NEW BREAK RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021

General

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of the operations of New Break Resources Ltd. ("**New Break**", or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 2021 ("**third quarter of 2021**" or "**Q3 2021**"). The comparative period is for the three and nine months ended September 30, 2020 ("**third quarter of 2020**" or "**Q3 2020**"). This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2020 and 2019, and the unaudited condensed interim financial statements for the three and nine months ended September 30, 2021 and 2020, together with the notes thereto ("the **financial statements**"). Results are reported in Canadian dollars, unless otherwise noted.

The financial statements and the financial information contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). Please refer to Note 3 of the annual audited financial statements as at and for the years ended December 31, 2020 and 2019 for disclosure of the Company's significant accounting policies.

The audit committee of the Company has reviewed this MD&A and the unaudited condensed interim financial statements for the three and nine months ended September 30, 2021 and 2020 and the Company's Board of Directors approved these documents prior to their release.

This MD&A is dated February 3, 2022 and is current to that date.

Additional information relating to the Company is available on New Break's website at www.newbreaksources.ca.

Caution Regarding Forward Looking Information

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address future exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Qualified Person

Technical information contained in this MD&A has been prepared by or under the supervision of Peter Hubacheck, P. Geo., consulting geologist to New Break, who is a "Qualified Person" for the purpose of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("**NI 43-101**"). He has verified the data comprising such technical information, including sampling, analytical and test data underlying the information or opinions contained herein.

Description of the Business

New Break is a private Canadian mineral exploration and development company, focused on gold exploration at its 100% owned Moray Gold Project, covering approximately 1,856 hectares located in the southern Abitibi greenstone belt, approximately 49 km southeast of Timmins, Ontario and at its four gold projects located in the Ennadai-Rankin greenstone belt in Kivalliq Region, Nunavut. The Sundog Gold Project covers approximately 9,415 hectares within parcel AR-35 on Inuit Owned Land. The 100% owned Esker/Noomut, Sy and Angikuni Lake Gold Projects, covering approximately 21,960 hectares, were acquired through staking in 2021.

Developments during the three months ended September 30, 2021 and up to February 3, 2022

Esker Claim - Kivalliq Region, Nunavut

In July 2021, the Company staked the Esker mineral claim, comprised of 73 units located on federal land in Kivalliq Region, Nunavut ("**Esker**") and contiguous with some of the Company's previously staked Noomut claims. In total, New Break has acquired 21,960 hectares of mineral claims, by posting refundable work fees of $52,110 in three separate project areas known as Sy, Esker/Noomut and Angikuni Lake.

The addition of the Esker claim represents a significant expansion of the Noomut project area which now includes the most prospective historical exploration results. In 1997, Comaplex Minerals Corp. conducted a 7-hole, 1,319 metre drilling program on the Esker property, which included the following intersections:

- 2.35 g/t Au over 70.95 metres – hole 97-13;
- 8.18 g/t Au over 13.27 metres (including 17.73 g/t Au over 5.71 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 of the preceding intervals were recovered from between 10 and 155 metres below surface.

In 2004, Canadian Gold Hunter conducted a 6-hole, 1,119 metre drilling program on the Esker property, which included the following intersections:

- 5.97 g/t Au over 4.30 metres – hole ES-2004-53;
- 9.82 g/t Au over 3.55 metres – hole ES-2004-54; and
- 7.60 g/t Au over 12.80 metres – hole ES-2004-56.

New Break plans to complete additional compilation work on the Sy, Esker/Noomut and Angikuni Lake mineral properties in preparation for a more extensive exploration program during next year's field season.

Sundog Gold Project – Kivalliq Region, Nunavut

On July 22, 2020, the Company submitted an Expression of Interest ("**EOI**") for exclusive rights to a 100% interest in the minerals within, upon or under Inuit Owned Mineral Title Lands ("**IOL**") parcel AR-35 (the "**Exploration Area**") comprising approximately 9,415 hectares (the "**Sundog Gold Project**"), to Nunavut Tunngavik Incorporated ("**NTI**"), the corporation which manages mineral rights on all parcels of IOL.

Prior to being granted access to the mineral rights by NTI, approval of the Company's EOI was required to be obtained from the Kivalliq Inuit Association ("**KIVIA**"). Following that approval, NTI was required to obtain written confirmation from the KIVIA that the lands are open for mineral exploration and mining and that NTI has the approval of the KIVIA to enter into an Inuit Owned Lands Mineral Exploration Agreement ("**MEA**") with New Break. The maximum period of the MEA is 20 years and the maximum area that may be included in a single agreement is 10,000 hectares. Annual fees, paid to NTI, for the exploration area, begin at $1.00 per hectare in the initial year and rise to a maximum of $5.00 per hectare in years 16 to 20. Annual work requirements begin at $5.00 per hectare in the first 2 years, rising over time to a maximum of $40.00 per hectare in years 16 to 20.

The approval of an EOI by KIVIA is facilitated through in person consultation between a representative of NTI and representatives of the KIVIA. Due to travel restrictions caused by COVID-19, such consultations were not possible during 2020. In May 2021, with the easing of certain travel restrictions, NTI was able to conduct in person consultations with the KIVIA. NTI informed the Company that the EOI was approved by the KIVIA on May 17, 2021. NTI subsequently sent a draft of the MEA to the KIVIA for their review. The KIVIA provided their written approval in September 2021, allowing NTI to enter into the MEA with New Break. Following that approval, in early October 2021, New Break and NTI executed the MEA giving the Company exclusive rights to explore for minerals within the Exploration Area. Upon signing the MEA, the Company made a payment of $9,915 to NTI comprised of a $500 application fee and $9,415 in respect of the first year's annual rent on the property.

Moray Gold Project - Matachewan, Ontario

VLF Ground Geophysical Survey of Fiset and Voyager Showings

In August 2021, Shaun Parent, P.Geo., of Superior Exploration Co. ("**Superior Exploration**") completed a Very Low Frequency ("**VLF**") ground geophysical survey which included 18.93 line-km of VLF surveying and 19 hours of "ground truthing" individual VLF anomalies, encompassing the Voyager and Fiset grid areas of the Moray Project. Field work completed by New Break had concluded that the grid previously cut by SGX Resources Inc. ("**SGX**") in November 2012 was still in excellent condition, allowing the VLF survey to be run over the historic grid. The purpose of the survey was to:

- Locate VLF anomalies associated with the historical Fiset syenite and Voyager Showings.
- Compare the VLF anomalies to IP anomalies identified by SGX from their 2012 IP survey.
- Expand the coverage area beyond the limits of the SGX grid.

The VLF survey resulted in a number of newly identified conductors, including:

- A new VLF conductor located 55 metres north of the northern end of SGX Trench #1 at the Fiset Showing, which also appears to be transected by the trace of hole Z-80-05 (no assays provided) drilled by Newmont Exploration Canada Ltd. in 1980. New Break has located the collar for Z-80-05 and will attempt to strip north of SGX Trench #1 to expose this new conductor.
- A new VLF conductor located south of the southern extent of the SGX IP survey (the "**Lake Conductor**") which trends west-northwest and has not been tested with historical stripping or drilling. New Break expects to survey the eastern extension of the Lake Conductor in the winter.
- A new VLF conductor coincident with a chargeability anomaly from the SGX IP survey, located 10 metres northwest of the trace of SGX drill hole ML12-02, which yielded 1.37 g/t Au over 1.5 metres. This new VLF conductor extends east, allowing New Break to define a number of potential new trenching locations extending east to Moray Lake.

Additional Planned VLF Survey Work

During October 2021, Superior Exploration completed an additional 4.68 line-km of VLF surveying, including an additional 1.0 km at the Voyager grid area and 3.68 km at the Noranda grid area. This second phase also included 39 hours of ground truthing and compilation work. The results of interpretation of this second phase of VLF survey work are pending.

Drone Magnetometer ("Drone-MAG") Survey

In early October 2021, Pioneer Exploration Consultants Ltd. ("**Pioneer Exploration**") conducted a Drone-MAG survey comprised of approximately 390 line-km of flight lines encompassing the entire 1,856 hectare Moray property at a 50-metre spacing. The drone provides a low altitude aeromagnetic survey, producing high resolution data at regular intervals at a fraction of the cost of ground magnetics. The line orientation of the drone magnetometer duplicated the VLF and IP grids. The Drone-MAG and VLF anomalies can then be correlated to define potential lithological contacts across the property. The Drone-MAG results are expected to prove invaluable in delineating targets for mechanical stripping and drilling.

Moray Project Exploration Permit Granted

Effective September 3, 2021, the Ontario Ministry of Northern Development, Mines, Natural Resources and Forestry ("MNDMNRF") acknowledged receipt of New Break's exploration permit application for the Moray Project. On October 22, 2021, the MNDMNRF issued the Company a permit for conducting prescribed exploration activities, including mechanical stripping and drilling, valid for a period of three years to October 21, 2024.

Consultation with First Nations and Completion of Memorandum of Understanding ("MOU")

As part of the permitting process, New Break engaged in consultation discussions with the Mattagami and Matachewan First Nations (the "First Nations"). Effective October 22, 2021, New Break signed a MOU with the First Nations. Under the terms of the MOU, the Company made payments of $5,000 to each of the two First Nations, which they reinvested into New Break for 50,000 shares each. On November 19, 2021, the Company granted stock options to each of the two First Nations to purchase up to 50,000 common shares of the Company at a price of $0.10 per share for a period of five years. The stock options vested immediately. As Prescribed Exploration Activities are conducted, New Break will make payments to the First Nations equal to 2% of the cost of such activities. The Company will also, where possible look to offer employment and training opportunities to First Nations members. Subject to New Break's adherence to the terms and conditions of the MOU, the First Nations agree to support the Moray Project while the MOU remains in force.

Ontario Junior Exploration Program ("OJEP") Application

On January 10, 2022, New Break submitted an application to the Government of Ontario, under the Junior Exploration Program, for funding of up to $200,000 towards the Company's next phase of exploration on the Moray Property, which is expected to including mechanical stripping and additional VLF survey work.

Update to NI 43-101 Technical Report on the Moray Gold Project

In connection with the plan to take New Break public, the previous NI 43-101 technical report on the Moray Gold Project, dated March 1, 2021 with an effective date of December 31, 2020 is being updated to include the results of work performed by the Company during 2021, which includes recently completed very low frequency ("**VLF**") and Drone-MAG surveys. The updated report also contains a new budget which details the Phase One exploration program, which is the subject of the OJEP application, and details a Phase Two plan which includes drilling.

Planned 2022 Exploration Programs

Stripping and drilling targets have continued to be refined following the compilation and interpretation of the results of the VLF and Drone-MAG surveys, with drilling targets to be further refined after analyzing the results of Phase One exploration program which includes additional VLF survey work and mechanical stripping. Following this work, New Break is hopeful that it will be able to initiate a Phase Two exploration program comprised of a drilling program on the Moray Project later in 2022.

Financings

Private Placements at $0.10 per Common Share

In connection with New Break's plan to go public, the Company conducted two small financings aimed at increasing the number of public holders of its common shares to a minimum of 150. Public shareholders exclude those shareholders deemed to be insiders.

On September 29, 2021, the Company completed a non-brokered private placement for gross proceeds of $35,000 through the issuance of 350,000 common shares at $0.10 per share. The Company incurred $5,000 in share issue costs in connection with the financing.

On November 15, 2021, the Company completed a non-brokered private placement for gross proceeds of $191,650 through the issuance of 1,916,500 common shares at $0.10 per share. No fees were incurred in connection with this financing.

Flow-Through Private Placement at $0.30 per Flow-Through Common Share

On December 10, 2021, the Company completed a non-brokered private placement for gross proceeds of $440,100 through the issuance of 1,467,000 flow-through shares ("F-T Shares) at a price of $0.30 per F-T Share. An officer and a director of the Company subscribed for 52,000 of the F-T Shares issued. The Company paid a cash finder's fee of $7,200 and issued 12,000 finder warrants. Each finder warrant is exercisable into one common share at a price of $0.30 per share for 24 months from the date of closing.

Private Placement at $0.25 per Unit

On December 30, 2021, the Company completed a non-brokered private placement for gross proceeds of $20,000 through the issuance of 80,000 units at a price of $0.25 per unit. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one common share at an exercise price of $0.35 for a period of twenty-four months following a Liquidity Event, defined as the completion of an event which results in the common shares of the Company freely tradable on a recognized public stock exchange.

New Break currently has over 170 public shareholders.

Stock Option Exercise

On October 14, 2021, stock options to purchase 650,000 common shares of the Company at a price of $0.05 per share were exercised for proceeds of $32,500 by directors and officers of the Company.

Stock Option Grant

On November 19, 2021, the Company granted options to purchase up to 3,500,000 common shares of the Company at a price of $0.10 to officers, directors and consultants of the Company for a period of five years. The options vested immediately. 2,450,000 of these were granted to officers and directors of the Company.

Warrant Exercises

On November 18, 2021, warrants to purchase 52,500 common shares of the Company at a price of $0.07 were exercised for proceeds of $3,675.

On November 18, 2021, warrants to purchase 58,450 common shares of the Company at a price of $0.12 were exercised for proceeds of $7,014.

Corporate Developments

Management Changes

Effective October 1, 2021, the board of directors of New Break (the "**Board**") appointment Michael Farrant as Chief Executive Officer ("**CEO**") of the Company. Prior to this appointment Mr. Farrant held the positions of President and Chief Financial Officer ("**CFO**"). In connection with this appointment, Mr. Farrant resigned as CFO. Mr. Farrant continues to serve as a director.

Effective October 1, 2021, the Board appointed Jim O'Neill as CFO and Corporate Secretary of the Company. In connection with this appointment, Michael Skutezky resigned as Corporate Secretary. The Company made a payment of $10,000 to Mr. Skutezky in connection with his resignation as Corporate Secretary. Mr. Skutezky continues to serve as a director.

Board of Directors and Board Committees

Effective October 1, 2021, Nigel Lees resigned as Executive Chairman of the Board and was subsequently appointed Non-Executive Chairman of the Board. The resignation as a member of management was coincident with the appointment of a CEO.

Compensation, Governance and Nominating Committee ("CGN Committee")

Effective September 8, 2021, as part of its commitment to strengthening the governance structure of New Break prior to going public, the Board formed a Compensation, Governance and Nominating Committee comprised of a majority of independent directors, to assist the Board in its oversight role with respect to (i) the Company's human resource strategy, policies and programs (ii) all matters relating to the proper utilization of human resources within the Company, with a special focus on management and board succession, development and compensation, and (iii) with the Company's oversight through a well-defined Corporate Governance Framework. The Board has appointed Ashley Kirwan and Joshua Bailey, independent directors of the Company along with Nigel Lees, to serve on the CGN Committee with Ms. Kirwan serving as the Chair.

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Audit Committee

New Break's audit committee, established September 1, 2020, has been comprised of Thomas Puppendahl as Chair and Ashley Kirwan, both of whom are independent, along with Mr. Lees. Effective October 1, 2021, Joshua Bailey replaced Ms. Kirwan on the audit committee, in order that Ms. Kirwan may focus her efforts exclusively on assisting the Company in establishing a robust Corporate Governance Framework and addressing various compensation and human resource matters prior to going public. Mr. Bailey's appointment maintains that a majority of the committee's members are independent.

Extra-Territorial Registration in Nunavut

In order for the Company to hold mineral claims in its corporate name and be able to conduct business in Nunavut, New Break was required to become registered as Extra-Territorial within Nunavut. Effective November 24, 2021, the Company was registered as an Extra-Territorial corporation in Nunavut.

Annual General and Special Meeting of Shareholders

On December 14, 2021, the Company held an annual general and special meeting of shareholders.

A total of 11,768,300 common shares were represented in person or by proxy at the Meeting, representing 32.5% of the Company's issued and outstanding common shares. All directors nominated as listed in the Management Information Circular dated December 3, 2021 (the "Circular"), being Michael Farrant, Joshua Bailey, Ashley Kirwan, Thomas Puppendahl, C. Nigel Lees and Michael Skutezky, were re-elected.

At the Meeting, the shareholders of the Company also approved:

- The re-appointment of McGovern Hurley LLP, Chartered Professional Accountants as the auditor of the Company for the ensuing year and authorized the directors to fix their remuneration;
- the Company's Stock Option Plan as described in the Circular;
- a special resolution to amend the articles of the Company to remove the share transfer restrictions contained therein; and
- the adoption of a new By-Law No. 1 as described in the Circular, to replace the existing By-Law No. 1.

That last two items were administrative in nature and were required in connection with the Company's plans to go public in Q1 2022.

On January 7, 2022, the Company officially amended its articles with Corporations Canada to remove the share transfer restrictions contained therein.

Appointment of New Transfer Agent

In connection with going public, the Company notified Capital Transfer Agency ULC that it was changing the Company's transfer agent. Effective January 1, 2022, New Break appointed TSX Trust Company as transfer agent and registrar for the Company's common shares.

Going Public Update

The Company plans to submit a preliminary prospectus the Ontario Securities Commission in Q1 2022 in connection with the Company's plans to seek liquidity options for the common shares of New Break.

Overview of Financial Results

Three and Nine Months Ended September 30, 2021 vs. September 30, 2020

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Expressed in Canadian Dollars)	**2021**	2020	**2021**	2020
Expenses				
Exploration and evaluation	**$ 60,432**	$ 40,739	**$ 157,630**	$ 345,044
Management fees	**44,700**	35,100	**124,300**	91,250
Consulting fees	**250**	-	**8,535**	-
Professional fees	**22,024**	6,973	**33,995**	16,903
General and administrative	**15,317**	6,087	**25,523**	15,938
Shareholder costs and filing fees	**5,246**	480	**7,144**	1,320
Travel	**-**	-	**-**	1,718
Total expenses	**147,969**	89,379	**356,559**	472,173
Loss before the undernoted	**(147,969)**	(89,379)	**(356,559)**	(472,173)
Bank charges	**(462)**	(103)	**(983)**	(218)
Interest income	**2**	15	**2**	15
Flow-through share premium recovery	**16,655**	4,927	**17,898**	131,214
Net loss and comprehensive loss for the period	**$ (131,774)**	$ (84,540)	**$ (339,642)**	$ (341,162)
Net loss per share				
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.02)

Three months ended September 30, 2021 vs. three months ended September 30, 2020

- Overall, the Company recorded a net loss and comprehensive loss of $131,774 or $0.00 per share for the quarter ended September 30, 2021 compared to a net loss and comprehensive loss of $84,540 or $0.00 per share for the quarter ended September 30, 2020.
- Exploration and evaluation expenses were $60,432 in the third quarter of 2021 compared to $40,739 in the third quarter of 2020. The 2021 amount relates primarily to the Moray Project, including $36,796 incurred on a VLF survey in August 2021. The 2020 amount relates to data compilation work on Moray, work on the Moray NI 43-101 Technical Report and consulting work performed by Orix Geoscience Inc.
- Management fees were $44,700 in the third quarter of 2021 compared to $35,100 in the third quarter of 2020. They relate to amounts charged by the Company's President and Chief Financial Officer, the Executive Chairman and the non-exploration related portion of fees charged by the Company's Vice President, Exploration.
- Professional fees were $22,024 in the third quarter of 2021 compared to $6,973 in the third quarter of 2020. In general, these relate to legal fees and the accrual of audit and tax return preparation fees. The 2021 quarter was higher due to increased legal and accounting fees associated with the Company's plans to go public.
- General and administrative expenses were $15,317 during the third quarter of 2021, compared to $6,087 during the third quarter of 2020.
- Shareholder costs and filing fees were $5,246 during the third quarter of 2021, compared to $480 during the third quarter of 2020. The increase in 2021 was due to costs associated with financings and regulatory filings.

- Flow-through share premium recovery was $16,633 during the third quarter of 2021 on eligible CEE of $56,256 from flow-through funds raised primarily in December 2020 compared to $4,927 during the third quarter of 2020 on eligible CEE of $24,406 from flow-through funds raised in April 2020. These recoveries are non-cash amounts.

Nine months ended September 30, 2021 vs. nine months ended September 30, 2020

- Overall, the Company recorded a net loss and comprehensive loss of $339,642 or $0.01 per share for the nine months ended September 30, 2021 compared to a net loss and comprehensive loss of $341,162 or $0.02 per share for the nine months ended September 30, 2020.
- Exploration and evaluation expenses were $157,062 in the first nine months of 2021 compared to $345,044 in the first nine months of 2020. The 2021 amount relates primarily to the payment of $74,000 for the purchase of Nunavut related exploration data, consulting fees paid for work on the Company's newly staked mineral claims in Nunavut and a VLF survey conducted at Moray while the 2020 amount relates almost entirely to work performed on the Kraken project, including a share option payment to the optionor, valued at $30,000 and $266,204 spent on a 2,049 metre drilling program before dropping the option on the Kraken property.
- Management fees were $124,300 in the first nine months of 2021 compared to $91,250 in the first nine months of 2020. They relate to amounts charged by the Company's President and Chief Financial Officer, the Executive Chairman and the non-exploration related portion of fees charged by the Company's Vice President, Exploration.
- Consulting fees were $8,535 in the first nine months of 2021 compared to $nil in the first nine months of 2020.
- Professional fees were $33,995 in the first nine months of 2021 compared to $16,903 in the first nine months of 2020. In general, these relate to legal fees and the accrual of audit and tax return preparation fees. The 2021 fees were higher due to increased legal and accounting fees in the third quarter of 2021 associated with the Company's plans to go public.
- General and administrative expenses were $25,523 during the first nine months of 2021 compared to $15,938 during the first nine months of 2020.
- Shareholder costs and filing fees were $7,144 during the first nine months of 2021, compared to $1,320 during the first nine months of 2020. The increase in 2021 was due to costs associated with financings and regulatory filings.
- Flow-through share premium recovery was $17,898 during the first nine months of 2021 on eligible CEE of $60,399 from flow-through funds raised in December 2020 compared to $131,214 during the first nine months of 2020 on eligible CEE of $294,860 from flow-through funds raised in 2019 and in April 2020. These recoveries are non-cash amounts.

Selected Quarterly Financial Information

The following table is a summary of selected financial information for the Company for the eight most recently completed financial quarters. It has been derived from the unaudited condensed interim financial statements of the Company. The information has been prepared by management in accordance with IFRS and is expressed in Canadian dollars.

	Q3 Sept. 2021 (unaudited)	Q2 June 2021 (unaudited)	Q1 March 2021 (unaudited)	Annual Dec. 2020 (audited)	Q4 Dec. 2020 (unaudited)
Revenue	$ -	$ -	$ -	$ -	$ -
Loss and comprehensive loss	($131,774)	($138,476)	($69,392)	($461,620)	($120,458)
Loss per share – basic and diluted	($0.00)	($0.01)	($0.00)	($0.03)	($0.01)
Assets	$ 1,095,034	$ 1,182,421	$ 297,471	$ 389,835	$ 389,835

	Q3 Sept. 2020 (unaudited)	Q2 June 2020 (unaudited)	Q1 March 2020 (unaudited)	Annual Dec. 2019 (audited)	Q4 Dec. 2019 (unaudited)
Revenue	$ -	$ -	$ -	$ -	$ -
Loss and comprehensive loss	($84,540)	($183,032)	$(73,590)	($231,718)	($48,147)
Loss per share – basic and diluted	($0.00)	($0.01)	($0.01)	($0.03)	($0.00)
Assets	$ 322,253	$ 139,764	$ 172,275	$ 199,696	$ 199,696

Liquidity and Capital Resources

The Company's cash decreased by $110,941 during the three months ended September 30, 2021, compared to an increase of $72,950 during the three months ended September 30, 2020. The Company's cash increased by $633,375 during the nine months ended September 30, 2021, compared to a decrease of $108,871 during the nine months ended September 30, 2020. As at September 30, 2021, the ending cash balance was $777,653 compared to $144,278 as at December 31, 2020.

Working Capital

As at September 30, 2021, the Company had a working capital surplus of $770,148 compared to a deficiency of $73,982 as at December 31, 2020. The non-cash flow-through share premium liability amount has been excluded from current liabilities in the calculation of working capital. As at September 30, 2021, $477,081 of flow-through funds raised in December 2020 and June 2021, must be spent on qualifying CEE by December 31, 2022.

A summary of the Company's cash position and changes in cash for the three and nine months ended September 30, 2021 and 2020 are provided below:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2021	2020	**2021**	2020
Cash used in operating activities – gross	**$ (148,429)**	$ (89,467)	**$ (357,540)**	$ (442,376)
Changes in non-cash operating working capital	**10,773**	27,016	**(210,755)**	145,604
Cash used in operating activities – net	**(137,656)**	(62,451)	**(568,295)**	(296,772)
Cash used in investing activities	**(3,285)**	(100,000)	**(52,110)**	(100,000)
Cash provided by financing activities	**30,000**	235,401	**1,253,780**	287,901
(Decrease) increase in cash	**(110,941)**	72,950	**633,375**	(108,871)
Cash, beginning of period	**888,594**	10,957	**144,278**	192,778
Cash, end of period	**$ 777,653**	$ 83,907	**$ 777,653**	$ 83,907

Three months ended September 30, 2021 vs. three months ended September 30, 2020

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the three months ended September 30, 2021 was $148,429 compared to $89,467 for the three months ended September 30, 2020. The difference is primarily the result of higher exploration and evaluation expenses during the 2021 quarter related to the VLF survey at the Moray Project and legal and accounting fees incurred in connection with the Company's plans to go public, compared to expenses incurred in the third quarter of 2020.

Investing Activities

Cash used in investing activities during the three months ended September 30, 2021 was $3,285 compared to $100,000 for the three months ended September 30, 2020. The 2021 outlay relates to a mineral claim deposit paid to the federal government of Canada in connection with staking the Esker mineral claim in Nunavut in July 2021. The amounts are ultimately refundable, following the successful completion of required exploration work. The 2020 outlay relates to the cash portion of the purchase price paid to Exiro Minerals Corp. for the purchase of the Moray mineral claims in September 2020.

Financing Activities

Cash provided by financing activities during the three months ended September 30, 2021 was $30,000 compared to $235,401 for the three months ended September 30, 2020. The 2021 amount represents gross proceeds of $35,000 raised in the September 29, 2021 financing, less fees of $5,000. The 2020 amount relates to subscriptions receivable of $89,901 received in the third quarter of 2020, relating to a financing completed in the second quarter of 2020, gross proceeds of $145,000 raised in September 2020, less finder's fees of $4,500 and gross proceeds of $5,000 from the exercise of stock options in July 2020.

Nine months ended September 30, 2021 vs. nine months ended September 30, 2020

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the nine months ended September 30, 2021 was $357,540 compared to $442,376 for the nine months ended September 30, 2020. The difference is primarily the result of higher exploration and evaluation expenses during the first nine months of 2020 related to a drilling program conducted at the Kraken property in April 2020, compared to expenses incurred in the first nine months of 2021.

Investing Activities

Cash used in investing activities during the nine months ended September 30, 2021 was $52,110 compared to $100,000 for the nine months ended September 30, 2020. The 2021 outlay relates to mineral claim deposit amounts paid to the federal government of Canada in connection with staking mineral claims in Nunavut. The amounts are ultimately refundable, following the successful completion of required exploration work. The 2020 outlay relates to the cash portion of the purchase price paid to Exiro Minerals Corp. for the purchase of the Moray mineral claims in September 2020.

Financing Activities

Cash provided by financing activities during the nine months ended September 30, 2021 was $1,253,780 compared to $287,901 for the nine months ended September 30, 2020. The 2021 amount represents gross proceeds of $1,292,200 raised in the June 25, 2021 and September 29, 2021 financings, less finder's and other fees of $38,420. The 2020 amount relates to gross proceeds of $287,401 from financings closed in April, May and September 2020, less finder's fees of $4,500 and gross proceeds of $5,000 from the exercise of stock options in July 2020.

Liquidity Outlook

The Company had a cash balance of $777,653 at September 30, 2021. Of this amount, $477,081 must be spent on qualifying CEE by December 31, 2022 relating to flow-through funds raised on December 31, 2020 and June 25, 2021. As at September 30, 2021, the Company had a working capital surplus of $770,148.

Since September 30, 2021, New Break has received the following cash flows from financing activities:

- October 14, 2021 - $32,500 from the exercise of 650,000 stock options at $0.05 per share;
- November 15, 2021 - $191,650 from the issuance of 1,916,500 common shares at $0.10 per share in a non-brokered private placement;
- November 18, 2021 - $10,689 from the exercise of 110,950 warrants;
- December 10, 2021 - $440,100 in flow-through funds from the issuance of 1,467,000 flow-through common shares at $0.30 per flow-through share. $7,200 of cash finder's fees were paid.
- December 30, 2021 - $20,000 from the issuance of 80,000 units at $0.25 per unit in a non-brokered private placement.

As at December 31, 2021, New Break had $1,237,628 in cash, of which approximately $800,000 is flow-through funds that must be spent on eligible CEE by December 31, 2022. The Company considers these financial resources to be sufficient to fund New Break's current operating budget, including costs associated with going public, and to fund the Company's exploration and operating budgets for a minimum of one year from the date of going public.

In general, completion of all of the Company's ongoing and future exploration and development initiatives and its ability to continue as a going concern are subject to successfully raising additional funding (see "Risks and Uncertainties" in the annual MD&A for the year ended December 31, 2020).

Related Party Transactions and Key Management Compensation

Key Management Compensation

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Key management of New Break includes the Executive Chairman, President and Chief Financial Officer, Vice President, Exploration and the Company's Secretary.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
Management fees	**$ 44,700**	$ 35,100	**$ 124,300**	$ 91,250
Management fees included in exploration and evaluation	**10,800**	5,400	**17,200**	15,250
Finder's fees paid to an independent director	**-**	-	**4,440**	-
Total fees paid to management and directors	**$ 55,500**	$ 40,500	**$ 145,940**	$ 106,500

Exploration and evaluation fees and consulting fees charged by a geological consulting company, the President & CEO of which, is also a director of New Break	**$ 12,918**	$ 28,165	**$ 36,458**	$ 28,165

Related Party Transactions

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

On April 15, 2020, the Company completed a non-brokered private placement for gross proceeds of $89,901 through the issuance of 1,284,300 F-T Shares at a price of $0.07 per F-T Share. Directors of the Company subscribed for 470,000 of the F-T Shares issued.

On July 22, 2020, the Company issued 100,000 common shares upon the exercise of stock options by an officer of the Company who is also a director, at a price of $0.05, for gross proceeds of $5,000.

On November 12, 2020, the Company completed a non-brokered private placement for gross proceeds of $30,000 through the issuance of 300,000 units at a price of $0.10 per unit. 120,000 of the units were purchased by a company that is wholly-owned by one of the Company's directors.

On December 31, 2020, the Company completed a non-brokered private placement for gross proceeds of $122,280 through the issuance of 1,019,000 F-T Shares at a price of $0.12 per F-T Share. A director of the Company subscribed for 184,000 of the F-T Shares issued.

On June 25, 2021, the Company completed a non-brokered private placement offering for gross proceeds of $842,000 through the issuance of 8,420,000 units at a price of $0.10 per unit. 260,000 of the units were purchased by two investment companies that are each wholly-owned by two of the Company's directors. In connection with the issuance of the units, the Company paid a finder's fee equal to $33,420 and issued an aggregate of 334,200 finder's warrants. $4,440 of these fees and 44,400 of these warrants were paid to a consulting company owned by an independent director of the Company

As at September 30, 2021, $14,977 (December 31, 2020 - $187,211) included in accounts payable and accrued liabilities was owing to related parties, including $2,995 (December 31, 2020 - $54,487) owed to a geological consulting company, the President and Chief Executive Officer of which, is also a director of New Break. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

Subsequent Events

Sundog Gold Project

In October 2021, the Company entered into an Inuit Owned Lands Mineral Exploration Agreement ("MEA") with Nunavut Tunngavik Incorporated ("NTI") for exclusive rights to a 100% interest in the minerals within, upon or under Inuit Mineral Title Lands parcel AR-35 comprising approximately 9,415 hectares (the "Exploration Area") in Kivalliq Region, Nunavut (the "Sundog Gold Project"). Upon signing the agreement, the Company made a payment of $9,915 to NTI comprised of a $500 application fee and $9,415 in respect of the first year's annual rent.

Stock Option Exercise

On October 14, 2021, stock options to purchase 650,000 common shares of the Company at a price of $0.05 were exercised for proceeds of $32,500 by directors and officers of the Company.

Stock Option Grant

On November 19, 2021, the Company granted options to purchase up to 3,500,000 common shares of the Company at a price of $0.10 to officers, directors and consultants of the Company for a period of five years. The options vested immediately. 2,450,000 of these were granted to officers and directors of the Company.

Warrant Exercises

On November 18, 2021, warrants to purchase 52,500 common shares of the Company at a price of $0.07 were exercised for proceeds of $3,675. Issue date fair value of $515 was moved from warrant reserve to share capital.

On November 18, 2021, warrants to purchase 58,450 common shares of the Company at a price of $0.12 were exercised for proceeds of $7,014. Issue date fair value of $2,139 was moved from warrant reserve to share capital.

Financings

On November 15, 2021, the Company completed a non-brokered private placement for gross proceeds of $191,650 through the issuance of 1,916,500 common shares at $0.10 per share. No finder's fees were paid in connection with the financing.

On December 10, 2021, the Company completed a non-brokered private placement for gross proceeds of $440,100 through the issuance of 1,467,000 F-T Shares at a price of $0.30 per F-T Share. An officer and a director of the Company subscribed for 52,000 of the F-T Shares issued. The Company paid a finder's fee equal to $7,200 and issued 12,000 finder warrants. Each finder warrant is exercisable into one common share at a price of $0.30 per share for 24 months from the date of closing.

On December 30, 2021, the Company completed a non-brokered private placement for gross proceeds of $20,000 through the issuance of 80,000 units at a price of $0.25 per unit. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one common share at an exercise price of $0.35 for a period of twenty-four months following a Liquidity Event, defined as the completion of an event which results in the common shares of the Company freely tradable on a recognized public stock exchange.

Outstanding Capital and Share Data

New Break's authorized capital stock consists of an unlimited number of common shares without par value. As at February 3, 2022 there were 37,772,750 common shares issued and outstanding.

As at February 3, 2022, the Company also had the following items issued and outstanding:

- 7,641,200 common share purchase warrants at a weighted average exercise price of $0.16.
- 3,500,000 stock options at an exercise price of $0.10, expiring November 18, 2026.

Off-Balance Sheet Arrangements

As at September 30, 2021, the Company has not entered into any off-balance sheet arrangements.

Proposed Transactions

In the normal course of business, the Company evaluates property acquisition and sale transactions and, in some cases, makes proposals to acquire or sell such properties. These proposals, which are usually subject to Board and sometimes regulatory and shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction.

As of February 3, 2022, there are no material property acquisitions or possible transactions that the Company is examining, other than taking the common shares of the Company public on the Canadian Securities Exchange.

Financial Instruments

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The Company does not use derivative financial instruments for purposes other than risk management. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up to date market information.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company may use derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage certain exposures. These market risks are evaluated by monitoring changes in key economic indicators and market information on an ongoing basis.

Commodity Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors commodity prices as they relate to gold and the stock market to determine the appropriate course of action to be taken.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main source of liquidity is derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. The 2021 exploration and operating budgets are planned to be funded from flow-through funds raised in December 2020 and from funds raised in June 2021. There is no certainty of the Company's ability to complete additional financings.

As at September 30, 2021 the Company held current assets of $817,924 (December 31, 2020 - $164,835) to settle current liabilities of $47,776 (December 31, 2020 - $238,817), exclusive of non-cash flow-through share premium liability.

Interest Rate Risk

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

Credit Risk

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

The Company's financial assets and liabilities as at September 30, 2021 and December 31, 2020 were as follows:

	Amortized Cost	FVPL	Total
December 31, 2020			
Financial assets			
Cash	$ 144,278	$ -	$ 144,278
Financial liabilities			
Accounts payable and accrued liabilities	$ 238,817	$ -	$ 238,817
September 30, 2021			
Financial assets			
Cash	$ 777,653	$ -	$ 777,653
Financial liabilities			
Accounts payable and accrued liabilities	$ 47,776	$ -	$ 47,776

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

Going Concern

The unaudited condensed interim financial statements of the Company have been prepared on the basis that the Company will continue as a going concern, which presumes that it will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no history of operations and is in the early stage of development. Due to continuing operating losses, the application of the going concern basis is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operations or in the absence of adequate cash flows from operations, obtaining additional financing to support operations for the foreseeable future. It is not possible to predict whether such financing will be available, or if available, will be on reasonable terms, or if the Company will attain profitable levels of operations. These factors may cast significant doubt on the entity's ability to continue as a going concern. The unaudited condensed interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material. Changes in future conditions could require material write-downs of the carrying amounts of mineral properties.

Critical Accounting Policies and the Use of Estimates and Judgment

The preparation of the condensed interim financial statements in conformity with IFRS requires that management make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses and income during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. A detailed summary of the Company's significant accounting policies and use of estimates, is included in Notes 2 and 3 of the Company's audited financial statements for the year ended December 31, 2020. The accounting policies and management estimates applied in the condensed interim financial statements for the three and nine months ended September 30, 2021, are consistent with those used in the Company's audited financial statements for the year ended December 31, 2020.

Commitments

As at September 30, 2021, the Company had a commitment to spend $477,081 (December 31, 2020 - $122,280) on eligible Canadian Exploration Expenditures ("CEE"), from amounts raised from flow-through financing, by December 31, 2022.

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on eligible qualifying CEE. The Company has indemnified current and previous flow-through subscribers for any tax and related costs payable by them in the event the Company does not incur the required exploration expenditures. No amounts have been recorded in these financial statements for potential liabilities relating to these indemnities as a triggering event has not taken place. As a result of the issuance of flow-through shares, the Company had aggregate flow-through share premium liabilities of $36,684 and $98,028 as at December 31, 2020 and 2019, respectively which are drawn down as income through the statement of loss as eligible CEE is incurred. During the three and nine months ended September 30, 2021, the Company incurred $56,256 and $60,399, respectively in eligible CEE and recorded flow-through share premium recoveries of $16,655 and $17,898, respectively in the statement of loss. During the three and nine months ended September 30, 2020, the Company incurred $24,406 and $294,860, respectively in eligible CEE and recorded flow-through share premium recoveries of $4,927 and $131,214, respectively in the statement of loss.

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

Contingent Payments

Effective October 1, 2021, the Company became party to certain consulting agreements that contain clauses that could require additional aggregate payments of $180,000 upon termination without cause and $360,000 upon termination in connection with a change of control, and only if a triggering event occurs after the Company has raised aggregate gross proceeds from financings of at least $2.0 million since October 1, 2021. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

COVID-19

The Company and its operations have been largely unaffected by the impact of the COVID-19 global pandemic. The Company continues to believe that it will remain largely unaffected. As such, these financial statements do not reflect any potential impact associated with the COVID-19 pandemic.

Risks and Uncertainties

Readers of the MD&A should give careful consideration to the information included or incorporated by reference in this document and the Company's unaudited condensed interim financial statements and related notes. New Break's business of exploring and developing mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry, including the limited extent of the Company's assets, the Company's state of development and the degree of reliance upon the expertise of management. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company's common shares should be considered speculative. Only those persons who can bear the risk of the entire loss of their investment should participate.

An investor should carefully consider the risks described in the Company's audited financial statements for the year ended December 31, 2020 and the "Risks and Uncertainties" discussion in the Company's MD&A for the year ended December 31, 2020, dated June 21, 2021, before investing in the Company's common shares. Readers are also encouraged to read and consider the risk factors more particularly described in Note 4 to the unaudited condensed interim financial statements for the three and nine months ended September 30, 2021, which have been posted on the Company's website at www.newbreakresources.ca.

The risks described in these documents is not an exhaustive list. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business in the future. If any of the risks noted in the Company's financial disclosure occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. In this event, investors may lose part or all of their investment.

Regulatory standards continue to change, making the review process longer, more complex and more costly. Even if an apparently mineable mineral deposit is developed, there is no assurance that it will ever reach production or be profitable, as its potential economics are influenced by many key factors such as commodity prices, foreign exchange rates, equity markets and political interference, which cannot be controlled by management. As a result, the Company's future business, operations and financial condition could differ materially from the forward-looking information contained in this MD&A and described in the "Forward-Looking Statements" section below.

Forward Looking Statements

This report may contain forward-looking statements that involve a number of risks and uncertainties, including statements regarding the outlook for the Company's business and operational results. By nature, these risks and uncertainties could cause actual results to differ materially from what has been indicated. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to failure to establish estimated resources and reserves, the grade and recovery of ore which is mined from estimates, capital and operating costs varying significantly from estimates, delays or failure in obtaining governmental, environmental or other project approvals and other factors including those risks and uncertainties identified above. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information as a result of new information, future results or other such factors, which affect this information, except as required by law.

Management's Evaluation of Disclosure Controls

Management is responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's Executive Chairman and Chief Financial Officer have each evaluated the effectiveness of the Company's disclosure controls and procedures as at September 30, 2021 and have concluded that these controls and procedures are effective.

Internal Control over Financial Reporting:

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada. Based on a review of its control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed as at September 30, 2021.

Other MD&A Requirements

Additional Disclosure for Companies Without Significant Revenue

Additional disclosure concerning New Break's exploration and evaluation expenditures, mineral property costs and general and administrative expenses is provided in the Company's unaudited condensed interim financial statements and in Note 6 of the unaudited condensed interim financial statements for the three and nine months ended September 30, 2021 and 2020 that are available on the Company's website at www.newbreakresources.ca.

Approval

The Board of Directors of New Break approved the disclosure contained in this MD&A on February 3, 2022. A copy of this MD&A will be provided to anyone who requests it from the Company.

Additional Information

Officers and Directors:
Michael Farrant, President, Chief Executive Officer and Director
William Love, Vice President, Exploration
Jim O'Neill, Chief Financial Officer and Corporate Secretary
Nigel Lees, Non-executive Chairman and Director [(1)] [(2)]
Michael Skutezky, Director

Independent Directors
Thomas Puppendahl, Director [(1)] (Audit Committee Chair)
Ashley Kirwan, Director [(2)] (Compensation, Governance and Nominating Committee Chair)
Joshua Bailey, Director [(1)] [(2)]

(1) Member of the Audit Committee

(2) Member of the Compensation, Governance and Nominating Committee

Legal Counsel, Auditors and Transfer Agent

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

Comparative Figures

Certain comparative figures may have been reclassified to conform to the current period's presentation. These reclassifications did not affect the results of prior periods.