the economic risk of total loss of such investment;
- (q) **Other Documents.** The Purchaser (and any Beneficial Purchaser) will promptly execute and deliver any other documents required by the Company or under Securities Laws to permit the purchase of the Units on the terms herein set forth;
- (r) **Personal Information.** The Purchaser acknowledges that this Subscription Agreement requires the Purchaser to provide certain Personal Information to the Company. Such information is being collected and will be used by the Company for the purposes of completing the proposed Offering, which includes, without limitation, determining the Purchaser's eligibility to purchase the Purchased Securities under Securities Laws, preparing and registering the certificates representing the Purchased Securities, and completing filings required by the Regulatory Authorities. The Purchaser agrees that the Purchaser's Personal Information may be disclosed by the Company to: (a) stock exchanges and Regulatory Authorities; (b) the Company's registrar and transfer agent; and (c) any of the other parties involved in the proposed Offering and legal counsel for the Company, and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Purchaser consents to the foregoing collection, use and disclosure of the Purchaser's Personal Information, as well as the Personal Information of any Beneficial Purchaser (if applicable). The Purchaser also consents to the filing of copies or originals of any of the Purchaser's documents described in Section 3 as may be required to be filed with any stock exchange or Regulatory Authorities in connection with the transactions contemplated hereby;
- (s) **No Undisclosed Information.** In making its subscription hereunder, the Purchaser (and any Beneficial Purchaser) has relied solely upon this Subscription Agreement and not upon any verbal or other written representation as to fact or otherwise made by or on behalf of the Company or any employees, agents or affiliates thereof; and

- (t) **Not a “Control Person”.** The Purchaser (and any Beneficial Purchaser) is not a “control person” of the Company, as that term is defined in Securities Laws, and will not become a “control person” of the Company by virtue of the purchase of Purchased Securities under this Subscription Agreement, and does not act or intend to act in concert with any other person to form a control group in respect of the Company.

The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that the foregoing representations, warranties and covenants are made by it with the intention that they may be relied upon by the Company in determining the Purchaser’s eligibility or (if applicable) the eligibility of each Beneficial Purchaser to purchase the Purchased Securities under Securities Laws. The Purchaser and each Beneficial Purchaser, if any, further agrees that by accepting delivery of the Purchased Securities on the Closing Date, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the Closing Date with the same force and effect as if they had been made by the Purchaser and each Beneficial Purchaser at the Closing Time, and that they shall survive the purchase of the Purchased Securities hereunder and shall continue in full force and effect notwithstanding any subsequent disposition by the Purchaser or any Beneficial Purchaser of the Purchased Securities. The Purchaser and each Beneficial Purchaser, if any, undertakes to notify the Company immediately of any change in any representation, warranty or other information relating to the Purchaser or any Beneficial Purchaser set out in this Subscription Agreement which takes place prior to the Closing Time.

**8. Purchaser’s Acknowledgements.** The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that:

- (a) The Purchaser has received a copy of the Term Sheet setting out the principal terms of the Offering;
- (b) (i) no agency, Regulatory Authority, governmental authority, regulatory body, stock exchange or other entity has reviewed, passed on, made any finding or determination as to the merits of investment in, nor have any such bodies or entities made any recommendation or endorsement with respect to, the Purchased Securities or the Offering; (ii) there is no governmental or other form of insurance covering the Purchased Securities; and (iii) there are risks associated with the purchase of the Purchased Securities;
- (c) it is aware that the Purchased Securities are securities of a private company and are speculative investments which involve a substantial degree of risk of loss by the Purchaser (or the Beneficial Purchaser) of its entire investment, and understands and takes full cognizance of the risk factors related to the purchase of the Purchased Securities. The Purchaser (and any Beneficial Purchaser) is aware that the Company is newly formed and has been operating at a loss and may do so for the foreseeable future, and that any projections or predictions that may have been made available to investors are based on estimates, assumptions and forecasts which may prove to be incorrect, and no assurance is given that actual results will correspond with the results contemplated by any such projections;
- (d) the purchase of the Purchased Securities has not been or will not be (as applicable) made through, or as a result of, and the distribution of the Purchased Securities is not being accompanied by, a general solicitation or advertisement including articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, television or the internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (e) no prospectus or other offering document has been filed by the Company with a Regulatory Authority or other securities regulatory authority in any jurisdiction in or outside of Canada in connection with the issuance of the Units, and such issuances are exempt from the prospectus requirements otherwise applicable under the provisions of Securities Laws and, as a result, in connection with its purchase of the Purchased Securities hereunder, as applicable:

- (i) the Purchaser (and any Beneficial Purchaser) is restricted from using most of the protections, rights and remedies available under Securities Laws including, without limitation, statutory rights of rescission or damages;
  - (ii) the Purchaser (and any Beneficial Purchaser) will not receive information that may otherwise be required to be provided to the Purchaser under Securities Laws or contained in a prospectus prepared in accordance with Securities Laws;
  - (iii) the Company is relieved from certain obligations that would otherwise apply under Securities Laws; and
  - (iv) there are restrictions on the Purchaser's (or the Beneficial Purchaser's) ability to resell the Purchased Securities, and it is the responsibility of the Purchaser (or the Beneficial Purchaser) to determine these restrictions and to comply with them before selling any such securities;
- (f) all costs and expenses incurred by the Purchaser (and any Beneficial Purchaser), including any fees and disbursements of legal counsel retained by the Purchaser (or the Beneficial Purchaser), relating to the purchase of the Purchased Securities shall be borne by the Purchaser;
- (g) none of the Company, or any of its respective affiliates, related entities and associates, nor any persons acting on their behalf, including Peterson McVicar LLP, legal counsel to the Company only, will in any circumstances be liable to the Purchaser (or any Beneficial Purchaser) under, or in any manner in connection with, this Subscription Agreement for any indirect or consequential loss or damage whether arising in contract or tort (including for negligence or statutory duty), and Peterson McVicar LLP is not acting for the Purchaser (or any Beneficial Purchaser), and further that the Purchaser should obtain its own independent legal advice in connection with the transactions contemplated hereby;
- (h) the Purchased Securities will be subject to certain resale restrictions under Securities Laws, and the Purchaser (and any Beneficial Purchaser) agrees to comply with such restrictions. For purposes of complying with Securities Laws (including National Instrument 45-102 - *Resale of Securities*), the Purchaser (and the Beneficial Purchaser) understands and acknowledges that upon the issuance of the Purchased Securities, the certificates representing the Purchased Securities shall bear a legend substantially in the following form:
- “UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [DISTRIBUTION DATE TO BE INSERTED], AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.”;
- (i) **the Company may never become a reporting issuer (or equivalent thereof) and, therefore, the hold period applicable to the Purchased Securities may never expire, and the Purchaser (and any Beneficial Purchaser) should consult legal counsel in its jurisdiction for full particulars of applicable resale restrictions;**
- (j) there is currently no market for the securities of the Company and none is expected to develop unless and until a Transaction is completed;
- (k) no person has made any written or oral representations or undertakings: (i) that any person will resell or repurchase the Purchased Securities; (ii) that any person will refund all or any of the Purchase Price; or (iii) as to the future price or value of the Purchased Securities;



- (l) the Company may complete additional financings in the future in order to develop its business and fund its ongoing development, and such future financings may have a dilutive effect on current securityholders of the Company, including the Purchaser (or the Beneficial Purchaser), but there is no assurance that such financing will be available, on reasonable terms or at all, and if not available, the Company may be unable to fund its ongoing development or continue; and
- (m) the Purchaser (and any Beneficial Purchaser) is solely responsible for obtaining such legal advice and tax advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement and the completion of the transactions contemplated hereby.

**9. Further Acknowledgements of the Purchaser.** The Purchaser (and any Beneficial Purchaser) hereby acknowledges, agrees and consents to the disclosure of Personal Information to each of the Company and the Regulatory Authorities, for the purpose of compliance with all applicable laws, including Securities Laws, corporate finance and shareholder communications, or such other purposes as are necessary to the Company's business.

If the Purchaser (or the Beneficial Purchaser) is resident in or otherwise subject to the Securities Laws of the Province of Ontario, the Purchaser (and the Beneficial Purchaser) authorizes the indirect collection of Personal Information pertaining to the Purchaser (and the Beneficial Purchaser) by the OSC and acknowledges and agrees that the Purchaser (and the Beneficial Purchaser) has been notified by the Company: (i) of the delivery to the OSC of Personal Information pertaining to the Purchaser (or the Beneficial Purchaser), including, without limitation, its full name, residential address and telephone number, the number and type of securities purchased and the total Purchase Price paid in respect of the Purchased Securities; (ii) that this information is being collected indirectly by the OSC under the authority granted to it in the Securities Laws of the Province of Ontario; (iii) that this information is being collected for the purposes of the administration and enforcement of the Securities Laws of the Province of Ontario; and (iv) that the title, business address and business telephone number of the public official in the Province of Ontario who can answer questions about the OSC's indirect collection of the information is the OSC c/o Administrative Support Clerk, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario, Canada, M5H 3S8, Telephone: +1 (416) 593-8314, Facsimile: +1 (416) 593-8122.

**10. No Revocation.** The Purchaser (and any Beneficial Purchaser) agrees that this offer is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Purchaser without the consent of the Company. Further, the Purchaser (and any Beneficial Purchaser) expressly waives and releases the Company from all rights of withdrawal or rescission, if any, to which the Purchaser (or the Beneficial Purchaser) might otherwise be entitled pursuant to Securities Laws or otherwise at law.

**11. Indemnity.** The Purchaser (and any Beneficial Purchaser) agrees to indemnify and hold harmless the Company and its respective directors, officers, employees, agents, advisers and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising from or based on

- (a) any inaccuracy in any representation or warranty made by the Purchaser (or any Beneficial Purchaser) in this Subscription Agreement;
- (b) any document furnished by the Purchaser (or any Beneficial Purchaser) in connection with this Subscription Agreement being untrue in any material respect; or
- (c) the failure of the Purchaser (or any Beneficial Purchaser) to comply with any covenant or agreement made by it herein or in any document furnished to the Company by it in connection herewith.

To the extent that any person entitled to be indemnified hereunder is not a party to this Subscription Agreement, the Company shall obtain and hold the rights and benefits of this Subscription Agreement in trust for, and on behalf of, such person and such person shall be entitled to enforce the provisions of this Section 12 notwithstanding that such person is not a party to this Subscription Agreement.

**12. Assignment.** The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of (i) the Purchaser (and any Beneficial Purchaser) and its successors, assignees, heirs, executors, administrators and personal representatives, as applicable, and (ii) the Company and its successors and assigns; provided that this Subscription Agreement shall not be assignable by either party without the prior written consent of the other party. For greater certainty, this Subscription Agreement may only be transferred or assigned by the Purchaser subject to compliance with applicable laws (including, without limitation, Securities Laws) and with the express written consent of the Company.

**13. Survival and Counterparts.** All representations, warranties, agreements and covenants made or deemed to be made by the Purchaser (and the Beneficial Purchaser) herein will survive the execution and delivery of this Subscription Agreement and the Closing. This Subscription Agreement may be executed in any number of counterparts, each of which when delivered, either in original or facsimile form, shall be deemed to be an original and both of which together shall constitute one and the same document.

**14. Governing Law.** This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Purchaser (and any Beneficial Purchaser) hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Subscription Agreement.

**15. Facsimile/Portable Document Format Subscriptions.** The Company shall be entitled to rely on delivery by facsimile machine or portable document format (“PDF”) of an executed copy of this Subscription Agreement, and acceptance by the Company of such facsimile or PDF copy shall be legally effective to create a valid and binding agreement between the Purchaser (and any Beneficial Purchaser) and the Company in accordance with the terms hereof.

**16. Entire Agreement.** This Subscription Agreement constitutes the entire agreement of the parties hereto relating to the subject matter hereof, and there are no representations, warranties, covenants or other agreements relating to the subject matter hereof except as expressly stated or referred to herein.

**17. Amendments and Waivers.** No amendment to this Subscription Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties hereto. No waiver of any breach of any provision of this Subscription Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same, and, unless otherwise provided, will be limited to the specific breach waived.

**18. Language.** The Purchaser (and any Beneficial Purchaser) acknowledges its consent and requests that all documents evidencing or relating in any way to its purchase of Shares be drawn up in the English language only. *Nous reconnaissons par les présentes avoir consenti et demandé que tous les documents faisant foi ou se rapportant de quelque manière à l’achat des valeurs mobilières ci-dessus soient rédigés en anglais seulement.*

**19. Time of Essence.** Time shall be of the essence of this Subscription Agreement.

**20. Currency.** All references to monetary amounts or “\$” in this Subscription Agreement are to lawful money of Canada unless otherwise specified.

**21. Further Assurances.** Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Subscription Agreement.

**22. Singular and Plural, etc.** Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

**23. Headings.** The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

*(remainder of page intentionally left blank)*

**SCHEDULE A-1**

**FAMILY MEMBER, CLOSE PERSONAL FRIEND AND/OR  
CLOSE BUSINESS ASSOCIATE QUESTIONNAIRE**

**TO: New Break Resources Ltd.** (the “Issuer”)

Name of director, executive officer, founder or control person of the Issuer or an affiliate of the Issuer with whom the Purchaser has a relationship: \_\_\_\_\_.

\_\_\_\_\_  
Details of Relationship (*please see definitions below; attached Schedule if space is limited*):

\_\_\_\_\_  
Length of Relationship:

\_\_\_\_\_  
Details of Prior Business Dealings:

\_\_\_\_\_  
For the purposes hereof:

“Close personal friend” means an individual who knows the director, executive officer, founder or control person of the Issuer well enough and has known him or her directly for a sufficient period of time to be in a position to assess his or her capabilities and trustworthiness, and to obtain information from him or her with respect to the investment. An individual is not a “close personal friend” solely because the individual is a (i) relative, (ii) a member of the same club, organization, association or religious group, (iii) a co-worker, colleague or associate at the same workplace, (iv) a client, customer, former client or former customer, or (v) a mere acquaintance of a director, executive officer, founder or control person of the Issuer, or is connected through some form of social media, such as Facebook<sup>TM</sup>, Twitter<sup>TM</sup> or LinkedIn<sup>TM</sup> with a director, executive officer, founder or control person of the Issuer.

“Family member” means (i) a spouse, parent, grandparent, brother, sister, child, or grandchild of a director, executive officer, founder or control person of the Issuer or of an affiliate of the Issuer; or (ii) a parent, grandparent, brother, sister, child, or grandchild of the spouse of a director, executive officer, founder or control person of the Issuer or of an affiliate of the Issuer.

“Close business associate” means an individual who has had sufficient prior direct business dealings with a director, executive officer, founder or control person of the Issuer to be in a position to assess his or her capabilities and trustworthiness, and to obtain information from him or her with respect to the investment. An individual is not a “close business associate” solely because the individual is (i) a member of the same club, organization, association or religious group, (ii) a co-worker, colleague or associate at the same workplace, (iii) a client, customer, former client or former customer, or (iv) a mere acquaintance of a director, executive officer, founder or control person of the Issuer, or is connected through some form of social media, such as Facebook<sup>TM</sup>, Twitter<sup>TM</sup> or LinkedIn<sup>TM</sup> with a director, executive officer, founder or control person of the Issuer.

The Purchaser understands that the Issuer and its counsel are relying on this information in determining to sell securities to the Purchaser in a manner exempt from the registration and prospectus requirements of applicable securities laws.

The Purchaser has executed this Questionnaire as of the \_\_\_\_\_ day of \_\_\_\_\_, 2022.

If a Corporation, Partnership or other Entity:

If an Individual:

\_\_\_\_\_  
*Name of Entity*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Type of Entity*

\_\_\_\_\_  
*Name of Individual*

\_\_\_\_\_  
*Signature of Person Signing*

\_\_\_\_\_  
*Title of Person Signing*

**SCHEDULE A-2**

**Form 45-106F12  
Ontario Risk Acknowledgement Form for Family, Friend and  
Business Associate Investors**

**WARNING!**  
This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

<b>SECTION 1 TO BE COMPLETED BY THE ISSUER</b>	
<b>1. About your investment</b>	
Type of securities: <b>Units (Common Shares and Warrants)</b>	Issuer: <b>New Break Resources Ltd.</b>
<b>SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER</b>	
<b>2. Risk acknowledgement</b>	
This investment is risky. Initial that you understand that:	<b>Your initials</b>
<b>Risk of loss</b> – You could lose your entire investment of \$ _____. <i>[Instruction: Insert the total dollar amount of the investment.]</i>	
<b>Liquidity risk</b> – You may not be able to sell your investment quickly – or at all.	
<b>Lack of information</b> – You may receive little or no information about your investment. The information you receive may be limited to the information provided to you by the family member, friend or close business associate specified in section 3 of this form.	
<b>3. Family, friend or business associate status</b>	
You must meet one of the following criteria to be able to make this investment. Initial the statement that applies to you:	<b>Your initials</b>
A) You are: <ul style="list-style-type: none"> <li>1) <i>[check all applicable boxes]</i> <ul style="list-style-type: none"> <li><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</li> <li><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</li> <li><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</li> <li><input type="checkbox"/> a founder of the issuer</li> </ul> </li> <li>OR</li> <li>2) <i>[check all applicable boxes]</i> <ul style="list-style-type: none"> <li><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</li> <li><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</li> </ul> </li> </ul>	
B) You are a family member of _____ <i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]</i> , who holds the following position at the issuer or an affiliate of the issuer: _____.  You are the _____ of that person or that person's spouse. <i>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</i>	
C) You are a close personal friend of _____ <i>[Instruction: Insert the name of your close personal friend]</i> , who holds the following position at the issuer or an affiliate of the issuer: _____.  You have known that person for _____ years.	

D) You are a close business associate of _____ <i>[Instruction: Insert the name of your close business associate]</i> , who holds the following position at the issuer or an affiliate of the issuer: _____ You have known that person for _____ years.	
<b>4. Your name and signature</b>	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. You also confirm that you are eligible to make this investment because you are a family member, close personal friend or close business associate of the person identified in section 5 of this form.	
First and last name (please print):	
Signature:	Date:
<b>SECTION 5 TO BE COMPLETED BY THE PERSON WHO CLAIMS THE CLOSE PERSONAL RELATIONSHIP, IF APPLICABLE</b>	
<b>5. Contact person at the issuer or an affiliate of the issuer</b>	
<i>[Instruction: To be completed by the director, executive officer, control person or founder with whom the purchaser has a close personal relationship indicated under sections 3B, C or D of this form.]</i>	
By signing this form, you confirm that you have, or your spouse has, the following relationship with the purchaser: <i>[check the box that applies]</i>	
<input type="checkbox"/> family relationship as set out in section 3B of this form <input type="checkbox"/> close personal friendship as set out in section 3C of this form <input type="checkbox"/> close business associate relationship as set out in section 3D of this form	
First and last name of contact person <i>[please print]</i> :	
Position with the issuer or affiliate of the issuer (director, executive officer, control person or founder):	
Telephone:	Email:
Signature	Date:
<b>SECTION 6 TO BE COMPLETED BY THE ISSUER</b>	
<b>6. For more information about this investment</b>	
New Break Resources Ltd. 18 King Street East, Suite 902 Toronto, ON M5C 1C4  Attention: Michael Farrant, President and Chief Executive Officer Email: <a href="mailto:mfarrant@newbreakresources.ca">mfarrant@newbreakresources.ca</a> Website: <a href="http://www.newbreakresources.ca">www.newbreakresources.ca</a>	
<b>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at <a href="http://www.securities-administrators.ca">www.securities-administrators.ca</a>.</b>	
Signature of executive officer of the issuer (other than the purchaser):	Date:

**Form instructions:**

1. *This form does not mandate the use of a specific font size or style but the font must be legible.*
2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
3. *The purchaser, an executive officer who is not the purchaser and, if applicable, the person who claims the close personal relationship to the purchaser must sign this form. Each of the purchaser, contact person at the issuer and the issuer must receive a copy of this form signed by the purchaser. The issuer is required to keep a copy of this form for 8 years after the distribution.*
4. *The detailed relationship required to purchase securities under this exemption are set out in section 2.5 of National Instrument 45-106 Prospectus and Registration Exemptions. For guidance on the meaning of “close personal friend” and “close business associate”, please refer to sections 2.7 and 2.8, respectively, of Companion Policy 45-106CP Prospectus and Registration Exemptions.*

SCHEDULE A-3

Form 45-106F5

**Risk Acknowledgment**

**Saskatchewan Close Personal Friends and Close Business Associates**

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities.
- The person selling me these securities is not registered with a securities regulatory authority or regulator and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.
- I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus. I do have a 2-day right to cancel my purchase of these securities if I receive an amended offering document.

I am investing \$ \_\_\_\_\_ [total consideration] in total; this includes any amount I am obliged to pay in future.

I am a **close** personal friend or **close** business associate of \_\_\_\_\_ [state name], who is a \_\_\_\_\_ [state title - founder, director, executive officer or control person] of New Break Resources Ltd. or an affiliate of New Break Resources Ltd.

I acknowledge that I am purchasing based on my close relationship with \_\_\_\_\_ [state name of founder, director, executive officer or control person] whom I know well enough and for a sufficient period of time to be able to assess her/his capabilities and trustworthiness.

**I acknowledge that this is a risky investment and that I could lose all the money I invest.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

WARNING

**You are buying *Exempt Market Securities***

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

**You may not receive any written information about the issuer or its business.**

If you have any questions about the issuer or its business, ask for written clarification before you purchase the securities. You should consult your own professional advisers before investing in the securities.

**You will not receive advice.**

Unless you consult your own professional advisers, you will not get professional advice about whether the investment is suitable for you.

**The issuer of your securities is a non-reporting issuer.**

A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer. You can only sell the securities of a non-reporting issuer in very limited circumstances. You may never be able to sell these securities.

**The securities you are buying are not listed.**

The securities you are buying are not listed on any stock exchange, and they may never be listed. There may be no market for these securities. You may never be able to sell these securities.

For more information on the *exempt market*, refer to the Saskatchewan Financial Services Commission's website at <http://www.sfsc.gov.sk.ca>.

*[Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.]*



**SCHEDULE A-4**

**CANADIAN ACCREDITED INVESTOR CERTIFICATE**

*TO BE COMPLETED ONLY IF THE PURCHASER IS RESIDENT IN CANADA*

*The categories listed herein contain certain specifically defined terms. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your investment advisor and/or legal advisor before completing this certificate.*

In connection with the purchase by the undersigned Purchaser of the Purchased Securities, the Purchaser, on its own behalf and on behalf of each Beneficial Purchaser, hereby represents, warrants, covenants and certifies to the Company (and acknowledges that the Company and its counsel are relying thereon) that:

- (a) the Purchaser, or each Beneficial Purchaser, is resident in or otherwise subject to the Securities Laws of one of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland and Labrador, Nova Scotia, New Brunswick or Prince Edward Island or one of the territories of Yukon, Northwest Territories or Nunavut;
- (b) the Purchaser, or each Beneficial Purchaser, is purchasing the Purchased Securities as principal (as defined in Securities Laws) for its own account and not for the benefit of any other person;
- (c) the Purchaser, or each Beneficial Purchaser, is an “accredited investor” within the meaning of NI 45-106 on the basis that it qualifies in the category of “accredited investor” reproduced below beside which the Purchaser has indicated that it so qualifies; and
- (d) upon execution of this Schedule A-4 by the Purchaser, this Schedule A-4 shall be incorporated into and form a part of the Subscription Agreement.

**(PLEASE CHECK THE BOX OF THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR)**

<input type="checkbox"/>  <input type="checkbox"/>	(a.) except in Ontario, a Canadian financial institution, or a Schedule III bank,  (a.1) in Ontario, a financial institution described in paragraph 1, 2 or 3 of subsection 73.1 (1) of the Securities Act (Ontario),
<input type="checkbox"/>  <input type="checkbox"/>	(b.) except in Ontario, the Business Development Bank of Canada incorporated under the <i>Business Development Bank of Canada Act</i> (Canada),  (b.1) in Ontario, the Business Development Bank of Canada,
<input type="checkbox"/>  <input type="checkbox"/>	(c.) except in Ontario, a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,  (c.1) in Ontario, a subsidiary of any person or company referred to in clause (a.1) or (b.1), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,

_____	<p>(d.) except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer,</p> <p>(d.1) in Ontario, a person or company registered under the securities legislation of a province or territory of Canada as an adviser or dealer, except as otherwise prescribed by the regulations,</p> <p><b>Jurisdiction(s) registered:</b> _____ <b>Categories of registration:</b> _____</p>
_____	<p>(e.) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d),</p> <p>(e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the <i>Securities Act</i> (Ontario) or the <i>Securities Act</i> (Newfoundland and Labrador),</p> <p><b>Name of person with whom Subscriber is or was registered:</b></p> <p>_____</p> <p><b>Jurisdiction(s) registered:</b> _____ <b>Categories of registration:</b> _____</p>
_____	<p>(f.) except in Ontario, the Government of Canada or a jurisdiction of Canada, or any Crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,</p> <p>(f.1) in Ontario, the Government of Canada, the government of a province or territory of Canada, or any Crown corporation, agency or wholly owned entity of the Government of Canada or of the government of a province or territory of Canada,</p>
_____	<p>(g.) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an inter-municipal management board in Québec,</p>
_____	<p>(h.) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,</p>
_____	<p>(i.) except in Ontario, a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada,</p> <p>(i.1) in Ontario, a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a province or territory of Canada,</p> <p><b>Jurisdiction(s) registered:</b> _____ <b>Registration number(s):</b> _____</p>
_____	<p>(j.) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000, <b>[If this is your applicable category, you must also complete Form 45-106F9 attached as Appendix I to this Schedule A-4]</b></p> <p>(j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000,</p>
_____	<p>(k.) an individual whose net income before taxes exceeded \$200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year, <b>[If this is your applicable category, you must also complete Form 45-106F9 attached as Appendix I to this Schedule A-4]</b></p>

_____	(l.) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000, <b>[If this is your applicable category, you must also complete Form 45-106F9 attached as Appendix I to this Schedule A-4]</b>
_____	(m.) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements,  <b>Type of entity:</b> _____ <b>Jurisdiction and date of formation:</b> _____
_____	(n.) an investment fund that distributes or has distributed its securities only to:  (i) a person that is or was an accredited investor at the time of the distribution,  (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], or 2.19 [Additional investment in investment funds], or  (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment],
_____	(o.) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt,
_____	(p.) a trust company or trust corporation registered or authorized to carry on business under the <i>Trust and Loan Companies Act</i> (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,  <b>Jurisdiction(s) registered:</b> _____ <b>Registration number(s):</b> _____
_____	(q.) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction,  <b>Jurisdiction(s) registered or authorized:</b> _____ <b>Categories of registration:</b> _____
_____	(r.) a registered charity under the <i>Income Tax Act</i> (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,  <b>Registration number(s) assigned to subscriber:</b> _____ <b>Name of eligibility adviser or registered advisor:</b> _____ <b>Jurisdiction(s) registered:</b> _____ <b>Categories of registration:</b> _____

_____	<p>(s.) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) paragraph (i) [and in Ontario, paragraphs (a.1) to (d.1) or paragraph (i.1)] in form and function,</p> <p><b>Jurisdiction organized:</b> _____ <b>Type of entity</b> _____</p>
_____	<p>(t.) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors [If this is your applicable category, each owner of interest must individually complete and submit to the Corporation its own copy of this Accredited Investor Certificate],</p> <p><b>Name(s) of owners of interest:</b> _____</p> <p><b>Type of entity (if applicable):</b> _____</p> <p><b>Categories of accredited investor:</b> _____</p>
_____	<p>(u.) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,</p> <p><b>Name of advisor:</b> _____ <b>Jurisdiction(s) registered:</b> _____</p> <p><b>Categories of registration:</b> _____ <b>Basis of exemption:</b> _____</p>
_____	<p>(v.) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor,</p> <p>(v.1) in Ontario, a person or company that is recognized or designated by the Commission as an accredited investor,</p> <p><b>Jurisdiction(s) recognized or designated</b> _____</p>
_____	<p>(w.) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.</p> <p><b>Name(s) of settlor:</b> _____</p> <p><b>Name(s) of trustees:</b> _____</p> <p><b>Categories of accredited investor:</b> _____</p> <p><b>Categories of beneficiaries:</b> _____</p>

The foregoing representations contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing Time. If any such representations shall not be true and accurate prior to the Closing Time, the Purchaser shall give immediate written notice of such fact to the Company prior to the Closing Time.

If a Corporation, Partnership or Other Entity:

If an Individual:

\_\_\_\_\_  
Name of Entity

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Type of Entity

\_\_\_\_\_  
Name of Individual

\_\_\_\_\_  
Signature of Person Signing

\_\_\_\_\_  
Title of Person Signing

## Definitions

For the purposes of the categories of accredited investor described in (a) through (v) above, the following definitions are included for convenience:

- (a) **“Canadian financial institution”** means (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that act, or (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) **“control person”** has the same meaning as in Securities Laws except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Quebec, Prince Edward Island and Québec where “control person” means any person or company that holds or is one of a combination of persons or companies that holds (i) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or (ii) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;
- (c) **“entity”** means a company, syndicate, partnership, trust or unincorporated organization;
- (d) **“financial assets”** means cash, securities, or a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of Securities Laws;
- (e) **“founder”** means, in respect of an issuer, a person who, (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and (ii) at the time of the trade is actively involved in the business of the issuer;
- (f) **“fully managed account”** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction;
- (g) **“investment fund”** means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an employee venture capital corporation that does not have a restricted constitution and is registered under Part 2 of the *Employee Investment Act* (British Columbia) and whose business objective is making multiple investments, and a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), whose business objective is making multiple investments;
- (h) **“person”** includes (i) an individual, (ii) a corporation, (iii) a partnership, trust, fund, and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and (iv) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative;
- (i) **“related liabilities”** means, liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets or liabilities that are secured by financial assets;
- (j) **“Schedule III bank”** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (k) **“spouse”** means an individual who (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada) from the other individual, (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and

- (l) “**subsidiary**” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

In NI 45-106, a person is considered to be an affiliate of another person if one is a subsidiary of the other, or if each of them is controlled by the same person.

In NI 45-106, a person (first person) is considered to control another person (second person) if (a) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation, (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

In NI 45-106, a trust company or trust corporation described in paragraph (p) above of the definition of “accredited investor” (other than a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada) is deemed to be purchasing as principal.

In NI 45-106, a person described in paragraph (q) above of the definition of “accredited investor” is deemed to be purchasing as principal.

**Appendix I to Schedule A-4  
to the Subscription Agreement of New Break Resources Ltd.**

**FORM 45-106F9 - FORM FOR INDIVIDUAL ACCREDITED INVESTORS**

**WARNING!**  
This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

<b>1. About your investment</b>	
Type of securities: Units (Common Shares and Warrants)	Issuer: New Break Resources Ltd.
<b><u>SECTIONS 2 TO 4 TO BE COMPLETED BY THE SUBSCRIBER</u></b>	
<b>2. Risk acknowledgement</b>	
This investment is risky. Initial that you understand that:	<b>Your Initials</b>
<b>Risk of loss</b> – You could lose your entire investment of \$ _____	
<b>Liquidity risk</b> – You may not be able to sell your investment quickly – or at all.	
<b>Lack of information</b> – You may receive little or no information about your investment.	
<b>Lack of advice</b> – You may not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to <a href="http://www.aretheyregistered.ca">www.aretheyregistered.ca</a> .	
<b>3. Accredited Investor Status</b>	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	<b>Your Initials</b>
<ul style="list-style-type: none"> <li>• Your net income before taxes was more than \$200,000 in each for the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)</li> </ul>	
<ul style="list-style-type: none"> <li>• Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.</li> </ul>	
<ul style="list-style-type: none"> <li>• Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the case and securities.</li> </ul>	
<ul style="list-style-type: none"> <li>• Either alone or with your spouse, you may have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)</li> </ul>	

<b>4. Your name and signature</b>	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
<b><u>SECTION 5 TO BE COMPLETED BY SALESPERSON</u></b>	
<b>5. Salesperson information</b>	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
<b>6. For more information about this investment, please contact:</b>	
<p>New Break Resources Ltd.  18 King Street East, Suite 902  Toronto, ON M5C 1C4</p> <p>Attention: Michael Farrant, President and Chief Executive Officer  Email: <a href="mailto:mfarrant@newbreakresources.ca">mfarrant@newbreakresources.ca</a>  Website: <a href="http://www.newbreakresources.ca">www.newbreakresources.ca</a></p> <p><b>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at <a href="http://www.securities-administrators.ca">www.securities-administrators.ca</a></b></p>	



## SCHEDULE A-5

### U.S. ACCREDITED INVESTOR QUESTIONNAIRE

The undersigned Purchaser understands and agrees that the Purchased Securities of New Break Resources Ltd. (the "Issuer") have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "1933 Act"), or applicable state securities laws, and the Purchased Securities are being offered and sold by the Issuer to the Purchaser in reliance upon Rule 506 of Regulation D under the 1933 Act.

The undersigned represents, warrants and covenants (which representations, warranties and covenants shall survive the Closing) to the Issuer (and acknowledges that the Issuer is relying thereon) that:

- (a) it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits, and risks of the investment and it is able to bear the economic risk of loss of the investment;
- (b) it is purchasing the Purchased Securities for its own account or for the account of one or more persons for investment purposes only and not with a view to resale or distribution and, in particular, it has no intention to distribute either directly or indirectly any of the Purchased Securities in the United States; provided, however, that the Purchaser may sell or otherwise dispose of any of the Purchased Securities pursuant to registration thereof pursuant to the 1933 Act and any applicable state securities laws or under an exemption from such registration requirements;
- (c) it, and if applicable, each person for whose account it is purchasing the Purchased Securities satisfies one or more of the categories of "accredited investor" indicated below **(the Purchaser must initial the appropriate line(s))**:

- \_\_\_\_\_ Category 1. A bank, as defined in Section 3(a)(2) of the 1933 Act, whether acting in its individual or fiduciary capacity;
- \_\_\_\_\_ Category 2. A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the 1933 Act, whether acting in its individual or fiduciary capacity;
- \_\_\_\_\_ Category 3. A broker or dealer registered pursuant to Section 15 of the United States Securities Exchange Act of 1934;
- \_\_\_\_\_ Category 4. An insurance company as defined in Section 2(13) of the 1933 Act;
- \_\_\_\_\_ Category 5. An investment company registered under the United States Investment Company Act of 1940;
- \_\_\_\_\_ Category 6. A business development company as defined in Section 2(a)(48) of the United States Investment Company Act of 1940;
- \_\_\_\_\_ Category 7. A small business investment company licensed by the U.S. Small Business Administration under Section 301 (c) or (d) of the United States Small Business Investment Act of 1958;
- \_\_\_\_\_ Category 8. A plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with total assets in excess of U.S. \$5,000,000;

- \_\_\_\_\_ Category 9. An employee benefit plan within the meaning of the United States Employee Retirement Income Security Act of 1974 in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan with total assets in excess of U.S. \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are accredited investors;
- \_\_\_\_\_ Category 10. A private business development company as defined in Section 202(a)(22) of the United States Investment Advisers Act of 1940;
- \_\_\_\_\_ Category 11. An organization described in Section 501(c)(3) of the United States Internal Revenue Code, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of U.S. \$5,000,000;
- \_\_\_\_\_ Category 12. Any director or executive officer of the Issuer;
- \_\_\_\_\_ Category 13. A natural person whose individual net worth, or joint net worth with that person's spouse, at the date hereof exceeds U.S.\$1,000,000;
- \_\_\_\_\_ Category 14. A natural person who had an individual income in excess of U.S.\$200,000 in each of the two most recent years or joint income with that person's spouse in excess of U.S.\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- \_\_\_\_\_ Category 15. A trust, with total assets in excess of U.S.\$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the 1933 Act; or
- \_\_\_\_\_ Category 16. Any entity in which all of the equity owners meet the requirements of at least one of the above categories;
- (d) it has not purchased the Purchased Securities as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (e) it understands that if it decides to offer, sell or otherwise transfer the Purchased Securities, it will not offer, sell or otherwise transfer any of such Purchased Securities directly or indirectly, unless:
- (i) the transfer is to the Issuer;
  - (ii) the transfer is made outside the United States in a transaction meeting the requirements of Rule 904 under the 1933 Act and in compliance with applicable local laws and regulations;
  - (iii) the transfer is made in compliance with the exemption from the registration requirements under the 1933 Act provided by Rule 144 thereunder, if available, and in accordance with applicable state securities laws; or

- (iv) the Purchased Securities are transferred in a transaction that does not require registration under the 1933 Act or any applicable state laws and regulations governing the offer and sale of securities; and

it has prior to such sale furnished to the Issuer an opinion of counsel or other evidence of exemption, in either case reasonably satisfactory to the Issuer;

- (f) it understands that upon the issuance thereof, and until such time as the same is no longer required under the applicable requirements of the 1933 Act or applicable U.S. state laws and regulations, the certificates representing the Purchased Securities and any common shares issuable upon conversion thereof will bear a legend in substantially the following form:

**“The securities represented hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”). These securities may be offered, sold, pledged or otherwise transferred only (a) to the company, (b) outside the United States in compliance with Rule 904 under the 1933 Act, (c) in compliance with the exemption from the registration requirements under the 1933 Act provided by Rule 144 thereunder, if available, and in accordance with applicable State securities laws, or (d) in a transaction that does not require registration under the 1933 Act or any applicable State laws, and the holder has, prior to such sale, furnished to the company an opinion of counsel or other evidence of exemption, in either case reasonably satisfactory to the company. Delivery of this certificate may not constitute “good delivery” in settlement of transactions on stock exchanges in Canada. If the securities are being sold at any time the Company is a “foreign issuer” as defined in Rule 902 under the 1933 Act, a new certificate, bearing no legend, the delivery of which will constitute “good delivery” may be obtained from the company’s transfer agent upon delivery of this certificate and a duly executed declaration, in form satisfactory to the company and the company’s transfer agent to the effect that the sale of the securities is being made in compliance with Rule 904 under the 1933 Act.”**

provided, that if securities are being sold under clause (b) in the legend above, at a time when the Issuer is a “foreign issuer” as defined in Rule 902 under the 1933 Act, the legend set forth above may be removed by providing a declaration in the form attached as Appendix I to Schedule A-5 below to the subscription agreement of which this Schedule A-5 forms a part, or in such form as the Issuer may from time to time prescribe to the Issuer’s transfer agent, to the effect that the sale of the securities is being made in compliance with Rule 904 under the 1933 Act;

- (g) if any of the securities are being sold pursuant to Rule 144 of the 1933 Act, the legend may be removed by delivery to the Issuer’s transfer agent of an opinion satisfactory to the Issuer to the effect that the legend is no longer required under applicable requirements of the 1933 Act or state securities laws;
- (h) it has had the opportunity to ask questions of and receive answers from the Issuer regarding the investment, and has received all the information regarding the Issuer that it has requested;
- (i) it understands that the Issuer may instruct its registrar and transfer agent not to record any transfer of Purchased Securities without first being notified by the Issuer that it is satisfied that such transfer is exempt from or not subject to the registration requirements of the 1933 Act and applicable state securities laws;
- (j) it consents to the Issuer making a notation on its records or giving instruction to the registrar and transfer agent of the Issuer in order to implement the restrictions on transfer set forth and described herein;

- (k) it understands and acknowledges that the Issuer has no obligation or present intention of filing with the United States Securities and Exchange Commission or with any state securities administrator any registration statement in respect of resale of the Purchased Securities in the United States;
- (l) the office or other address of the Purchaser at which the Purchaser received and accepted the offer to purchase the Purchased Securities is the address listed on the signature page of the Subscription Agreement; and
- (m) it acknowledges that the representations, warranties and covenants contained in this agreement are made by it with the intent that they may be relied upon by the Issuer in determining its eligibility or the eligibility of others on whose behalf it is contracting thereunder to purchase Purchased Securities. It agrees that by accepting Purchased Securities it shall be representing and warranting that the representations and warranties above are true as at the Closing with the same force and effect as if they had been made by it at the Closing and that they shall survive the purchase by it of Purchased Securities and shall continue in full force and effect notwithstanding any subsequent disposition by it of such securities.

The Purchaser undertakes to notify the Issuer immediately of any change in any representation, warranty or other information relating to the Purchaser set forth herein which takes place prior to the Closing.

**IN WITNESS WHEREOF**, the undersigned has executed this Questionnaire as of the \_\_\_\_ day of \_\_\_\_\_, 2022.

**If a Corporation, Partnership or Other Entity:**

**If an Individual:**

\_\_\_\_\_  
Name of Entity

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Type of Entity

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Signature of Person Signing

\_\_\_\_\_  
Print or Type Name and Title of Person Signing

**APPENDIX I TO SCHEDULE A-5**

**FORM OF DECLARATION FOR REMOVAL OF U.S. LEGEND**

To: Registrar and Transfer Agent for the Shares of New Break Resources Ltd. (the "Issuer")

The undersigned (a) acknowledges that the sale of the securities of the Issuer to which this declaration relates is being made in reliance on Rule 904 under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and (b) certifies that (1) the undersigned is not an affiliate of the Issuer (as that term is defined in Rule 405 under the U.S. Securities Act), (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States or (B) the transaction was executed on or through the facilities of The Toronto Stock Exchange, or the TSX Venture Exchange and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not have a short position in the securities sold in reliance on Rule 904 under the U.S. Securities Act and does not intend to replace such securities with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by the United States Securities Act of 1933.

DATED: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

**SCHEDULE A-6**

**DECLARATION OF NON-CANADIAN BENEFICIAL OWNERSHIP**

*TO BE COMPLETED ONLY IF THE PURCHASER IS RESIDENT OUTSIDE OF NORTH AMERICA*

The Purchaser, on its own behalf and (if applicable) on behalf of each Beneficial Purchaser, further represents, warrants and covenants to and with the Company (and acknowledges that the Company is relying thereon) that it is, and (if applicable) any Beneficial Purchaser is, a resident of, or otherwise subject to, the securities legislation of a jurisdiction other than Canada and the United States, and:

- (a) the Purchaser is, and (if applicable) any Beneficial Purchaser is:
  - (i) a purchaser that is recognized as an exempt purchaser by the securities regulatory authority in the jurisdiction in which it is, and (if applicable) any Beneficial Purchaser is, resident or to whose laws it is otherwise subject, and is purchasing the Purchased Securities as principal for its, or (if applicable) each such Beneficial Purchaser's, own account and not for the benefit of any other person, for investment only and not with a view to resale or distribution; or
  - (ii) a purchaser which is purchasing Shares pursuant to an exemption from any prospectus or securities registration requirements (particulars of which are enclosed herewith) available to the Company, the Purchaser and any Beneficial Purchaser under applicable securities laws of their jurisdiction(s) of residence or to which the Purchaser and any such Beneficial Purchaser are otherwise subject, and the Purchaser and any such Beneficial Purchaser shall deliver to the Company such further particulars of the exemption and their qualification thereunder as the Company may reasonably request;
- (b) the purchase of Shares by the Purchaser, and (if applicable) each Beneficial Purchaser, does not contravene any of the applicable securities laws in such jurisdiction and does not trigger: (i) any obligation to prepare and file a prospectus, an offering memorandum or similar document, or any other ongoing reporting requirements with respect to such purchase or otherwise; or (ii) any registration or other obligation on the part of the Company; and
- (c) the Purchaser, and (if applicable) any Beneficial Purchaser, will not sell or otherwise dispose of any of the Purchased Securities, and if the Purchaser, or (if applicable) such Beneficial Purchaser, sells or otherwise disposes of any of such securities to a person other than a resident of Canada, the Purchaser, and (if applicable) such Beneficial Purchaser, will obtain from such purchaser representations, warranties and covenants in the same form as provided in this Schedule A-6 and shall comply with such other requirements as the Company may reasonably require.

Dated at \_\_\_\_\_ [city, country] this \_\_\_\_ [date] day of \_\_\_\_\_, 2022.

If a Corporation, Partnership or Other Entity:

If an Individual:

\_\_\_\_\_  
*Name of Entity*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Type of Entity*

\_\_\_\_\_  
*Name of Individual*

\_\_\_\_\_  
*Signature of Person Signing*

\_\_\_\_\_  
*Title of Person Signing*

## SCHEDULE A-7

### TERM SHEET

#### NEW BREAK RESOURCES LTD. OFFERING OF UNITS

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<b>Offeror:</b>	New Break Resources Ltd. (the “Company”).
<b>Offering:</b>	Private placement of up to 4,000,000 Units comprised of 4,000,000 Common Shares of the Company from treasury (“Shares”) and 4,000,000 Common Share Purchase Warrants (each whole warrant individually a “Warrant” and collectively, the “Warrants”). Each Warrant will entitle the holder thereof to acquire a Warrant Share at a price of \$0.35 for a period of 24 months from the date of a Liquidity Event.
<b>Offering Price:</b>	\$0.25 per Unit.
<b>Amount:</b>	\$1,000,000.00
<b>Over-Subscription</b>	In the event that the Company receives aggregate subscriptions for more than the 4,000,000 Units to be issued under the Offering, the Company intends to (i) increase the size of the Offering up to an additional 4,000,000 Units.
<b>Use of Proceeds:</b>	<p>The proceeds from this Offering will be used for the following purposes:</p> <ul style="list-style-type: none"><li>• Exploration activities on the Company’s properties in Kivalliq Region, Nunavut, including:<ul style="list-style-type: none"><li>○ the Sundog Gold Project, held through a fully executed Inuit Owned Lands Mineral Exploration Agreement between the Company and Nunavut Tunngavik Incorporated;</li><li>○ 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.</li></ul></li><li>• General working capital purposes.</li><li>• Corporate Development</li></ul>
<b>Form of Offering:</b>	Best-efforts private placement pursuant to “accredited investor” exemptions and/or other available exemptions under applicable securities laws in all of the Selling Jurisdictions.
<b>Selling Jurisdictions:</b>	All provinces and territories of Canada and such other jurisdictions outside of Canada as applicable.
<b>Hold Period:</b>	The Company is not a reporting issuer pursuant to National Instrument 45-102– <i>Resale of Securities</i> (“NI 45-102”), and, as such the Shares will be subject to an indefinite hold until four months and one day after the Company becomes a reporting issuer pursuant to NI 45-102. Shares and Warrants sold in the United States will be subject to resale and transfer restrictions under United States federal and state securities laws.
<b>Finder Fee:</b>	A finder’s fee may be paid in connection with the transaction contemplated herein, composed of cash equal to up to 6% of the gross proceeds of the Offering and finder warrants (“Finder Warrant”) equal to up to 6% of the number of securities sold, exercisable into common shares for a period of twenty-four (24) months from the closing date, at a price of \$0.25 per Finder Warrant.
<b>Closing of the Offering:</b>	On or around May 31, 2022, as may be determined by the Company (the “Closing Date”).