NEW BREAK RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

General

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of the operations of New Break Resources Ltd. ("**New Break**", or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the years ended December 31, 2024 and 2023. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2024 and 2023, together with the notes thereto ("the **financial statements**"). Results are reported in Canadian dollars, unless otherwise noted.

The financial statements and the financial information contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the IFRS Interpretations Committee ("**IFRIC**"). Please refer to Note 3 of the annual audited financial statements as at and for the years ended December 31, 2024 and 2023 for disclosure of the Company's material accounting policies.

The audit committee of the Company has reviewed this MD&A and the financial statements for the year ended December 31, 2024 and the Company's Board of Directors approved these documents prior to their release.

This MD&A is dated April 29, 2025 and is current to that date.

Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval Plus ("**SEDAR+**") website at www.sedarplus.ca, on New Break's website at www.newbreaksources.ca and under the Company's profile on the Canadian Securities Exchange ("**CSE**") website at www.thecse.com.

Caution Regarding Forward Looking Information

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

Qualified Person

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

Overview

New Break was incorporated under the name "8861587 Canada Corporation" under the laws of Canada on April 18, 2014. Effective December 28, 2018, the Company changed its name to New Break Resources Ltd. On November 24, 2021, New Break was also registered as Extra-Territorial in Nunavut, Canada. On September 7, 2022, the Company became listed on the Canadian Securities Exchange ("**CSE**") and trades under the symbol **NBRK**. The address of the Company's corporate office and principal place of business is 110 Yonge Street, Suite 1601 Toronto, Ontario, M5C 1T4, Canada.

Description of the Business

New Break is a Canadian mineral exploration and evaluation stage company, focused principally on gold exploration at its 100% owned Moray property. The Moray property covers approximately 10,326 hectares located in the southern Abitibi greenstone belt, approximately 49 km southeast of Timmins, Ontario and 32 km northwest of the Young-Davidson gold mine operated by Alamos Gold Inc. New Break's principal Nunavut projects include the Sundog gold project, covering approximately 9,415 hectares within parcel AR-35 on Inuit Owned Land, first discovered by famed Canadian prospector Ken Reading and the 100% owned Esker Project located on Crown Land, historically drilled by Comaplex Minerals Corp. in 1997, 2002 and 2004. New Break is in the process of selling its Nunavut properties to Guardian Exploration Inc.

HIGHLIGHTS

- On March 5, 2024, New Break closed the final tranche of a non-brokered private placement of units ("**Units**") at a price of $0.08 per Unit for gross proceeds of $20,000 through the issuance of 250,000 common shares and 250,000 warrants having an exercise price of $0.12 for a period of two years from the date of issuance.
- On March 15, 2024, New Break received $6,224 from the Ontario Ministry of Mines as a reimbursement of certain Moray exploration expenditures incurred under the third intake of the Ontario Junior Exploration Program ("**OJEP**"), bringing the total received under the third intake to $36,224. The reimbursements were in respect of expenditures incurred from April 1, 2023 to February 15, 2024.
- On March 20, 2024, New Break received $200,000 from the Ontario Ministry of Mines as a reimbursement of certain Moray exploration expenditures incurred under the fourth OJEP intake. The reimbursement was in respect of expenditures incurred from April 1, 2023 to February 15, 2024.
- During May and June 2024, New Break staked an additional 44 mineral claims to the west and southwest of the main Moray property at a cost of $2,200.
- On July 8, 2024, New Break staked an additional 86 mineral claims covering approximately 1,855 hectares, contiguous with the northern boundary of the main Moray property, expanding the size of the property to 10,326 hectares at a cost of $4,300.
- July 18, 2024 - New Break closed a non-brokered private placement of flow-through units ("**FT Units**") with a Control Person, at a price of $0.11 per FT Unit for gross proceeds of $165,000 through the issuance of 1,500,000 flow-through shares and 1,500,000 non-flow-through common share purchase warrants having an exercise price of $0.25 for a period of five years from the date of issuance.

- In mid-September 2024, New Break staked 27 mineral claims at a cost of $1,350 in English Township, Ontario covering approximately 580 hectares west of the main Moray property.
- On September 19, 2024, New Break was notified by the Ontario Ministry of Mines that the Company was accepted to participate in the fifth intake of OJEP with respect to certain Moray exploration expenditures to be incurred from April 1, 2024 to February 28, 2025. Under this acceptance, New Break became eligible to receive a reimbursement of up to $200,000.
- On September 30, 2024, New Break staked 212 mineral claims at a cost of $10,600 in Bartlett Township, Ontario covering approximately 4,557 hectares, contiguous with the Texmont property owned by Canada Nickel Company Inc.
- On October 7, 2024, the Company held an annual general meeting of shareholders for shareholders of record as at September 6, 2024. Shareholders voted overwhelmingly in favour of the election of all directors, unanimously reappointed the Company's auditor and overwhelmingly reapproved the Company's stock option plan.
- On October 16, 2024, New Break entered into an agreement with Planet Green Metals Inc. ("**Planet Green**") to sell a 100% interest in eight mineral claims located in Sheraton Township, Ontario in exchange for $1,000 in cash and 100,000 common shares of Planet Green. New Break staked the claims in June 2024 at a cost of $400 and recorded a gain on the sale of $10,100.
- On November 15, 2024, New Break completed a non-brokered private placement of Units at a price of $0.075 per Unit for gross proceeds of $457,950 through the issuance of 6,106,000 common shares and 6,106,000 warrants having an exercise price of $0.12 for a period of two years from the date of issuance.
- In November 2024, New Break received the approval through written resolution signed by security holders of more than 50% of the securities having voting rights to designate Ross and Patricia Quigley as a new **Control Person**, as such term is defined under Canadian securities law.
- On December 18, 2024, Canadian Exploration Services Limited ("**CXS**") completed a 55.7 line-km gradient induced polarization ("**IP**") survey at the Moray property that began in late October 2024 and covered the 12.6 km^2 extent of the interpreted syenite intrusive at Moray.
- On February 27, 2025, New Break announced that Michael Farrant, formerly President and Chief Executive Officer ("**CEO**"), assumed the roles of President, Chief Financial Officer ("**CFO**") and Corporate Secretary, replacing Jim O'Neill as CFO and Corporate Secretary and that Bill Love assumed the role of CEO, while continuing to oversee the Company's exploration efforts.
- On February 27, 2025, New Break announced the appointment of Bill Love as a director of the Company following the resignation of Ashley Kirwan from the board of directors and announced the resignations of Michael Skutezky and Gordon Morrison as directors of the Company.
- On March 26, 2025, New Break received $200,000 from the Ontario Ministry of Mines as a reimbursement of certain Moray exploration expenditures incurred under the fifth OJEP intake. The reimbursement was in respect of expenditures incurred from April 1, 2024 to February 28, 2025, including reimbursement of 50% of the cost of the Moray gradient IP survey.
- On April 10, 2025, New Break announced the signing of a definitive agreement with Guardian Exploration Inc. ("**Guardian**") (TSX-V: GX) to sell its Sundog gold project in Kivalliq, Nunavut, along with 60 drums (12,300 litres) of Jet A fuel for 5,000,000 common shares of Guardian and $75,000 in cash, along with a further payment of $18,830 as reimbursement of the 2024-2025 annual Sundog rent paid to Nunavut Tunngavik Incorporated ("**NTI**") by New Break in December 2024.

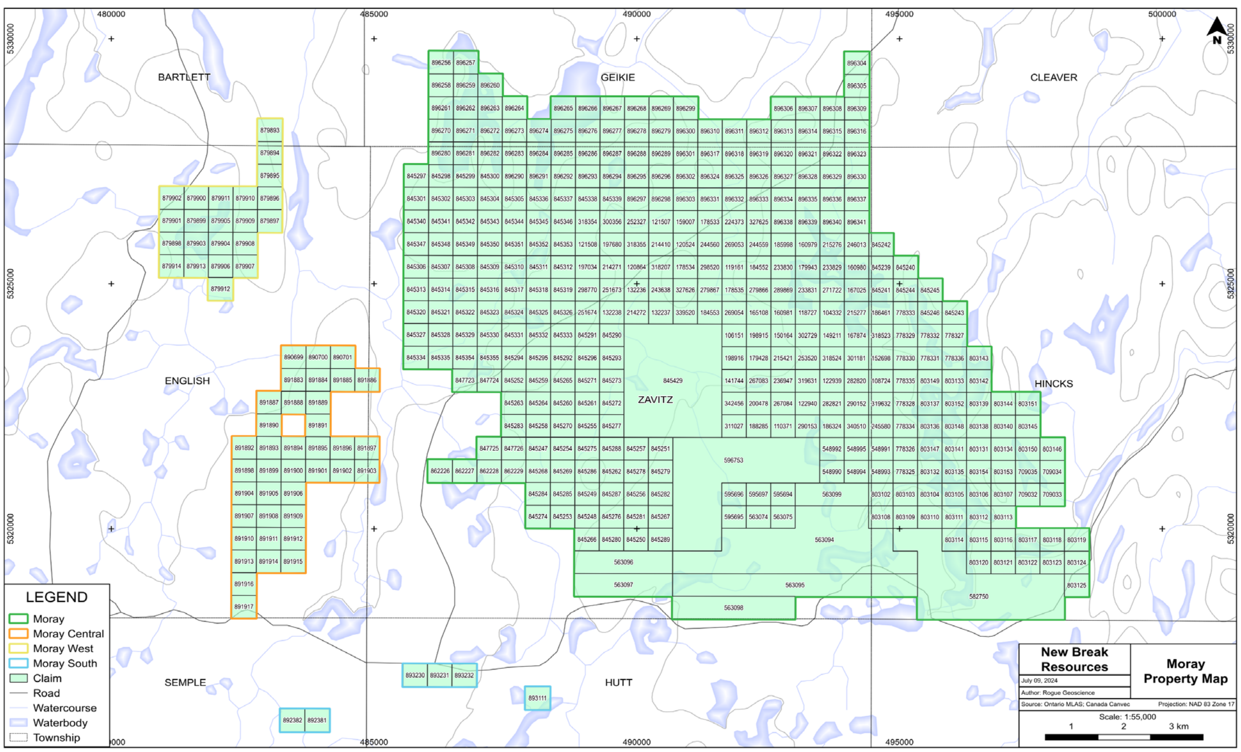
Developments during 2024 and up to April 29, 2025

Mineral Properties and Exploration and Evaluation Activities

Moray Project - Matachewan, Ontario

The 10,326-hectare Moray property ("**Moray**"), is located approximately 49 km south of Timmins, Ontario and 32 km northwest of the Young-Davidson gold mine, operated by Alamos Gold Inc. ("**Alamos**"). In addition, New Break owns an additional approximately 2,005 hectares of mineral claims to the west and southwest of the main Moray property.

On July 8, 2024, New Break staked an additional 86 mineral claims covering approximately 1,855 hectares, contiguous with the northern boundary of the main Moray property, expanding the size of the property to 10,326 hectares at a cost of $4,300 and in mid-September 2024, New Break staked an additional 27 mineral claims at a cost of $1,350 in English Township, Ontario, expanding the claims to the west and southwest of the main Moray property from 1,425 hectares to 2,005 hectares.

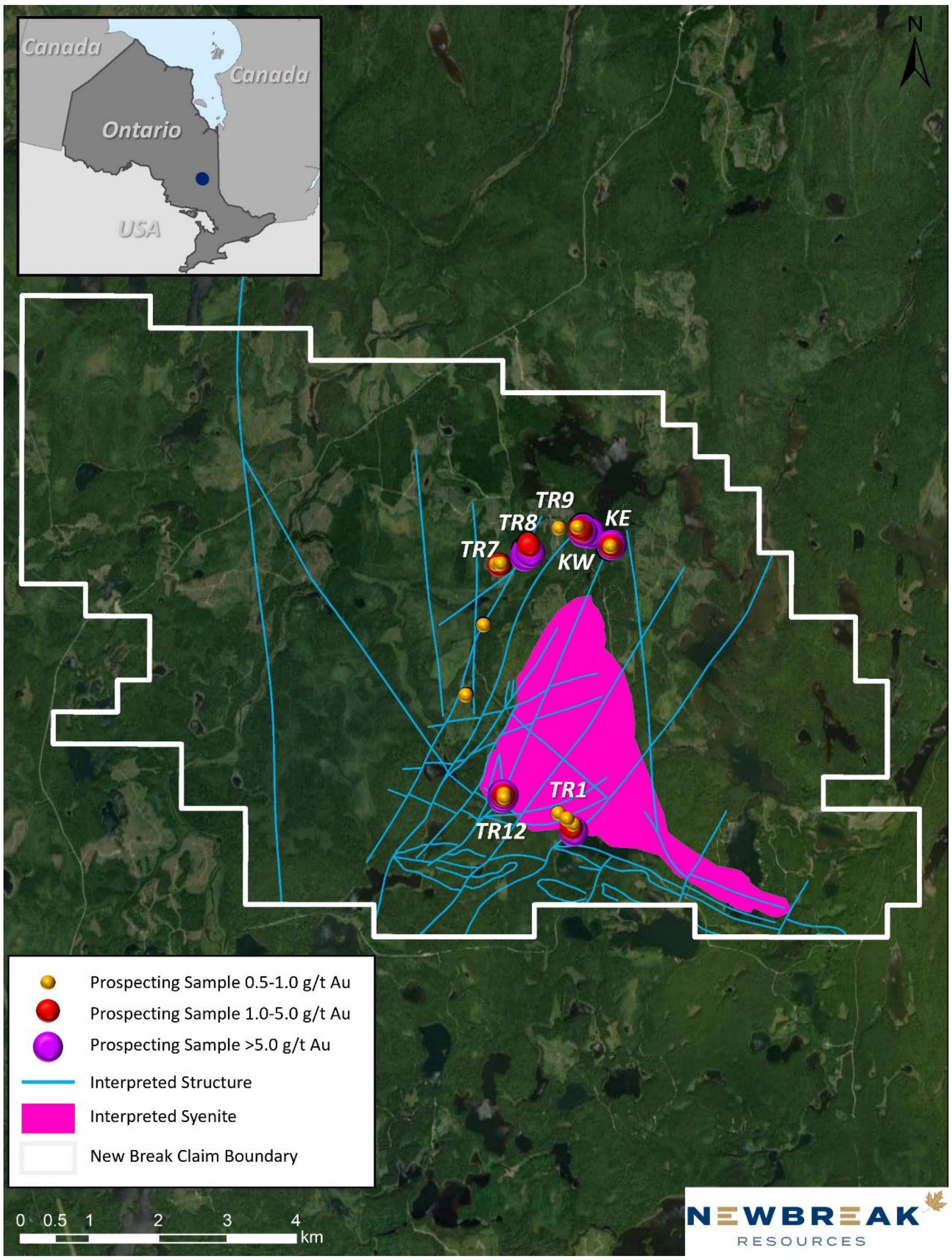


*(**Figure 1** – Moray Project, property map)*

An NI 43-101 technical report on the Moray Project ("**Moray Technical Report**") dated February 25, 2022, with an effective date of December 31, 2021, can be found on the Company's website at www.newbreakresources.ca. The Moray Technical Report has not been further updated to include any additional exploration work or information subsequent to December 31, 2021.

Figure 2 below, depicts the Moray property with trench locations, interpreted geological structures and the interpreted syenite intrusion, which forms the principal basis for the comparison of the Moray property to the Young-Davidson property. The historical Fiset gold showing is hosted in syenite at Trench 1, while the historical Voyager gold showing is hosted at Trench 12 on the margin of the syenite.

The NE-SW gold bearing structure first identified in trench 12 ("**TR12**") in 2022, has now been traced for approximately 4 km, north to the Kitichiming Lake East ("**KE**") trench. The chronology of gold bearing events (from oldest to youngest) has been determined to occur first in the NNW trending veins, followed by the E-W shear veins and lastly in the NE-SW veins.



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

The results of exploration work completed by New Break to date, appears to support the Company's thesis of pursuing a Young-Davidson gold mineralization model at Moray, including mafic volcanic hosted and syenite hosted auriferous quartz vein zones. The size of the interpreted syenite structure at Moray is three times the size of the syenite intrusion at Young-Davidson. First discovered in 1916, Young-Davidson produced one million ounces of gold from 1934 to 1957 from open pit and underground development. Commercial production resumed in 2012. 2024 annual gold production at Young-Davidson was approximately 174,000 ounces at an average grade of 2.08 g/t Au, generating US$149 million of free cash flow annually. With gold prices having risen over US$700 per ounce or almost CDN$1,000 per ounce in Canadian dollars since the beginning of the year, 2025 has the potential to be significantly better. Mineral reserves at Young-Davidson as at December 31, 2024, stood at 3.030 million ounces, contained in 41.756 million tonnes at an average grade of 2.26 g/t Au (source: Alamos mineral reserve table as at December 31, 2024). Disclaimer: The mineralization style and setting associated with the Young-Davidson gold mine is not necessarily indicative of the mineralization observed on the Moray property.

2024 Exploration Program

While there are a number of drill worthy targets at Moray, including follow up of the high-grade gold grab and channel samples at the Trench 12 Voyager area, the E-W shear vein structures at Trench 7, the gold bearing vein sets at Trench 8 and the main shear and lamprophyre veins at the Kitchiming West target area, the Company has decided to focus its efforts on gold mineralized targets associated with the main syenite structure on the property, including the Trench 1, Fiset syenite target area.

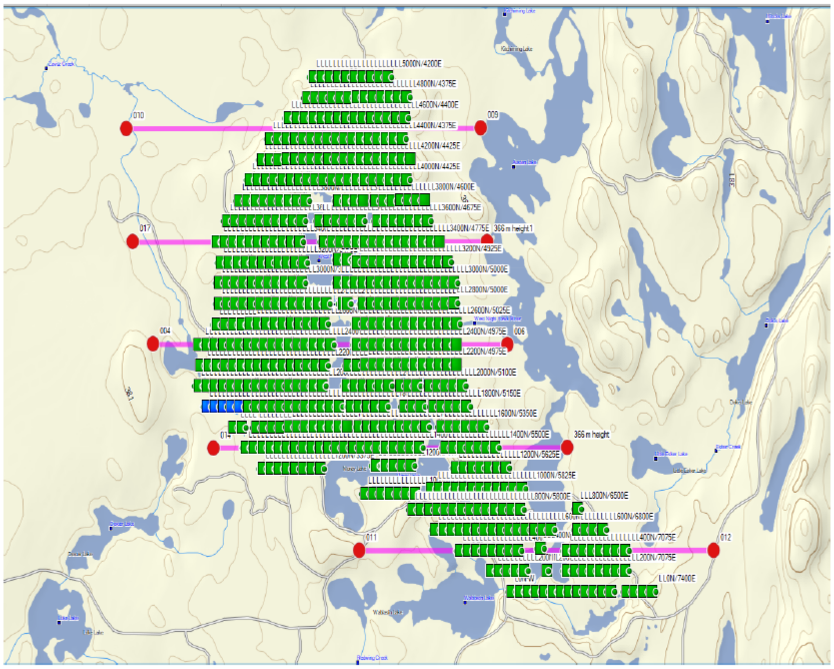
New Break undertook an exercise of comparing the characteristics of the gold mineralized syenite at the Young-Davidson gold mine to the gold mineralized syenite at Moray. It is understood that the majority of the orebody at Young-Davidson is contained within a syenite intrusive and that the gold-bearing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

On July 29, 2024, a New Break technical team that included New Break's VP Exploration, William Love, three senior geologists and Randall Salo, P. Geo., conducted a site visit to the Moray property. Mr. Salo has an extensive history of exploring the Moray property. The primary purpose of the site visit was to confirm New Break's understanding of the gold mineralization and validate next exploration steps.

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

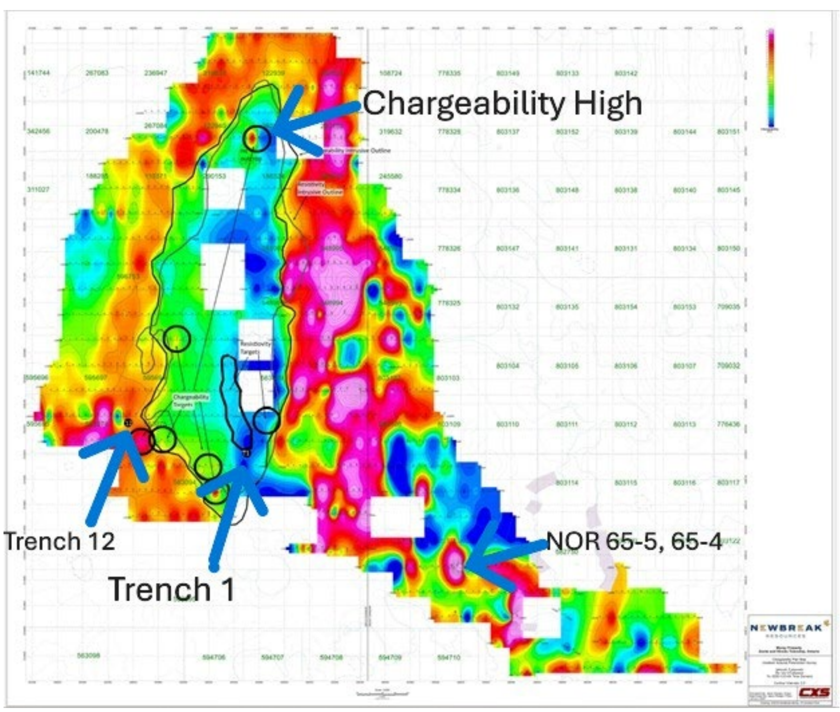
Gradient array IP surveys offer greater depth penetration and better penetration of conductive overburden than conventional IP surveys. The high-resolution IP survey was intended to test for high chargeability sulfides that may be associated with the gold mineralization, and high resistivity associated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

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

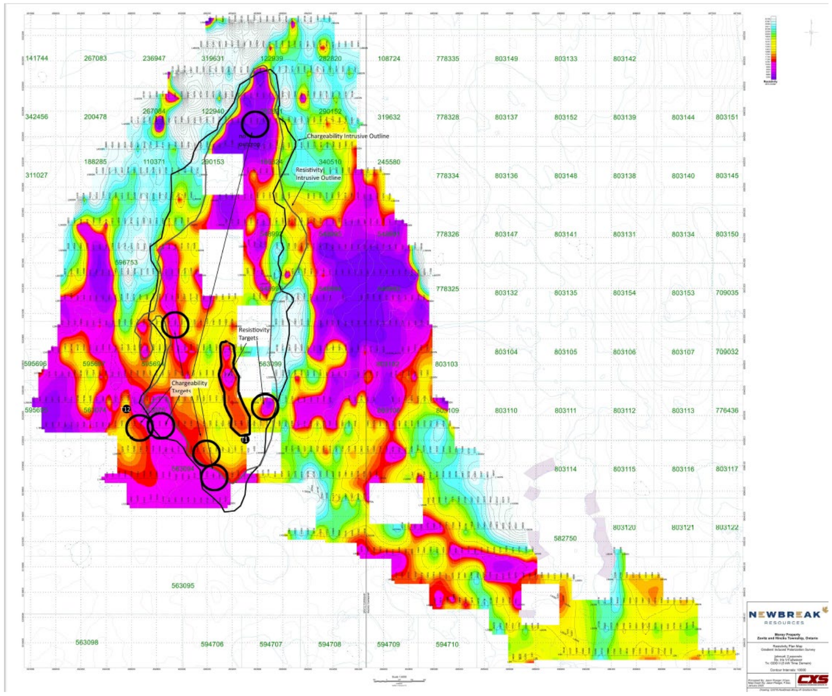


*(**Figure 3** - Survey Setup – Distributed Gradient Array IP)*

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



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



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

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

New Break has concluded that drilling the Moray syenite target area will provide the best opportunity for making a discovery which has the potential to ultimately yield an economic orebody.

Ontario Junior Exploration Program

OJEP is an initiative of the Conservative government in Ontario, that was initiated in 2022 to help attract investment in early exploration, expand the pipeline of mineral development projects, including critical minerals, and lead to more mines and jobs in Ontario. It is available to companies with a market capitalization of up to $100 million. New Break successfully participated in the 2022-2023 OJEP in respect of Moray exploration work conducted between April 1 and December 31, 2022, receiving a total reimbursement of $200,000.

In 2023, New Break successfully participated in two tranches of 2023-2024 OJEP related to qualifying exploration expenditures incurred at Moray from April 1, 2023 to February 15, 2024. In total, New Break received a reimbursement of $236,224, with $30,000 being received in November 2023 and the remaining $206,224 received in March 2024.

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

Nunavut Exploration Activities

Limited exploration activities were conducted on the Company's Nunavut properties during 2024. As such, mineral claims staked in 2021 associated with the Sy, Noomut and Angikuni Lake projects were allowed to expire during the year. With the Company's primary exploration efforts focused on drilling the Moray property, New Break looked to find a strategic partner to assist in the advancement of both the Sundog and Esker gold projects, both of which are now in the process of being sold to Guardian Exploration Inc. (TSX-V: GX) ("**Guardian**").

Sale of Sundog Gold Project

On April 10, 2025, New Break signed a definitive agreement (the "**Agreement**") with Guardian, replacing a non-binding letter of intent signed December 5, 2024, for the sale of New Break's 100% interest in the mineral rights and exploration data associated with the 9,415 hectare Sundog gold project located in Kivalliq Region, Nunavut ("**Sundog**") held pursuant to an Inuit Owned Lands Mineral Exploration Agreement ("**MEA**") and 60 drums (12,300 litres) of Jet A fuel located in Arviat, Nunavut to Guardian.

In consideration for assignment of the MEA to Guardian and sale of the fuel and Sundog exploration data (collectively, the "**Acquired Assets**"), upon closing Guardian will make a cash payment to New Break of $75,000 and issue to New Break 5,000,000 common shares of Guardian (the "**Consideration Shares**"). Guardian will assume responsibility for the obligations under the MEA including the annual exploration expenditure requirements and annual rent payments due to Nunavut Tunngavik Incorporated. In addition, Guardian will pay $18,830 to New Break as reimbursement for the 2024-2025 annual rent paid to NTI by New Break in December 2024. New Break will continue to hold an option to purchase a 20% undivided interest in the Sundog project for $1, carried through to a construction decision.

Sale of Mineral Claims in Sheraton Township, Ontario

On October 16, 2024, New Break entered into an agreement with Planet Green Metals Inc. to sell a 100% interest in eight mineral claims located in Sheraton Township, Ontario in exchange for $1,000 in cash and 100,000 common shares of Planet Green. New Break staked the claims in June 2024 at a cost of $400. The Planet Green common shares were received on October 28, 2024, at an estimated fair value of $9,500 based on their market price of $0.095 per share. The cash payment is currently still outstanding.

Non-Brokered Private Placement Unit Financing – March 5, 2024

On March 5, 2024, the Company closed the final tranche of its non-brokered private placement financing through the issuance of 250,000 Units at $0.08 per Unit for gross proceeds of $20,000. A company owned by an officer of New Break purchased 125,000 of the Units. 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 $0.12 for a period of twenty-four months from the date of closing. No finder's fees were paid in connection with the closing of the financing.

Non-Brokered Private Placement Flow-Through Unit Financing – July 18, 2024

On July 18, 2024, the Company completed a non-brokered private placement offering with a Control Person, through the issuance of 1,500,000 FT Units at a price of $0.11 per FT Unit, for aggregate gross proceeds of $165,000. Each FT Unit consists of one FT Share and one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one non-flow-through common share at an exercise price of $0.25 for a period of sixty (60) months from the date of closing. No finder fees were paid in connection with the private placement.

Non-Brokered Private Placement Unit Financing – November 15, 2024

On November 15, 2024, the Company completed a non-brokered private placement through the issuance of 6,106,000 Units at a price of $0.075 per Unit for gross proceeds of $457,950. A company owned by a director of New Break purchased 1,350,000 of the Units. 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 $0.12 for a period of twenty-four months from the date of closing. No finder's fees were paid in connection with the private placement.

Release of Common Shares from Escrow

On August 4, 2022, the Company entered into an escrow agreement in connection with its plans to go public, pursuant to which 4,348,000 common shares were placed into escrow and are subject to release in tranches over time, in accordance with the policies of the Canadian Securities Administrators (the "**Escrow Agreement**"). 10% were released on September 7, 2022, the date upon which the common shares of the Company became listed for trading on the CSE. An additional 15% will be released at every six-month interval thereafter, over a period of 36 months.

655,950 common shares were released from escrow on each of March 7, 2024, September 7, 2024, and March 7, 2025. Each release represented 15% of the shares held in escrow per the escrow agreement. Only 655,950 common shares remain in escrow which are scheduled to be released on September 7, 2025.

Stock Option Expiries

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

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

Warrant Expiries

On September 6, 2024, 1,338,000 warrants having an exercise price of $0.35 expired unexercised. 80,000 of the warrants were issued on December 31, 2021, 578,000 on March 30, 2022 and 680,000 on May 31, 2022. They all expired twenty-four months following the date New Break became publicly traded.

Corporate Developments

Annual General Meeting of Shareholders

The Company held an annual general meeting of shareholders on October 7, 2024, for shareholders of record as at September 6, 2024. Shareholders voted overwhelmingly in favour of the election of all directors, unanimously reappointed McGovern Hurley LLP, Chartered Professional Accountants as the Company's auditor and overwhelmingly reapproved the Company's stock option plan.

Management and Board of Directors

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

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

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

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

Overview of Financial Results

Three months and Year Ended December 31, 2024 vs. December 31, 2023

	Three Months Ended December 31,		Year Ended December 31,	
(Expressed in Canadian Dollars)	**2024**	2023	**2024**	2023
Expenses				
Exploration and evaluation	**$ 209,681**	$ 7,922	**$ 425,566**	$ 497,026
Management fees	**34,000**	37,500	**146,500**	150,000
Consulting fees	**135**	135	**16,350**	12,984
Professional fees	**14,089**	12,583	**48,546**	55,672
Investor relations	**19,750**	27,800	**102,259**	220,867
General and administrative	**26,540**	20,237	**97,129**	95,259
Shareholder costs and filing fees	**10,933**	5,240	**32,787**	34,169
Travel	**-**	-	**-**	935
Share-based compensation	**-**	1,597	**-**	44,280
Total expenses	**315,128**	113,014	**869,137**	1,111,192
Loss before the undernoted	**(315,128)**	(113,014)	**(869,137)**	(1,111,192)
Bank charges	**(360)**	(199)	**(1,104)**	(1,131)
Part X11.6 tax	**(12,794)**	(684)	**(12,794)**	(611)
Interest income	**763**	398	**1,523**	6,994
Flow-through share premium recovery	**39,088**	(13,890)	**63,683**	71,452
Gain on sale of mineral property	**10,100**	-	**10,100**	-
Change in unrealized loss on value of investment	**(1,500)**	-	**(1,500)**	-
Net loss and comprehensive loss for the period	**$ (279,831)**	$ (127,389)	**$ (809,229)**	$(1,034,488)
Net loss per share				
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)	**$ (0.02)**	$ (0.02)

Three months ended December 31, 2024 vs. three months ended December 31, 2023

- Overall, the Company recorded net loss and comprehensive loss of $279,831 or $0.00 per share for the quarter ended December 31, 2024, compared to a net loss and comprehensive loss of $127,389 or $0.00 per share for the quarter ended December 31, 2023.

- Exploration and evaluation expenses were $395,278, before a $185,597 OJEP reimbursement accrual in the fourth quarter of 2024 compared to $208,147, before a $200,226 OJEP reimbursement accrual, in the fourth quarter of 2023. During the fourth quarter of 2024, $263,293 was spent on a gradient IP survey at Moray. The majority of the remainder was spent on other Moray activities and on compilation work in respect of additional claims staked outside of the main Moray property. This amount was reduced by an accrual of $185,597 relating to a reimbursement from OJEP which was subsequently received in March 2025. Additionally, the Company expensed $18,830 paid to NTI in respect of the 2024-2025 rent on the Sundog property. During the fourth quarter of 2023, $76,938 was spent at Moray, including the continuation of the 2023 stripping and structural mapping programs. This amount was reduced by an accrual of $200,226 relating to a reimbursement from OJEP which was subsequently received in March 2024. In addition, $74,658 was expensed in relation to Sundog, while $52,110 in mineral claim deposits relating to the Sy, Noomut and Angikuni Lake properties were expensed.
- Management fees were $34,000 in the fourth quarter of 2024 compared to $37,500 in the fourth quarter of 2023. These amounts relate to fees charged by the Company's CEO and CFO. The consulting services provided by the CFO ended November 30, 2024, resulting in the reduction of fees compared to the fourth quarter of 2023.
- Consulting fees were $135 in the fourth quarter of 2024 compared to $135 in the fourth quarter of 2023.
- Professional fees were $14,089 in the fourth quarter of 2024 compared to $12,583 in the fourth quarter of 2023. These fees generally relate to the accrual of audit and tax return preparation fees and legal fees.
- Investor relations expenses were $19,750 in the fourth quarter of 2024 compared to $27,800 in the fourth quarter of 2023. These costs principally relate to fees paid in relation to social media management and market liquidity services. The fourth quarter of 2024 is lower as a result of renegotiating the monthly cost of social media management and communications services down from $3,500 to $1,000 beginning November 1, 2024.
- General and administrative expenses were $26,540 during the fourth quarter of 2024 compared to $20,237 during the fourth quarter of 2023.
- Shareholder costs and filing fees were $10,933 during the fourth quarter of 2024 compared to $5,240 during the fourth quarter of 2023. The 2024 amount was higher due to holding the Company's annual and general meeting of shareholders in October 2024 compared to August in 2023 in the prior year.
- Share-based compensation was $nil during the fourth quarter of 2024 compared to $1,597 during the fourth quarter of 2023. The 2023 amount relates to the remaining amortization of the grant date fair value of 200,000 stock options granted on January 20, 2023. This is a non-cash expense.
- Part XII.6 tax was $12,794 in the fourth quarter of 2024 compared to $684 in the fourth quarter of 2023. When Company's raise capital through the issuance of flow-through shares and use the look-back rule to renounce the expenditures in the year the capital is raised, if the funds are spent after January of the following year, there is a tax owed to the Canada Revenue Agency. The 2024 tax is higher due to much of the eligible qualifying Canadian Exploration Expenditures ("**CEE**") not being incurred until late in 2024.
- Flow-through share premium recovery was $39,088 during the fourth quarter of 2024 compared to a reversal of $13,890 during the fourth quarter of 2023. The 2024 amount is the amortization of flow-through share premium liability relating to the expenditure of eligible CEE incurred in the fourth quarter of 2024. The reversal in the fourth quarter of 2023 resulted from the accrual of the amount recoverable from OJEP which reduces flow-through expenditures. These amounts are non-cash.

- Gain on sale of mineral property was $10,100 during the fourth quarter of 2024 compared to $nil during the fourth quarter of 2023. In October 2024, New Break sold eight mineral claims in Sheraton Township, Ontario to Planet Green Metals Inc. for $1,000 in cash and 100,000 common shares in the capital of Planet Green valued at $9,500. The value of this consideration was offset by the $400 cost to stake the mineral claims in June 2024. No mineral claims were sold in 2023.
- Change in unrealized loss on value of investment was $1,500 during the fourth quarter of 2024 compared to $nil during 2023. The Q4 2024 unrealized loss is due to the change in value of the 100,000 common shares in Planet Green from $9,500 at the time of receipt to $8,000 as at December 31, 2024. New Break did not hold any investments in 2023.

Year ended December 31, 2024 vs. year ended December 31, 2023

- Overall, the Company recorded a net loss and comprehensive loss of $809,229 or $0.02 per share for the year ended December 31, 2024, compared to a net loss and comprehensive loss of $1,034,488 or $0.02 per share for the year ended December 31, 2023.
- Exploration and evaluation expenses were $626,161 before a $200,595 OJEP reimbursement from the Ontario government for the year ended December 31, 2024, compared to $718,252, before a $221,226 OJEP reimbursement from the Ontario government, for the year ended December 31, 2023. $541,660 was spent at Moray during 2024, principally on a gradient IP survey in Q4 2024, assessment report writing and filing and consulting services. This amount was reduced by amounts received and accrued of $200,595 relating to a reimbursement from OJEP. In addition, $60,177 was spent on other Ontario mineral claims including staking and compilation costs. $24,324 was incurred in relation to the Sundog gold project. Comparatively, during 2023, $531,430 was spent at Moray principally on prospecting, trenching, stripping and structural mapping programs on the mineral claims newly acquired during 2023. This amount was reduced by amounts received and accrued of $221,226 relating to a reimbursement from OJEP. In addition, $131,590 was expensed in relation to Sundog, $52,110 in mineral claim deposits relating to the Sy, Noomut and Angikuni Lake properties were expensed and $3,122 of other exploration costs were incurred. (see Note 7 to the financial statements for further details).
- Management fees were $146,500 for the year ended December 31, 2024, compared to $150,000 for the year ended December 31, 2023. These amounts relate to fees charged by the Company's CEO and CFO. The consulting services provided by the CFO ended November 30, 2024, resulting in the reduction of fees compared to 2023.
- Consulting fees were $16,350 for the year ended December 31, 2024, compared to $12,984 for the year ended December 31, 2023.
- Professional fees were $48,546 for the year ended December 31, 2024, compared to $55,672 for the year ended December 31, 2023. These fees generally relate to the accrual of audit and tax return preparation fees and legal fees. The 2023 fees were higher due to higher legal fees and fees associated with preparing tax returns for an additional deemed year end in connection with the Company going public on September 7, 2022.
- Investor relations expenses were $102,259 for the year ended December 31, 2024, compared to $220,867 for the year ended December 31, 2023. $119,688 of the 2023 costs relate to the amortization of prepaid fees associated with marketing and advertising programs, which began to be amortized once the Company became publicly traded on September 7, 2022. The majority of the 2024 costs and remainder of the 2023 costs principally relate to fees paid in relation to social media management and market liquidity services. Beginning November 1, 2024, New Break lowered the monthly fee charged for social media management and communications from $3,500 to $1,000.

- General and administrative expenses were $97,129 for the year ended December 31, 2024, compared to $95,259 for the year ended December 31, 2023.
- Shareholder costs and filing fees were $32,787 for the year ended December 31, 2024 compared to $34,169 for the year ended December 31, 2023. In general, these costs include CSE listing fees, filing fees associated with financings and annul filings, costs related to shareholder meetings, the cost of news releases and costs associated with the Company's transfer agent.
- Share-based compensation was $nil for the year ended December 31, 2024 compared to $44,280 for the year ended December 31, 2023. No stock options were granted during the year ended December 31, 2024. The 2023 amount relates to the grant date fair value of 200,000 stock options granted on January 20, 2023 and 300,000 granted on June 2, 2023. These amounts are non-cash expenses.
- Part XII.6 tax was $12,794 for the year ended December 31, 2024, compared to $611 for the year ended December 31, 2023. When Company's raise capital through the issuance of flow-through shares and use the look-back rule to renounce the expenditures in the year the capital is raised, if the funds are spent after January of the following year, there is a tax owed to the Canada Revenue Agency. The 2024 tax is higher due to much of the eligible CEE not being incurred until late in 2024.
- Flow-through share premium recovery was $63,683 during the year ended December 31, 2024, compared to $71,452 during the year ended December 31, 2023. The 2024 amount is the amortization of flow-through share premium liability relating to the expenditure of eligible qualifying CEE incurred during 2024 from flow-through funds raised May 31, 2023 and December 29, 2023. The 2023 amount is the amortization of flow-through share premium liability relating to the expenditure of eligible qualifying CEE incurred during 2023 from flow-through funds raised December 30, 2022 and May 31, 2023. These amounts are non-cash.
- Gain on sale of mineral property was $10,100 during the year ended December 31, 2024, compared to $nil during the year ended December 31, 2023. In October 2024, New Break sold eight mineral claims in Sheraton Township, Ontario to Planet Green Metals Inc. for $1,000 in cash and 100,000 common shares in the capital of Planet Green valued at $9,500. The value of this consideration was offset by the $400 cost to stake the mineral claims in June 2024. No mineral claims were sold in 2023.
- Change in unrealized loss on value of investment was $1,500 during the year ended December 31, 2024, compared to $nil during the year ended December 31, 2023. The 2024 unrealized loss is due to the change in value of the 100,000 common shares in Planet Green from $9,500 at the time of receipt to $8,000 as at December 31, 2024. New Break did not hold any investments in 2023.

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.

	Annual	Q4	Q3	Q2	Q1
	Dec. 2024 (audited)	Dec. 2024 (unaudited)	Sept. 2024 (unaudited)	June 2024 (unaudited)	March 2024 (unaudited)
Revenue	$ -	$ -	$ -	$ -	$ -
Loss and comprehensive loss	$ (809,229)	$ (279,831)	$ (205,877)	$ (172,783)	$ (150,738)
Loss per share – basic and diluted	($0.02)	($0.00)	($0.00)	($0.00)	($0.00)
Assets	$ 845,823	$ 845,823	$ 637,290	$ 644,467	$ 807,433

	Annual	Q4	Q3	Q2	Q1
	Dec. 2023 (audited)	Dec. 2023 (unaudited)	Sept. 2023 (unaudited)	June 2023 (unaudited)	March 2023 (unaudited)
Revenue	$ -	$ -	$ -	$ -	$ -
Loss and comprehensive loss	$(1,034,488)	$ (127,389)	$ (404,924)	$ (270,456)	$ (231,719)
Loss per share – basic and diluted	($0.02)	($0.00)	($0.01)	($0.01)	($0.01)
Assets	$ 987,468	$ 987,468	$ 938,320	$ 1,292,590	$ 590,447

Liquidity and Capital Resources

The Company's cash decreased by $14,218 during the quarter ended December 31, 2024, compared to an increase of $11,466 during the quarter ended December 31, 2023. The Company's cash decreased by $174,657 during the year ended December 31, 2024, compared to a decrease of $18,257 during the year ended December 31, 2023. As at December 31, 2024, the ending cash balance was $37,548 compared to $212,205 as at December 31, 2023.

Working Capital

As at December 31, 2024, the Company had a working capital surplus of $71,021 compared to a surplus of $300,983 as at December 31, 2023. The non-cash flow-through share premium liability amount has been excluded from current liabilities in the calculation of working capital. As at December 31, 2024, the Company had a commitment to spend $165,000 on eligible CEE from amounts raised from flow-through financings by December 31, 2025.

A summary of the Company's cash position and changes in cash for the three-month periods and years ended December 31, 2024 and December 31, 2023 are provided below:

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	**2024**	2023
Cash used in operating activities – gross	**$ (327,919)**	$ (59,792)	**$ (881,912)**	$ (1,009,550)
Changes in non-cash operating working capital	**(144,249)**	(113,742)	**64,305**	191,181
Cash used in operating activities – net	**(472,168)**	(173,534)	**(817,607)**	(818,369)
Cash used in investing activities	**-**	-	**-**	(90,000)
Cash provided by financing activities	**457,950**	185,000	**642,950**	890,112
(Decrease) increase in cash	**(14,218)**	11,466	**(174,657)**	(18,257)
Cash, beginning of period	**51,766**	200,739	**212,205**	230,462
Cash, end of period	**$ 37,548**	$ 212,205	**$ 37,548**	$ 212,205

Three months ended December 31, 2024 vs. three months ended December 31, 2023

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the three months ended December 31, 2024 was $327,919 compared to $59,792 for the three months ended December 31, 2023. The current year is higher principally due to the timing of exploration and evaluation expenditures which included an IP survey at the Moray property during the fourth quarter of 2024.

Financing Activities

During the quarter ended December 31, 2024, cash provided by financing activities was $457,950 compared to $185,000 for the quarter ended December 31, 2023.

On November 15, 2024, the Company issued 6,106,000 Units at a price of $0.075 per Unit for gross proceeds of $457,950.

Comparatively, on December 29, 2023, the Company issued 1,250,000 flow-through units at a price of $0.10 per FT Unit for gross proceeds of $125,000 and issued 750,000 non-flow-through units at a price of $0.08 per Unit for gross proceeds of $60,000.

Year ended December 31, 2024 vs. year ended December 31, 2023

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the year ended December 31, 2024 was $881,912 compared to $1,009,550 for the year ended December 31, 2023. 2024 is lower, primarily due to slightly lower exploration and evaluation expenditures compared to 2023 and lower investor relations costs during 2024.

Investing Activities

During the year ended December 31, 2024, cash provided by investing activities was $nil compared to $90,000 used in investing activities during the year ended December 31, 2023. During 2023, the Company made payments totaling $80,000 and $10,000, respectively as partial consideration for the purchase of additional mineral claims in May and July 2023, contiguous to existing mineral claims at the Company's Moray property.

Financing Activities

During the year ended December 31, 2024, cash provided by financing activities was $642,950 compared to $890,112 for the year ended December 31, 2023.

The 2024 amount was the result of the following:

- On March 5, 2024, the Company issued an aggregate of 250,000 units at $0.08 per unit for gross proceeds of $20,000;
- On July 18, 2024, the Company issued an aggregate of 1,500,000 F-T Units at $0.11 per F-T Unit for gross proceeds of $165,000; and
- On November 15, 2024, the Company issued an aggregate of 6,106,000 units at $0.075 per unit for gross proceeds of $457,950.

The 2023 amount was the result of the following:

- On May 31, 2023, the Company issued 3,338,000 flow-through shares at $0.15 per flow-through share for gross proceeds of $500,700 and paid $12,915 in finder's fees.
- On December 29, 2023, the Company issued 1,250,000 F-T Units at a price of $0.10 per F-T Unit for gross proceeds of $125,000 and issued 750,000 non-F-T Units at a price of $0.08 per Unit for gross proceeds of $60,000.
- On April 28, 2023, the Company received proceeds of $56,250 from the exercise of 375,000 warrants at $0.15 per share and on June 23, 2023, the Company received proceeds of $161,077 from the exercise of 1,073,850 warrants at $0.15 per share.

Liquidity Outlook

The Company had a cash balance of $37,548, HST receivable of $58,310 and OJEP receivable of $185,597, totaling $281,455 as at December 31, 2024 and accounts payable and accrued liabilities of $231,802. The Company also has a commitment as at December 31, 2024, to spend $165,000 on eligible CEE by December 31, 2025.

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

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

- January 27, 2025 - $58,067 from the Canada Revenue Agency towards the Q4 2024 HST receivable;
- March 26, 2025 - $200,000 OJEP reimbursement from the Ontario Government which included the $185,597 receivable as at December 31, 2024 and an additional $14,403 reimbursement against expenditures incurred at the Moray project from January 1 to February 28, 2025;

In addition, New Break expects to receive $75,000 in cash along with 5,000,000 common shares of Guardian Exploration Inc. as consideration for the sale of the Company's interest in the Sundog gold project and related assets and an additional $18,830 in cash from Guardian as reimbursement of the 2024-2025 annual rent paid to NTI in respect of the Sundog property.

The Company will have to raise additional funds to fully fund New Break's 2025 corporate operating budget and to run a planned drilling program at its Moray property, which will be the Company's principal focus during 2025. New Break estimates that the initial planned 2,500 metre drilling program at Moray will cost approximately $600,000.

In general, completion of all of the Company's ongoing and future exploration and development initiatives and its ability to continue as a going concern are subject to successfully raising additional funding (see "Risks and Uncertainties").

Related Party Transactions and Key Management Compensation

Key Management Compensation

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

	For the years ended December 31,	
	2024	2023
Management fees and benefits	**$ 163,706**	$ 170,489
Management fees included in exploration and evaluation	**90,000**	90,000
Total fees paid to management and directors	**$ 253,706**	$ 260,489
Exploration and evaluation consulting fees charged by a geological consulting company, the President & CEO of which, is also a director of New Break (1)	**$ 130,946**	$ 185,600

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

Related Party Transactions

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

On June 2, 2023, the Company granted options to purchase up to 300,000 common shares of the Company at a price of $0.10 per share for a period of five years. 240,000 of these were granted to a consultant of the Company, who is also a Control Person.

On June 23, 2023, warrants to purchase 1,073,850 common shares of the Company at a price of $0.15 were exercised for proceeds of $161,077. 25,000 were exercised by an investment company that is wholly-owned by one of the Company's directors and 173,000 were exercised by a Control Person. As a result of the exercise, the investment company and the Control Person were also issued 25,000 and 173,000 incentive warrants, respectively at $0.20 for a period of three years.

On December 29, 2023, the Company completed a non-brokered private placement for gross proceeds of $60,000 through the issuance of 750,000 Units at a price of $0.08 per Unit and $125,000 through the issuance of 1,250,000 F-T Units at a price of $0.10 per F-T Unit. A geological consulting company, the President and CEO of which was a director of New Break, subscribed for 125,000 of the Units for proceeds of $10,000 and was issued 125,000 warrants exercisable at $0.12 for a period of 24 months. In addition, a Control Person subscribed for 375,000 of the Units and 1,000,000 of the F-T Units for gross proceeds of $30,000 and $100,000, respectively and was issued 375,000 warrants exercisable at $0.12 and 1,000,000 warrants exercisable at $0.15 for a period of 24 months.

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

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

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

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

As at December 31, 2024, $97,058 (December 31, 2023 - $66,511) included in accounts payable and accrued liabilities was owing to related parties, including $56,550 (December 31, 2023 - $32,761) owed to a geological consulting company, the President and Chief Executive Officer of which, was also a director of New Break as at December 31, 2024. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

Subsequent Events

Expiry of Stock Options

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

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

Escrow Shares

On March 7, 2025, an additional 655,950 common shares were released from escrow, leaving a remaining balance of 655,950 common shares held in escrow.

Receipt of Other Amount Receivable

On March 26, 2025, the Company received a payment of $200,000 from the Ontario Ministry of Mines pursuant to OJEP, as reimbursement of 50% of certain exploration and evaluation expenditures for work and activities on the Moray gold project for the period April 1, 2024 to February 28, 2025. $185,597 of this amount is in respect of work completed during fiscal 2024 and was recorded in other amounts receivable as at December 31, 2024, while the remaining $14,403 is in respect of work completed in fiscal 2025.

Sale of Sundog Gold Project and Related Assets

On April 10, 2025, New Break entered into a definitive asset purchase and sale agreement with Guardian Exploration Inc., replacing a non-binding letter of intent signed December 5, 2024, to sell a 100% interest in its Sundog gold project and 60 drums of Jet A fuel (12,300 litres) warehoused in Arviat, Nunavut (the "**Assets**"). Guardian has agreed to pay New Break $75,000 in cash and issue to New Break, 5,000,000 shares of Guardian in exchange for the Assets upon closing. In addition, Guardian has agreed to reimburse New Break $18,830 for the Sundog annual rent paid to NTI on December 27, 2024. This amount was recorded in exploration and evaluation expenditures for the year ended December 31, 2024. New Break will retain an option to purchase a 20% interest in the Sundog project at any time for $1, carried through to a decision to mine (the "**Option**"). Upon exercise of the Option, New Break and Guardian would enter into an agreement on standard industry terms to be mutually agreed upon, governing the joint operation on a 20/80 basis, respectively. New Break would only become responsible for funding 20% of mine development costs once a construction decision has been made. New Break can sell its 20% interest at any time, subject to Guardian having a right of first refusal to buy New Break's 20% interest.

Outstanding Capital and Share Data

New Break's authorized capital stock consists of an unlimited number of common shares without par value. As at April 29, 2025 there were 57,428,600 common shares issued and outstanding.

As at April 29, 2025, the Company also had the following items issued and outstanding:

- 10,980,850 common share purchase warrants at a weighted average exercise price of $0.15.
- 3,490,000 stock options at an exercise price of $0.10.

For further detailed information on share capital, see Note 9 to the annual audited financial statements for the years ended December 31, 2024 and 2023.

Off-Balance Sheet Arrangements

As at December 31, 2024, the Company has not entered into any off-balance sheet arrangements.

Proposed Transactions

In the normal course of business, the Company evaluates property acquisition and sale transactions and, in some cases, makes proposals to acquire or sell such properties. These proposals, which are usually subject to Board and sometimes regulatory and shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of April 29, 2025, there are no material property acquisitions or possible transactions that the Company is examining other than the impending sale of the Assets to Guardian Exploration Inc.

Financial Instruments

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

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

Market Risk

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

Commodity Risk

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

Liquidity Risk

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

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. The 2025 Moray exploration budget is planned to be partially funded from flow-through funds raised in July 2024 and from the $200,000 reimbursement from the government of Ontario under OJEP, while the 2025 operating expenses are expected to be partially funded from proceeds anticipated to be received in connection with the planned sale of the Company's interest in the Sundog gold project. There is no certainty of the Company's ability to secure adequate funding through the completion of additional financings or asset sales.

As at December 31, 2024 the Company held current assets of $302,823 (December 31, 2023 - $444,468) to settle current liabilities of $231,802 (December 31, 2023 - $143,485, exclusive of non-cash flow-through share premium liability).

Interest Rate Risk

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

Credit Risk

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

The Company's financial assets and liabilities as at December 31, 2024 and 2023 were as follows:

	Amortized Cost	FVPL	Total
December 31, 2023			
Financial assets			
Cash	$ 212,205	$ -	$ 212,205
Other amount receivable	$ 191,225	$ -	$ 191,225
Financial liabilities			
Accounts payable and accrued liabilities	$ 143,485	$ -	$ 143,485
December 31, 2024			
Financial assets			
Cash	$ 37,548	$ -	$ 37,548
Other amounts receivable	$ 186,597	$ -	$ 186,597
Investment	$ -	$ 8,000	$ 8,000
Financial liabilities			
Accounts payable and accrued liabilities	$ 231,802	$ -	$ 231,802

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

Going Concern

The audited 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 audited 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.

Use of Estimates and Judgment

The preparation of financial statements in conformity with IFRS requires that management make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities, profits and expenses. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees and applicable non-employees by reference to the fair value of the equity instruments at the date at which they are vested. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, risk-free interest rates, volatility and dividend yield and making assumptions about them. Expected volatility is generally based on the historical volatility of comparable companies. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 9(d) to the audited financial statements. When shares are issued as consideration, they are valued at the price associated with the most recent financing.

Title to exploration and evaluation property interests

Although the Company has taken steps to verify title to exploration and evaluation properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Rehabilitation provisions

The Company records management's best estimate of the present value of the future cash requirements of any rehabilitation obligation as a long-term liability in the period in which the related environmental disturbance occurs based on the net present value of the estimated future costs. This obligation is adjusted at each period end to reflect the passage of time and any changes in the estimated future costs underlying the obligation. In determining this obligation, management must make a number of assumptions about the amount and timing of future cash flows and discount rate to be used. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Capitalization of mineral property acquisition costs

Where mineral properties are acquired through an acquisition agreement, management has determined that capitalized acquisition costs have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including, but not limited to, the geologic and metallurgic information, operating management expertise and existing permits. See Note 7 to the audited financial statements for details of the Company's capitalized acquisition costs in respect of mineral properties.

Impairment of mineral properties

While assessing whether any indications of impairment exist for mineral properties, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of mineral properties. Internal sources of information include the manner in which the mineral properties are being used or are expected to be used and indications of expected economic performance of the properties. Estimates include but are not limited to estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's mineral properties.

Material Accounting Policies

The Company's material accounting policies are described in Note 3 to the audited financial statements for the year ended December 31, 2024. The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from those estimates. The following is a list of the accounting policies that management believes are critical, due to the degree of uncertainty regarding the estimates and assumptions involved and the magnitude of the asset, liability and expense being reported:

(a) Cash

Cash consists of cash on deposit with a major Canadian bank. Cash is measured at Amortized Cost.

(b) Exploration and Evaluation Properties

Acquisition Costs

The costs of acquiring mineral property interests comprised of payments of cash and common shares, are capitalized as mineral property assets. This does not include payments of cash and common shares in respect of option agreements where the ultimate acquisition of the property is uncertain at the time the initial payment is made.

Exploration and Evaluation Expenditures

Payments of cash and common shares pursuant to option agreements, costs of staking and all expenditures on exploration and evaluation activities are recorded as exploration and evaluation expenses until it has been established that a mineral property is commercially viable.

Development Assets

When economically viable reserves have been determined and the decision to proceed with development has been approved, the expenditures related to development and construction are capitalized as construction-in-progress and classified as a component of property, plant and equipment. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management are capitalized. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

Disposition or Abandonment of Mineral Properties

Proceeds received from the sale of any interest in a mineral property are first credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the acquisition cost of the property is written off to operations.

Impairment

The application of the Company's accounting policy for acquisition costs related to mineral properties, requires judgement in determining whether there are future economic benefits, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of the carrying value is unlikely, the amount to be written off is expensed in the statement of operations in the period when the new information becomes available. The Company assesses each cash generating unit ("CGU") at each reporting date to determine whether any indication of impairment exists.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the assets in an arm's length transaction between knowledgeable and willing parties. The carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss in the statement of loss for the period.

(c) Equipment

Recognition and Measurement

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes all expenditures that are directly attributable to the acquisition of the asset.

Depreciation

When applicable, depreciation is calculated using the straight-line method over the estimated useful lives of assets as follows:

Office furniture and equipment – 3 years.
Computer hardware and software - 2 years.

The Company does not currently have any office or computer equipment.

Impairment

The carrying amounts of the Company's equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or group of assets, in which case, the individual assets are grouped together into CGUs for impairment purposes.

An impairment exists when the carrying amount of the asset, or group of assets, exceeds its recoverable amount. The impairment loss is the amount by which the carrying value exceeds the recoverable amount and such loss is recognized in the statement of operations. The recoverable amount of an asset is the higher of its fair value less costs to dispose and its value in use.

A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized such that the recoverable amount has increased. The carrying amount after a reversal must not exceed the carrying account (net of depreciation) that would have been determined had no impairment loss been recognized.

(d) Financial Instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit or loss (“FVPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. Cash is measured at amortized cost.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

IFRS 9 allows a simplified approach to impairment assessment, which requires the expected lifetime loss to be recognized at the time of initial recognition of the financial assets. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are measured at amortized cost. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – financial liabilities at FVPL

Financial liabilities measured at FVPL include financial liabilities management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statement of loss. The Company does not measure any financial liabilities at FVPL.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statement of loss.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Fair Value Hierarchy

Financial instruments recorded at fair value on the statements of financial position are classified using a financial value hierarchy that reflects the significance of the inputs used in marking the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices including Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset and liability that are not based on observable market data (unobservable inputs).

The Company's investment in Planet Green Metals Inc. is classified as level 1.

(e) Government Assistance

The Company recognizes government grants given on eligible expenditures when it is reasonably assured that the Company will comply with the conditions attached to them and the grants will be received. Grants are recognized as either income over the period(s) necessary to match them with the related costs or if related to a specific expense, as a reduction to the expenses for which they are intended to reimburse. Grants receivable for costs already incurred or for immediate financial support, with no future related costs, are recognized as income in the period in which the grant is receivable. If a grant becomes repayable, it is treated as a change in estimate. Where the original grant related to income, the repayment would be applied first against any related unamortized deferred credit, and any excess would be expensed. Where the original grant related to an asset, the repayment would be treated as increasing the carrying amount of the asset or reducing the deferred income balance. The cumulative depreciation which would have been charged had the grant not been received would be charged as an expense.

(f) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's common shares, warrants, stock options and flow-through shares are classified as equity instruments. Preference share capital is classified as equity if it is non-retractable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds.

(g) Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to share capital and the relative fair value of the warrant component is credited to warrant reserve. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the warrant reserve account is recorded as an increase to share capital. For those warrants that expire unexercised, the recorded fair value is transferred from warrant reserve to deficit.

(h) Flow-Through Shares

Upon the issuance of flow-through shares, the Company records the initial proceeds to share capital, net of tax liability, if any. The flow-through share premium liability on the statement of financial position represents the premium of the financing price in excess of the market share price on the date of the flow-through share financing. The financial liability pertaining to the premium is recognized in the statement of loss consistent with expenditure renunciations. As the Company incurs eligible Canadian Exploration Expenditures to meet flow-through requirements, a corresponding flow-through share premium recovery is recognized in the statement of loss.

(i) Share-Based Payments

The Company accounts for share-based payments using the fair value method. Under this method, compensation expense for employees is measured at fair value on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense with a corresponding increase in stock option reserve, a component of equity, over the period that the employees earn the options. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility.

Upon the exercise of stock options, consideration paid by the option holder together with the amount previously recognized in the stock option reserve account is recorded as an increase to share capital. For those options that are cancelled or expire after vesting, the recorded fair value is transferred from stock option reserve to deficit.

Warrants, stock options, and other equity instruments issued as purchase consideration in non-cash transactions are recorded at fair value of the goods or services received or if the value of the goods or services received is not reliably measurable then the value of such goods and services are measured with reference to the fair value of the equity instruments issued. With respect to the acquisition of exploration and evaluation assets, the Company does not believe that the fair value of these assets is reliably measurable at the time of purchase. As such, when shares of the Company are issued as consideration for the purchase of exploration and evaluation assets, classified as mineral properties, the fair value of the asset is based upon the price of the Company's shares on the date of the agreement to issue shares as determined by the Board of Directors. In the event that options or warrants are issued where the fair value of goods or services are not reliably measurable, they are valued using the Black-Scholes pricing model.

(j) Reclamation Obligation

A legal or constructive obligation to incur restoration, rehabilitation, and environmental costs may arise when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. The Company's exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive.

The fair value of the liability for an asset retirement obligation is recorded when the legal obligation arises and the corresponding increase to the asset is amortized over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. The Company does not currently have any significant legal or constructive obligations and therefore, no reclamation provision has been recorded as at December 31, 2024 and December 31, 2023.

(k) Loss Per Common Share

The Company presents basic and diluted loss per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible warrants and stock options granted by the Company. Diluted loss per share for the periods presented does not include the effect of the stock options and warrants issued by the Company, as they are anti-dilutive.

(l) Income Taxes

Income tax expense is comprised of current and deferred tax expense. Current tax expense is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purpose.

Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity. Income taxes are calculated using the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for tax losses and other deductions carried forward.

Deferred income tax assets and liabilities are calculated using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. An asset is recognized on the statement of financial position only when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. The effect on deferred tax assets and liabilities of changes in tax rates are recognized in operations in the period in which the change is substantively enacted.

(m) New Standards Issued and Adopted

The Company adopted the following accounting standards and amendments to accounting standards, effective January 1, 2024:

On January 23, 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements, to clarify the classification of liabilities as current or non-current. For the purposes of non-current classification, the amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must have substance and exist at the end of the reporting period. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option. The amendments state that:

- settlement of a liability includes transferring a company's own equity instruments to the counterparty, and
- when classifying liabilities as current or non-current a company can ignore only those conversion options that are recognized as equity.

The amendments have been adopted by the Company, however the amendments did not result in any changes to the financial statements.

(n) Standards and Amendments Issued But Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact on the Company. The Company is currently assessing the impact of these new pronouncements.

Standards issued, but not yet effective include:

IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which is intended to give investors more transparent and comparable information about companies' financial performance, thereby enabling better investment decisions. IFRS 18 introduces new sets of requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies through

- Improved comparability in the statement of profit or loss or income statement;
- Enhanced transparency of management-defined performance measures; and
- More useful grouping of information in the financial statements.

IFRS 18 also requires companies to provide more transparency about operating expenses, helping investors to find and understand the information they need. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, but companies can apply it earlier. IFRS 18 replaces IAS 1. It carries forward many requirements from IAS 1 unchanged.

Amendments to IFRS 9 *Financial Instruments and IFRS 7 Financial Instruments: Disclosures*

In May 2024, the IASB issued amendments to the classification and measurement requirements in IFRS 9. The amendments will address diversity in accounting practice by making the requirements more understandable and consistent. These include:

- Clarifying the classification and assessment of contractual cash flows of financial assets with environmental, social and corporate governance ("ESG").
- Settlement of liabilities through electronic payment systems - the amendments clarify the date on which a financial asset or financial liability is derecognized. The IASB also decided to develop an accounting policy option to allow a company to derecognize a financial liability before it delivers cash on the settlement date if specified criteria are met.

With these amendments, the IASB has also introduced additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features tied to ESG-linked targets. The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

Annual improvements to IFRS Accounting Standards

In July 2024, the IASB issued narrow amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. The amended Standards are:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

The amendments are effective for annual periods beginning on or after January 1, 2026, with earlier application permitted. Annual improvements are limited to changes that either clarify the wording in an IFRS Accounting Standard or correct relatively minor unintended consequences or oversights in the Accounting Standards. They also correct minor conflicts between the requirements of the Accounting Standards

Commitments and Contingencies

As at December 31, 2024, the Company had a commitment to spend $165,000 (December 31, 2023 - $401,062) on eligible CEE, from amounts raised from flow-through financing, by December 31, 2025.

Flow-Through

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on eligible qualifying CEE. Certain interpretations are required to assess the eligibility of flow-through expenditures that if changed, could result in the denial of renunciation. The Company has indemnified current and previous flow-through subscribers for any tax and related costs payable by them in the event the Company does not incur the required exploration expenditures. No amounts have been recorded in the financial statements for potential liabilities relating to these indemnities as a triggering event has not taken place. Upon issuance of the flow-through shares during 2024 in the amount of $165,000 (2023 - $625,700), the Company recorded an aggregate flow-through share premium liability of $nil (2023 - $93,635). As eligible CEE is incurred, the amount is drawn down as income through the statement of loss. During the year ended December 31, 2024, the Company incurred $401,062 (2024 - $349,138) in eligible CEE and recorded a flow-through share premium recovery of $63,683 in the statement of loss (December 31, 2023 - $71,452).

Environmental

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

Contingent Payments and Commitments

Effective October 1, 2021, the Company became party to certain consulting agreements that contain clauses that could require additional aggregate payments of $198,000 upon termination without cause and $396,000 upon termination in connection with a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the financial statements.

Risks and Uncertainties

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 below and the other information prepared by the Company before investing in the Company's common shares. The risks described below are 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 following risks 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.

The Company will require external financing or may need to enter into a strategic alliance to develop its mineral properties

The Company expects to incur net cash outlays until such time as one of its properties enters into commercial production and generates sufficient revenues to fund its continuing operations, if at all. The development of mining operations will require the commitment of substantial resources for operating expenses and capital expenditures, which may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, that rate at which operating losses are incurred, the acquisition of additional properties, and other factors, many of which are beyond the Company's control. The sources of financing the Company may use for these purposes include project or bank financing, or public or private offerings of equity or debt. Historically, the Company has raised funds principally through the sale of its securities. Additional equity financing may cause dilution of New Break's existing shareholders. In addition, the unrestricted resale of outstanding shares from the exercise of dilutive securities may have a depressing effect on the market for the Company's common shares. While it is not the current intention of the Company, it may enter into a strategic alliance or sell certain of its assets, if necessary. There can be no assurance that financing will be available on acceptable terms, if at all.

The Company may be subject to risks relating to the global economy and may not be able to raise additional capital

Market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede New Break's access to capital or increase the cost of capital. The Company is also exposed to liquidity risks in meeting its operating and capital expenditure requirements in instances where its cash position is unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. Increased market volatility may impact the Company's operations which could adversely affect the price at which the Company is able to issue its securities and the trading price of the Company's common shares.

The Company may be adversely affected by fluctuations in commodity prices

The value and price of the Company's common shares, the Company's financial results, and exploration, development and mining activities of the Company, if any, may be significantly adversely affected by declines in commodity prices. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, global and regional supply and demand, global economic events, including sovereign debt concerns, and their impact on the United States dollar and Euro as safe haven currencies relative to silver and gold as stores of value and the political and economic conditions of mineral producing countries throughout the world.

Mineralized material calculations and life-of-mine plans using significantly lower metal prices could result in material write-downs of the Company's mineral property interests and increased amortization and reclamation and closure charges should a mine be developed. In addition to adversely affecting mineralized material estimates, declining precious metal prices can impact operations by requiring a reassessment of the commercial feasibility of a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays in development or may interrupt operations, if any, until the reassessment can be completed.

The Company has no proven or probable mineral reserves and may never discover sufficient mineral deposits to justify commercial production from any of its properties

The Company currently has no proven or probable mineral reserves on any of its properties and has not completed a preliminary economic assessment or feasibility study. It cannot be certain that minerals will be discovered in sufficient quantities and grade to justify commercial operations. Mineral exploration is highly speculative in nature, involves many risks and is frequently non-productive. Unusual or unexpected geologic formations and the inability to obtain suitable or adequate machinery, equipment or labour are risks involved in the conduct of exploration programs. The success of mineral exploration is determined in part by the availability of exploration permits, the identification of potential mineralization based on analysis, the quality of management and geological and technical expertise, and the availability of capital for exploration.

Substantial expenditures are required to establish proven and probable reserves through drilling and analysis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are; the particular attributes of the deposit, such as size, grade, metallurgical recovery and proximity to infrastructure, metal prices, which can be highly cyclical and extremely volatile, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. If the Company is unable to establish proven and probable mineral reserves in sufficient quantities to justify commercial operations, it will be unable to develop a mine and its financial condition and results of operations could be adversely affected.

The Company has no history of developing properties into production

The Company's properties are not in commercial production, and the Company has not recorded any revenues from mining operations. Mineral exploration and development, involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The future development of any properties found to be economically feasible will require obtaining permits and financing and the construction and operation of mines, processing plants and related infrastructure. As a result, in the event the Company is successful in identifying mineralization on its properties sufficient to justify commercial operations, it will be subject to all of the risks associated with establishing new mining operations including: the timing and cost of the construction of mining and processing facilities; the availability and cost of skilled labour and mining equipment; the availability and cost of a suitable refining arrangement; the need to obtain necessary environmental and other governmental approvals and permits; and the timing of those approvals and permits; the availability of funds to finance the development and construction activities; the impact of any opposition to the developmental activities from non-governmental, environmental, local or other groups that may delay or prevent development; potential increases in construction or operating costs due to changes in the cost of supplies and materials and changes in foreign exchanges rates.

The Company's business activities are subject to environmental laws and regulations

The Company's operations are subject to federal and provincial laws and regulations regarding environmental matters. These laws address, among other things, emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations. Environmental laws and regulations change frequently, and are generally becoming more stringent. Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company's business and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production, when producing, or require abandonment or delays in development of the Company's mining properties.

Exploration, development and mining activities can be hazardous and involve a high degree of risk

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding, fires and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. Milling operations, if any, are subject to various hazards, including without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

The Company has incurred a loss and expects to continue to incur losses for the foreseeable future

The Company incurred a net loss of $809,229 for the year ended December 31, 2024 and expects to continue to incur losses as it proceeds with exploration and development of its mineral properties. The Company's efforts to date have been focused on acquiring and exploring its mineral properties. These properties are in the exploration stage and do not have mineral reserves. The Company does not anticipate that it will earn any revenue from operations or other means unless and until one or more of its properties are placed into production, which is not expected to be for a number of years, if at all, or is sold to a third party.

Inadequate infrastructure may delay or prevent the Company's operations

Exploration, development and ultimately mining and processing activities depend to one degree or another, on the availability of adequate infrastructure. Reliable air service, roads, power sources and water supply are significant contributors in the determination of capital and operating costs. Inadequate infrastructure could significantly delay or prevent the Company exploring and developing its project and could result in higher costs. The Company does not currently experience any limitations with respect to infrastructure concerns at its Moray property, however, these challenges exist for the Companies properties in Nunavut.

The market price for the common shares of the Company may drop below the price at which such common shares were purchased and the Company's common shares may be subject to price and volume fluctuations in the future

General market conditions and other factors can cause the perceived market value for the Company's common shares to decline and cause future equity financings to be done at prices lower than previous financings. There is no guarantee that the Company will be successful in completing subsequent equity financings at prices higher than previous ones.

Securities markets experience considerable price and volume volatility, and the market prices of securities of many companies may be subject to wide fluctuations not necessarily related to the operating performance, underlying asset values, exploration success or prospects of such companies. The market price of a publicly traded stock, especially a junior resource issuer, may be affected by many variables including the market for junior resource stocks, the strength of the economy generally, commodity prices, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. There can be no assurances that such fluctuations will not affect the price of the Company's common shares and that the price of such common shares may decline below the purchase price paid for such common shares. From time to time, following periods of volatility in the market price of a company's securities, shareholders have often initiated class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm the Company's profitability and reputation.

Litigation may adversely affect the Company

The Company may be involved in disputes with other parties in the future, which may result in litigation or arbitration. The results of litigation or arbitration cannot be predicted with certainty. If the Company is unable to resolve disputes favourably, it may have a material adverse impact on the Company.

The Company competes with larger, better-capitalized competitors in the mining industry

The mining industry is competitive in all of its phases. The Company faces competition from other mining companies in connection with the acquisition of properties producing, or capable of producing precious or other metals. Many of these companies have greater financial resources, operational experience and technical capabilities than New Break. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties on terms it considers acceptable, or at all.

The Company is dependent on key personnel

The Company's success depends in part on its ability to recruit and retain qualified personnel. Due to its relatively small size, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. In addition, despite its efforts to recruit and retain qualified personnel even when those efforts are successful, people are fallible and human error could result in a significant uninsured loss to the Company.

The Company's officers and directors may have potential conflicts of interest

New Break's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of such company's participation. However, applicable law requires the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders and in the case of directors, to refrain from participating in the relevant decision in certain circumstances.

Forward Looking Statements

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

Management's Evaluation of Disclosure Controls

Management is responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2023 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 December 31, 2024.

Other MD&A Requirements

Additional Disclosure for Companies Without Significant Revenue

Additional disclosure concerning New Break's exploration and evaluation expenditures, mineral property costs and general and administrative expenses is provided in the Company's audited annual financial statements and in Note 7 of the annual audited financial statements for the years ended December 31, 2024 and 2023 that are available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.newbreakresources.ca.

Approval

The Board of Directors of New Break approved the disclosure contained in this MD&A on April 29, 2025. A copy of this MD&A will be provided to anyone who requests it from the Company.

Additional Information

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

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

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

(1) Member of the Audit Committee

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