# NEW BREAK RESOURCES LTD.
# MANAGEMENT'S DISCUSSION AND ANALYSIS
# FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

## GENERAL

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of the operations of New Break Resources Ltd. ("**New Break**", or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 2023 ("**third quarter of 2023**" or "**Q3 2023**"). The comparative period is for the three and nine months ended September 30, 2022 ("**third quarter of 2022**" or "**Q3 2022**"). 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, 2022 and 2021, and the unaudited condensed interim financial statements for the three and nine months ended September 30, 2023 and 2022, together with the notes thereto ("the **financial statements**"). Results are reported in Canadian dollars, unless otherwise noted.

The financial statements and the financial information contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). Please refer to Note 3 of the annual audited financial statements as at and for the years ended December 31, 2022 and 2021 for disclosure of the Company's significant accounting policies.

The audit committee of the Company has reviewed this MD&A and the unaudited condensed interim financial statements for the three and nine months ended September 30, 2023 and 2022 and the Company's Board of Directors approved these documents prior to their release.

This MD&A is dated November 29, 2023 and is current to that date.

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

### Caution Regarding Forward Looking Information

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

### Qualified Person

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

**OVERVIEW**

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

New Break is a Canadian mineral exploration and evaluation stage company, focused principally on gold exploration at its 100% owned Moray property and at its four gold projects located in Kivalliq Region, Nunavut. The Moray property covers approximately 8,483 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 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/Noomut, Sy and Angikuni Lake Gold Projects, covering approximately 21,960 hectares on Crown Land acquired through staking in 2021.

**HIGHLIGHTS**

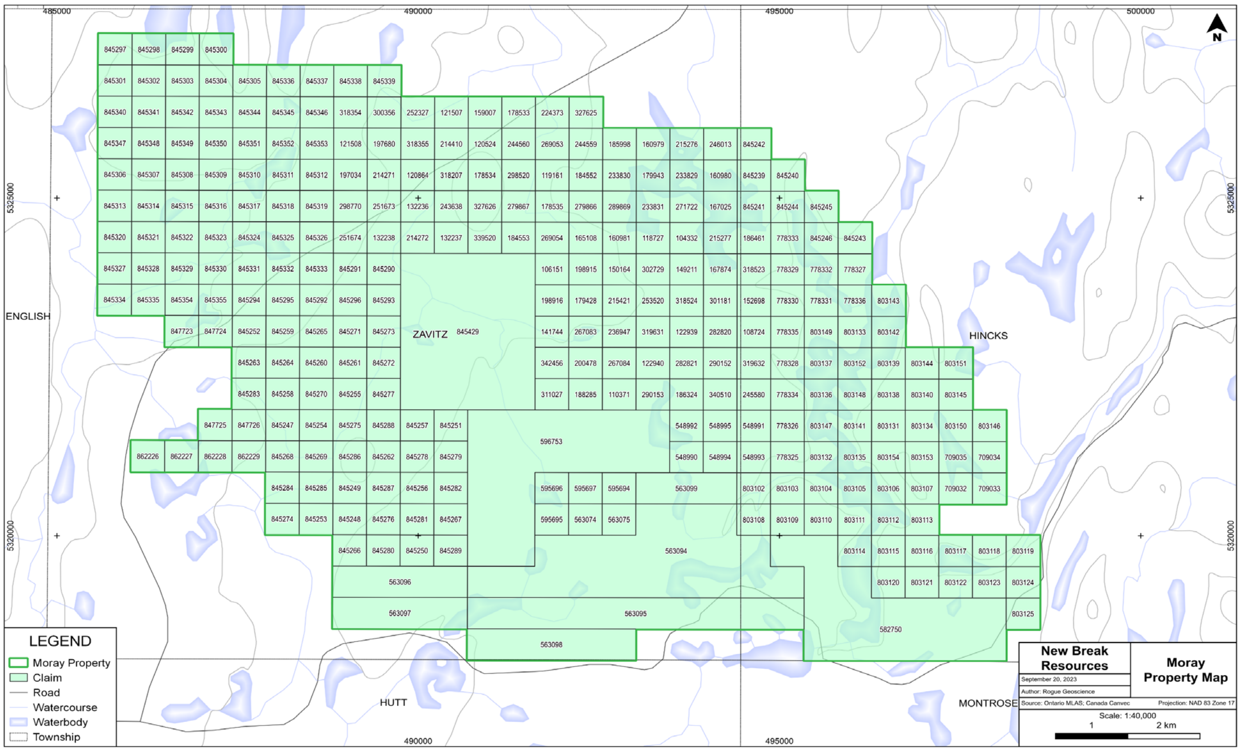
- July 11, 2023 – New Break staked 1,446 hectares of additional mineral claims at Moray, adjacent to the western property boundary at a cost of $3,350.
- On July 13, 2023, New Break was notified by the Ontario Ministry of Mines that the Company has been accepted to participate in the 2023-2024 Ontario Junior Exploration Program ("OJEP"). New Break had submitted an application in January 2023 for a limited scope exploration work program at Moray budgeted at $140,000, which if completed, would receive a reimbursement of $70,000.
- July 21, 2023 – New Break completed the acquisition of 1,511 hectares of additional mineral claims at Moray, adjacent to the western property boundary for $10,000 in cash and 300,000 common shares of New Break. These claims are royalty free and the vendors have agreed to invest $20,000 in New Break's next hard dollar financing.
- July 27, 2023 – New Break staked 86 hectares of additional mineral claims at Moray, adjacent to the western property boundary at a cost of $200, bringing the total size of the Moray property to 8,397 hectares.
- August 24, 2023 – New Break held its Annual General Meeting of shareholders. All matters, including the election of directors, were overwhelmingly approved.
- September 10, 2023 – a New Break field team comprised of Ken Reading, Shaun Parent P. Geo. and a field assistant, visited and sampled the Sundog Gold Project ("**Sundog**") in Kivalliq Region, Nunavut.
- September 19, 2023 – New Break staked 86 hectares of additional mineral claims at Moray, adjacent to the western property boundary at a cost of $200, bringing the total size of the Moray property to 8,483 hectares.
- September 21, 2023 - New Break received a new exploration permit #PR-23-000236 for the Moray Project, which will allow planned drilling to extend to areas on ground newly acquired in 2023.
- October 5, 2023 – New Break changed its registered address to 110 Yonge Street, Suite 1601, Toronto, ON M5C 1T4 from its previous address of 18 King Street East, Suite 901, Toronto, ON M5C 1C4.
- November 2023 – New Break received $30,000 from the Ontario Ministry of Mines as an OJEP reimbursement of Moray exploration expenditures.

**Developments from July 1, 2023 up to November 29, 2023**

**Mineral Properties and Exploration and Evaluation Activities**

**Moray Project - Matachewan, Ontario**

The 8,483-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**").



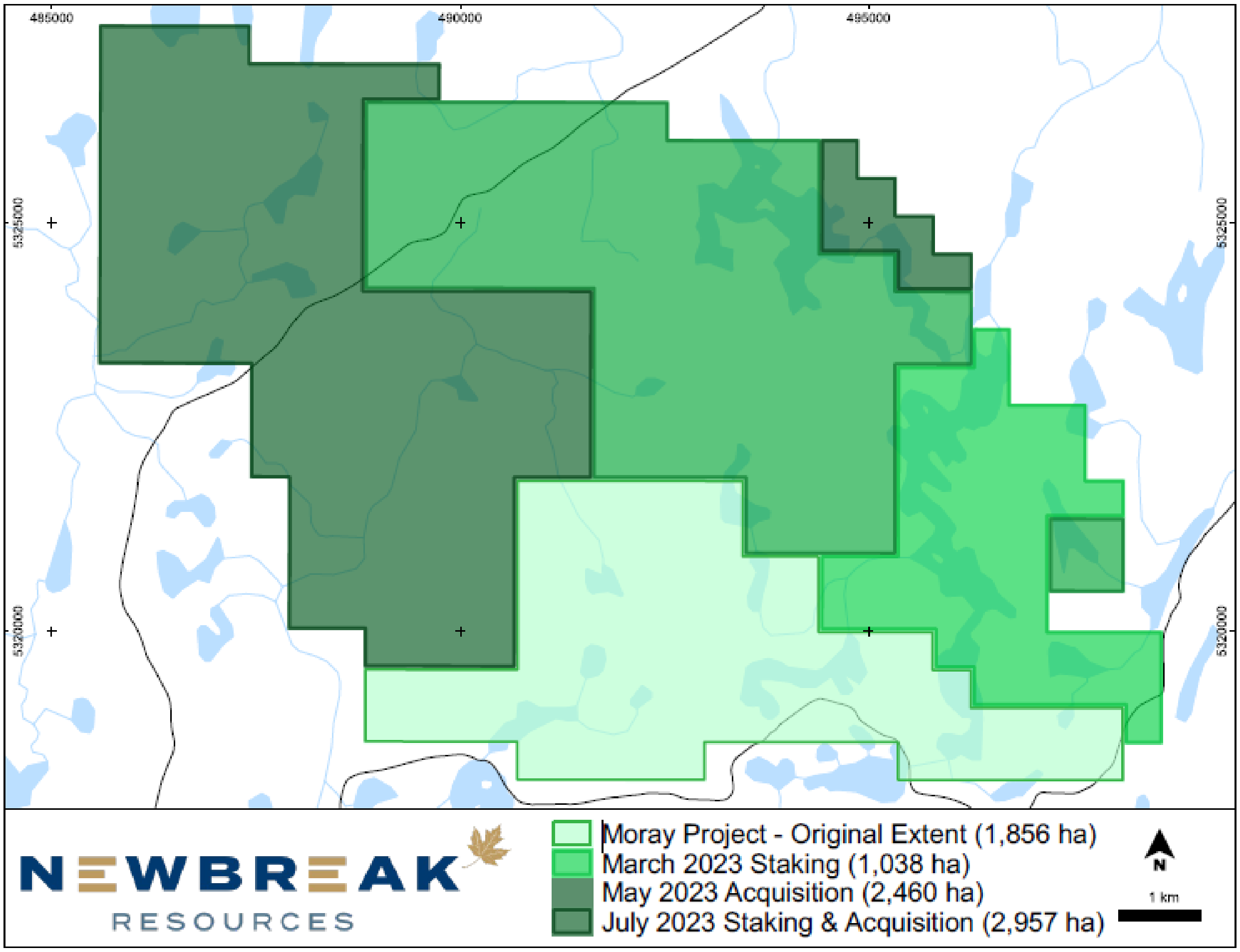

*(**Figure 1** – Moray Project, property map)*

Since March 1, 2023, New Break has increased its property position at Moray by 6,627 hectares to 8,484 hectares through staking and acquisitions, which include the following:

- March 1, 2023 – staked 1,038 hectares at a cost of $2,400;
- May 23, 2023 – acquired 2,460 hectares for $80,000 and 1,500,000 shares and a 1.5% NSR which can be reduced at any time to 0.5% for a cash payment of $750,000;
- July 11, 2023 – staked 1,446 hectares at a cost of $3,350;
- July 21, 2023 – acquired 1,511 hectares for $10,000 and 300,000 shares (no royalty);
- July 27, 2023 – staked 86 hectares at a cost of $200.
- September 19, 2023 – staked 86 hectares at a cost of $200.

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

Figure 2 below, depicts the consolidation of the Moray property, other than the additional 86 hectares of mineral claims that were staked July 27, 2023 and the 86 hectares staked on September 19, 2023.




*(**Figure 2** – Moray Project, property map showing property additions)*

The original Moray claims covering approximately 1,856 hectares (Moray Project – Original Extent), were acquired in September 2020 from Exiro Minerals Corp. ("**Exiro**"), a private junior mineral exploration company, for 2,500,000 shares of New Break and $100,000 in cash.

The newly staked and acquired ground during 2023, is not subject to any area of influence requirement and is automatically added to the area covered by the October 22, 2021, Memorandum of Understanding between New Break and the Matachewan and Mattagami First Nations.

The results of exploration work completed by New Break during 2022, appear to support the Company's thesis of pursuing a Young-Davidson gold mineralization model at Moray, including mafic volcanic hosted and syenite hosted auriferous quartz vein zones. First discovered in 1916, Young-Davidson produced one million ounces of gold from 1934 to 1957 from open pit and underground development. Commercial production resumed in 2012. Current annual gold production at Young-Davidson runs 190,000 to 200,000 ounces at an average grade of 2.3 grams per tonne gold ("**g/t Au**"), generating in excess of US$100 million of free cash flow annually at current gold prices. It should be noted that the mineralization style and setting associated with the Young-Davidson gold mine is not necessarily indicative of the mineralization observed on the Moray property.

In aggregate, New has raised $625,200 in flow-through funds ($124,500 – December 30, 2022 and $500,700 – May 31, 2023) to be spent on 2023 exploration programs.

Initially, the Company was focused on conducting a drilling program at Moray that tested the following targets:

**Drill Targets Resulting from Structural Interpretation**

- Trench 12 - The intersection of the extensional and shear veins should be tested by a drillhole that is collared on the western edge of the stripped area with a west-east azimuth. The drillhole should also test the potential extension of the Lamprophyre and potentially new shear veins.
- Trench 12 - A drillhole should be planned to test the intersection of the NW-SE sulphide zone and the southern end of the stripped area.
- Trench 12 - Consideration should also be given to testing the NE strike of the main shear vein in light of the potential proximity of the contact between the mafic volcanics and the Fiset syenite. There is an expectation of a "competency" contrast between the brittle syenite and the more ductile mafic volcanics.
- Trench 1 – The gold bearing NOR 1 vein has not been properly tested by diamond drilling. Newmont drillhole Z-80-05 (no assays disclosed) reported variably mineralized sections of mafic syenite from 71.3 to 303.9 metres which implies that there is mineralized syenite northeast of Trench 1.

While New Break is still committed to drilling these prospective targets, the staking and acquisition of a much larger land position at Moray, in particular the May 23, 2023 acquisition of highly prospective ground contiguous with the northern property boundary at Moray, has allowed the Company to conduct new prospecting, trenching and stripping under an existing exploration permit that was already in place in respect of the new claims, grab and channel sampling and structural mapping, to tie together features of a larger mineralized system. As at September 30, 2023, New Break has incurred $417,275 in flow-through eligible exploration expenditures during 2023 at Moray, leaving $171,888 to be spent on further activities. Trenching, stripping, channel sampling and structural mapping at Moray continued through the month of October 2023.

**New Break Receives New Exploration Permit for Moray**

New Break submitted a new exploration permit application to the Ontario Ministry of Mines, which would allow for additional stripping and drilling in areas not currently covered by New Break's existing exploration permit or by the exploration permit associated with the newly acquired ground. This was necessitated after analyzing the results of New Break's 2022 exploration program and after examining the preliminary results of new work performed on the newly acquired ground. The new permit #PR-23-000236 was issued by the Ontario Ministry of Mines on September 21, 2023.

The overall goal of New Break's exploration programs is to facilitate the discovery of a larger economic mineralized system, which would make the Company a prime target for acquisition by a producer or development stage entity.

**2023-2024 Ontario Junior Exploration Program**

New Break successfully participated in the 2022-2023 OJEP with the Province of Ontario whereby the Company received a reimbursement of $200,000 against eligible Moray expenditures incurred between April 1 and December 31, 2022.

On July 13, 2023, New Break was notified by the Ontario Ministry of Mines that the Company has been accepted to participate in the 2023-2024 OJEP. New Break had submitted an application in January 2023 for a limited scope exploration work program at Moray budgeted at $140,000, which if completed, would receive a reimbursement of $70,000. At the end of September 2023, New Break submitted its interim report under the 2023-2024 OJEP and in November 2023, the Company received a payment of $30,000 from the Ontario Ministry of Mines as the initial reimbursement against Moray expenditures under this year's program. New Break would like to thank and recognize the government of the Province of Ontario for supporting junior exploration in the province.

**Nunavut Exploration Activities**

In September 2023, a New Break field team comprised of famed Canadian prospector Ken Reading, Shaun Parent, P. Geo. of Superior Exploration Ltd. and a field assistant, accessed the Sundog Gold Project in Kivalliq Region, Nunavut by float plane from Thompson, Manitoba. The team performed a reconnaissance site visit to confirm access to the project area, assess the impact of environmental changes, reproduce historical gold assays from a small sample of historical trenches and gather samples from previously unsampled vein structures near existing historical trenches. For further information see New Break's news release dated November 8, 2023.

**Annual General Meeting of Shareholders**

The Company held its Annual General Meeting of shareholders on Thursday, August 24, 2023 (the "**Meeting**"). A total of 29,052,820 common shares were represented in person or by proxy at the Meeting, representing 61.07% of the Company's issued and outstanding common shares. All directors nominated as listed in the Management Information Circular dated July 24, 2023 (the "**Circular**"), were re-elected. In addition, shareholders unanimously re-appointed McGovern Hurley LLP, Chartered Professional Accountants as the auditor of New Break and unanimously re-approved the Company's stock option plan.

**Change of Registered and Mailing Address of Company**

On October 5, 2023, New Break changed its registered address to 110 Yonge Street, Suite 1601, Toronto, ON M5C 1T4 from its previous address of 18 King Street East, Suite 901, Toronto, ON M5C 1C4.

**Overview of Financial Results**

| (Expressed in Canadian Dollars) | Three Months Ended September 30, **2023** | 2022 | Nine Months Ended September 30, **2023** | 2022 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Exploration and evaluation | **$ 312,954** | $ 255,608 | **$ 489,104** | $ 639,977 |
| Management fees | **37,500** | 37,500 | **112,500** | 112,500 |
| Consulting fees | **788** | 2,635 | **12,849** | 16,135 |
| Professional fees | **9,980** | 47,663 | **43,089** | 114,207 |
| Investor relations | **46,538** | 24,537 | **193,067** | 29,970 |
| General and administrative | **25,641** | 22,408 | **75,022** | 58,029 |
| Shareholder costs and filing fees | **10,654** | 18,561 | **28,929** | 37,243 |
| Travel | **-** | - | **935** | 9,648 |
| Share-based compensation | **2,967** | - | **42,683** | - |
| Loss before the undernoted | **(447,022)** | (408,912) | **(998,178)** | (1,017,709) |
| Bank charges | **(205)** | (233) | **(932)** | (897) |
| Part X11.6 tax | **73** | - | **73** | - |
| Interest income | **4,102** | 3,226 | **6,596** | 6,278 |
| Flow-through share premium recovery | **38,128** | 81,175 | **85,342** | 230,121 |
| **Net loss and comprehensive loss for the period** | **$ (404,924)** | $ (324,744) | **$ (907,099)** | $ (782,207) |
| **Net loss per share** | | | | |
| Basic and diluted loss per share | **$ (0.01)** | $ (0.01) | **$ (0.02)** | $ (0.02) |
| Weighted average number of shares outstanding – basic and diluted | **47,507,383** | 39,716,891 | **43,896,223** | 38,624,813 |

**Three months ended September 30, 2023 vs. three months ended September 30, 2022**

- Overall, the Company recorded a net loss and comprehensive loss of $404,924 or $0.01 per share for the quarter ended September 30, 2023 compared to a net loss and comprehensive loss of $324,744 or $0.01 per share for the quarter ended September 30, 2022.
- Exploration and evaluation expenses were $312,954 in the third quarter of 2023, including $276,717 on the Moray property before a $21,000 OJEP reimbursement, $55,123 on the Sundog project and $2,114 on other, compared to $255,608 in the third quarter of 2022, including $278,143 on the Moray property before a $60,000 OJEP reimbursement, $26,906 on the Sundog project and $10,559 on other Nunavut properties. The 2023 Moray expenditures includes $276,717 spent principally on stripping and channel sampling, structural mapping and sampling, a drone survey and consulting fees, net of an accrual of $21,000 for an expected OJEP reimbursement from the Ontario Ministry of Mines. The 2022 amount includes $278,143 spent principally on the same activities as 2023 plus a VLF and MAG survey, net of an accrual of $60,000 for an expected OJEP reimbursement. The 2023 work was carried out on new ground acquired during 2023, while the 2022 expenditures were carried out on the initial 1,856-hectare Moray property area. The 2023 Sundog expenditures included $18,830 for the year 3 rent payment to Nunavut Tunngavik Incorporated ("NTI") and $33,793 on a three-person prospecting trip to the Sundog property. The 2022 Sundog expenditures included $18,830 for the year 2 rent payment to NTI and consulting fees. For further information see Note 6 to the third quarter Financial Statements.

- Management fees were $37,500 in the third quarter of 2023 compared to $37,500 in the third quarter of 2022. These fees relate to amounts charged by the Company's President and CEO and by the Chief Financial Officer.
- Consulting fees were $788 in the third quarter of 2023 compared to $2,635 in the third quarter of 2022.
- Professional fees were $9,980 in the third quarter of 2023 compared to $47,663 in the third quarter of 2022. In general, these costs relate to legal fees and the accrual of audit and tax return preparation fees. $40,702 of the 2022 amount relates to legal and accounting fees in connection with the Company's Long-Form Prospectus and preparation of listing materials for the CSE associated with the Company becoming publicly traded on September 7, 2022.
- Investor relations expenses were $46,538 during the third quarter of 2023 compared to $24,537 during the third quarter of 2022. These costs relate principally to the amortization of prepaid fees associated with marketing and advertising programs, which began to be amortized once the Company became publicly traded on September 7, 2022. In addition, in January 2023, the Company retained SmallCap Communications Inc. to provide social media communications management services and in February 2023, New Break engaged the services of Venture Liquidity Providers Inc. to assist with market liquidity. No such costs existed in the third quarter of 2022. The 2022 amount principally relates to the amortization fees prepaid for advertising and marketing campaigns.
- General and administrative expenses were $25,641 during the third quarter of 2023 compared to $22,408 during the third quarter of 2022.
- Shareholder costs and filing fees were $10,654 during the third quarter of 2023 compared to $18,561 during the third quarter of 2022. In general, these costs relate to filing fees, the monthly CSE listing fee, transfer agent fees and the cost of disseminating and filing news releases. The 2022 amount includes an aggregate of $12,380 in filing fees associated with the Company's Prospectus, listing fees paid to the CSE and going public related fees paid to the Company's transfer agent.
- Share-based compensation was $2,967 during the third quarter of 2023, compared to $nil during the third quarter of 2022. The Q3 2023 amount relates to the amortization of the fair value of stock options granted in January 2023. This is a non-cash expense.
- Flow-through share premium recovery was $38,128 during the third quarter of 2023 on eligible CEE of $285,954 from flow-through funds raised in 2022 and 2023 compared to $81,175 during the third quarter of 2022 on eligible CEE of $227,360 from flow-through funds raised in 2021. These recoveries are non-cash amounts.

**Nine months ended September 30, 2023 vs. nine months ended September 30, 2022**

- Overall, the Company recorded a net loss and comprehensive loss of $907,099 or $0.02 per share for the nine months ended September 30, 2023 compared to a net loss and comprehensive loss of $782,207 or $0.02 per share for the nine months ended September 30, 2022.
- Exploration and evaluation expenses were $489,104 in the first nine months of 2023, including $451,058 on the Moray property before a $21,000 OJEP reimbursement, $56,932 on the Sundog project and $2,114 on other, compared to $639,977 in the third quarter of 2022, including $470,477 on the Moray property before a $60,000 OJEP reimbursement, $134,002 on the Sundog project, $87,091 on other Nunavut properties and $8,407 on other. The 2023 Moray expenditures includes $451,058 spent principally on stripping and channel sampling, structural mapping and sampling, prospecting, a drone survey and consulting fees, net of an accrual of $21,000 for an expected OJEP reimbursement from the Ontario Ministry of Mines. The 2022 amount includes $470,477 spent principally on the same activities as 2023 plus VLF, MAG and till sampling surveys, the purchase of

historical IP data and the completion of the NI 43-101 technical report, net of an accrual of $60,000 for an expected OJEP reimbursement. The 2023 work was carried out on new ground acquired during 2023, while the 2022 expenditures were carried out on the initial 1,856-hectare Moray property area. The 2023 Sundog expenditures included $18,830 for the year 3 rent payment to Nunavut Tunngavik Incorporated ("NTI") and $33,793 on a three-person prospecting trip to the Sundog property. The 2022 Sundog expenditures included $18,830 for the year 2 rent payment to NTI, costs associated with a community relations trip to meet with the Hunters and Trappers Organization in Arviat and consulting fees associated with exploration data compilation work. For further information see Note 6 to the third quarter Financial Statements.

- Management fees were $112,500 in the first nine months of 2023 compared to $112,500 in the first nine months of 2022. These fees relate to amounts charged by the Company's President and CEO and by the Chief Financial Officer.
- Consulting fees were $12,849 in the first nine months of 2023 compared to $16,135 in the first nine months of 2022. The 2022 amount relates principally to fees paid to the Company's former Chairman in the first quarter of 2022.
- Professional fees were $43,089 in the first nine months of 2023 compared to $114,207 in the first nine months of 2022. In general, these relate to legal fees and the accrual of audit and tax return preparation fees. $93,169 of the 2022 fees relate to legal and accounting fees incurred in connection with the Company's Long-Form Prospectus and preparation of listing materials for the CSE associated with the Company becoming publicly traded on September 7, 2022.
- Investor relations expenses were $193,067 in the first nine months of 2023 compared to $29,970 in the first nine months of 2022. These costs relate principally to the amortization of prepaid fees associated with marketing and advertising programs, which began to be amortized once the Company became publicly traded on September 7, 2022. In addition, in January 2023, the Company retained SmallCap Communications Inc. to provide social media communications management services and in February 2023, New Break engaged the services of Venture Liquidity Providers Inc. to assist with market liquidity. No such costs existed in the first half of 2022. The 2022 amount principally relates to the Company's attendance at the Nunavut Mining Symposium in May 2022.
- General and administrative expenses were $75,022 during the first nine months of 2023 compared to $58,029 during the first nine months of 2022.
- Shareholder costs and filing fees were $28,929 in the first nine months of 2023 compared to $37,243 in the first nine months of 2022. In general, these costs relate to filing fees, the monthly CSE listing fee, transfer agent fees and the cost of disseminating and filing news releases. The 2022 amount includes $25,495 filing fees associated with the Company's Prospectus and listing fees paid to the CSE and going public related fees paid to the Company's transfer agent.
- Travel expenses were $935 in the first nine months of 2023, compared to $9,648 in the first nine months of 2022, which related to travel to Nunavut.
- Share-based compensation was $42,683 during the first nine months of 2023 compared to $nil during the first nine months of 2022. The 2023 amount relates to the amortization of the fair value of stock options granted in January and June 2023. This is a non-cash expense.
- Flow-through share premium recovery was $85,342 during the first nine months of 2023 on eligible CEE of $453,312 from flow-through funds raised in 2022 and 2023 compared to $230,121 during the first nine months of 2022 on eligible CEE of $601,015 from flow-through funds raised in 2021. These recoveries are non-cash amounts.

## Selected Quarterly Financial Information

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

| | Q3<br>Sept. 2023<br>(unaudited) | Q2<br>June 2023<br>(unaudited) | Q1<br>March 2023<br>(unaudited) | Annual<br>Dec. 2022<br>(audited) | Q4<br>Dec. 2022<br>(unaudited) |
|---|---|---|---|---|---|
| Revenue | $ - | $ - | $ - | $ - | $ - |
| Loss and comprehensive loss | $ (404,924) | $ (270,456) | $ (231,719) | $ (957,994) | $ (175,787) |
| Loss per share – basic and diluted | ($0.01) | ($0.01) | ($0.01) | ($0.02) | ($0.00) |
| Assets | $ 938,320 | $ 1,292,590 | $ 590,447 | $ 875,202 | $ 875,202 |

| | Q3<br>Sept. 2022<br>(unaudited) | Q2<br>June 2022<br>(unaudited) | Q1<br>March 2022<br>(unaudited) | Annual<br>Dec. 2021<br>(audited) | Q4<br>Dec. 2021<br>(audited) |
|---|---|---|---|---|---|
| Revenue | $ - | $ - | $ - | $ - | $ - |
| Loss and comprehensive loss | $ (324,744) | $ (282,395) | $ (175,068) | $ (821,721) | $ (482,079) |
| Loss per share – basic and diluted | ($0.01) | ($0.01) | ($0.00) | ($0.03) | ($0.01) |
| Assets | $ 1,075,008 | $ 1,278,187 | $ 1,459,178 | $ 1,543,060 | $ 1,543,060 |

## Liquidity and Capital Resources

The Company's cash decreased by $428,189 during the quarter ended September 30, 2023, compared to a decrease of $309,590 during the quarter ended September 30, 2022. The Company's cash decreased by $29,723 during the nine months ended September 30, 2023, compared to a decrease of $878,696 during the nine months ended September 30, 2022. As at September 30, 2023, the ending cash balance was $200,739 compared to $230,462 as at December 31, 2022.

## Working Capital

As at September 30, 2023, the Company had a working capital surplus of $175,775 compared to a surplus of $510,421 as at December 31, 2022. The non-cash flow-through share premium liability amount has been excluded from current liabilities in the calculation of working capital. As at September 30, 2023, $171,888 of flow-through funds raised May 31, 2023, must be spent on eligible Canadian exploration expenditures ("**CEE**") by December 31, 2024.

A summary of the Company's cash position and changes in cash for the three and nine months ended September 30, 2023 and 2022 are provided below:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| Cash used in operating activities – gross | **$ (440,085)** | $ (405,919) | **$ (949,758)** | $ (1,012,328) |
| Changes in non-cash operating working capital | **21,986** | (59,921) | **304,923** | (337,118) |
| Cash used in operating activities – net | **(418,189)** | (465,840) | **(644,835)** | (1,349,446) |
| Cash used in investing activities | **(10,000)** | - | **(90,000)** | - |
| Cash provided by financing activities | **-** | 156,250 | **705,112** | 470,750 |
| Decrease in cash | **(428,189)** | (309,590) | **(29,723)** | (878,696) |
| Cash, beginning of period | **628,928** | 668,522 | **230,462** | 1,237,628 |
| Cash, end of period | **$ 200,739** | $ 358,932 | **$ 200,739** | $ 358,932 |

**Three months ended September 30, 2023 vs. three months ended September 30, 2022**

**Operating Activities**

Cash used in operating activities before changes in non-cash working capital during the three months ended September 30, 2023 was $440,085 compared to $405,919 for the three months ended September 30, 2022. The difference is primarily the result of higher exploration and evaluation expenses during Q3 2023 of $312,954 compared to $255,608 during Q3 2022.

**Investing Activities**

Cash used in investing activities during the three months ended September 30, 2023 was $10,000 compared to $nil for the three months ended September 30, 2022. The Q3 2023 outlay relates to the cash portion of the acquisition of additional mineral claims in the Zavitz Township contiguous to the western Moray property boundary that closed on July 21, 2023.

**Financing Activities**

Cash provided by financing activities during the three months ended September 30, 2023 was $nil compared to $156,250 for the three months ended September 30, 2022. The Q3 2022 amount relates to $131,250 in proceeds from the exercise of 875,000 warrants at $0.15 per share and $25,000 in proceeds from the exercise of 250,000 stock options at $0.10 per share.

**Nine months ended September 30, 2023 vs. nine months ended September 30, 2022**

**Operating Activities**

Cash used in operating activities before changes in non-cash working capital during the nine months ended September 30, 2023 was $949,758 compared to $1,012,328 for the nine months ended September 30, 2022. The difference is primarily the result of higher exploration and evaluation expenses during the first nine months of 2022.

**Investing Activities**

Cash used in investing activities during the nine months ended September 30, 2023 was $90,000 compared to $nil for the nine months ended September 30, 2022. The 2023 outlay relates to the cash portion of the acquisition of an additional 2,460 hectares of mineral claims at Moray that closed on May 23, 2023 and the $10,000 cash portion of the acquisition of additional mineral claims in the Zavitz Township contiguous to the western Moray property boundary that closed on July 21, 2023.

**Financing Activities**

Cash provided by financing activities during the nine months ended September 30, 2023 was $705,112 compared to $470,750 for the nine months ended September 30, 2022.

The 2023 amount includes gross proceeds of $500,700 from a non-brokered private placement consisting of the issuance of 3,338,000 flow-through common shares at $0.15 per flow-through share that closed on May 31, 2023, less finder's fees of $12,915. In addition, in Q2 2023, common share purchase warrants to purchase 1,448,850 common shares at $0.15 per share were exercised for proceeds of $217,327.

The 2022 amount includes gross proceeds of $314,500 from a non-brokered private placement of units at $0.25 per unit, 578,000 of which were issued on March 30, 2022 and 680,000 of which were issued on May 31, 2022. In addition, during July and August 2022, common share purchase warrants to purchase 875,000 common shares at $0.15 per share were exercised for gross proceeds of $131,250 and on July 18, 2022, stock options to purchase 250,000 common shares at $0.10 per share were exercised for gross proceeds of $25,000.

**Liquidity Outlook**

As at September 30, 2023, the Company had $200,739 in cash, $45,483 of HST receivable and $21,000 owing from the Ontario Ministry of Mines in respect of a reimbursement of exploration expenditures under the Ontario Junior Exploration Program. In November 2023, New Break received $30,000 in OJEP funds from the Ontario Ministry of Mines. The Company also had a remaining commitment to spend $171,888 on eligible CEE by December 31, 2024 from flow-through funds raised May 31, 2023.

The Company does not expect to have to incur additional exploration expenditures during 2023 to maintain its Nunavut properties in good standing, however New Break is required to spend a minimum of $94,150 in year 3 on its Sundog property to maintain the property in good standing. Approximately $35,000 of this was incurred in September 2023 on the prospecting trip to Sundog by New Break's technical team which included prospector Ken Reading.

Overall, New Break expects that it will have to raise additional funds to fully fund the next twelve months corporate operating budget, to complete the planned drilling program at its Moray property, under the new exploration permit, received on September 21, 2023 from the Ontario Ministry of Mines and to complete the work necessary to maintain its Sundog property in good standing.

In general, completion of all of the Company's ongoing and future exploration and development initiatives and its ability to continue as a going concern are subject to successfully raising additional funding (see "Risks and Uncertainties" in the annual MD&A for the year ended December 31, 2022).

**Related Party Transactions and Key Management Compensation**

*Key Management Compensation*

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| Management fees | **$ 37,500** | $ 37,500 | **$ 112,500** | $ 112,500 |
| Management fees included in exploration and evaluation | **22,500** | 22,500 | **67,500** | 67,500 |
| Consulting fees paid to a non-independent director | **-** | - | **-** | 10,500 |
| Total fees paid to management and directors | **$ 60,000** | $ 60,000 | **$ 180,000** | $ 190,500 |

| | | | | |
|---|---|---|---|---|
| Exploration and evaluation consulting fees charged by a geological consulting company, the President & CEO of which, is also a director of New Break | **$ 83,419** | $ 109,653 | **$ 157,009** | $274,189 |

*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 August 16, 2022, warrants to purchase 150,000 common shares of the Company at a price of $0.15 were exercised for proceeds of $22,500. 60,000 of these were exercised by an investment company that is wholly-owned by one of the Company's directors.

On December 30, 2022, the Company completed a non-brokered private placement for gross proceeds of $124,500 through the issuance of 830,000 F-T Shares at a price of $0.15 per flow-through share. An officer of the Company subscribed for 30,000 of the flow-through shares issued.

On December 30, 2022, the Company granted options to purchase up to 350,000 common shares of the Company at a price of $0.10 per share for a period of five years. 250,000 of these were granted to a director of the Company.

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 of these were exercised by an investment company that is wholly-owned by one of the Company's directors. As a result of the exercise, the investment company was also issued 25,000 incentive warrants at $0.20 for a period of three years.

As at September 30, 2023, $90,196 (December 31, 2022 - $24,397) included in accounts payable and accrued liabilities was owing to related parties, including $59,077 (December 31, 2022 - $16,669) owed to a geological consulting company, the President and Chief Executive Officer of which, is also a director of New Break. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

**Subsequent Events**

**Stock Option Expiry**

On October 19, 2023, stock options to purchase up to 250,000 common shares of the Company at a price of $0.10 per share, granted to the Company's former Chairman on November 19, 2021, expired unexercised.

## OJEP Payment From Ontario Ministry of Mines

In November 2023, the Company received $30,000 from the Ontario Ministry of Mines under an Ontario Transfer Payment Agreement as a reimbursement of 50% of certain exploration and evaluation expenditures for work and activities on the Moray Gold Project.

## Outstanding Capital and Share Data

New Break's authorized capital stock consists of an unlimited number of common shares without par value. As at November 29, 2023 there were 47,572,600 common shares issued and outstanding.

As at November 29, 2023, the Company also had the following items issued and outstanding:

- 2,474,850 common share purchase warrants at a weighted average exercise price of $0.28.
- 4,050,000 stock options at an exercise price of $0.10.

## Off-Balance Sheet Arrangements

As at September 30, 2023, 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 November 29, 2023, there are no material property acquisitions or possible transactions that the Company is examining.

## Financial Instruments

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

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

## Market Risk

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

**Commodity Risk**

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

**Liquidity Risk**

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

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. The 2023 Moray exploration budget is planned to be partially funded from flow-through funds raised in December 2022 and May 2023, while the 2023 operating expenses will be partially funded from amounts raised in 2022 and the exercise of warrants in 2023. There is no certainty of the Company's ability to complete additional financings.

As at September 30, 2023 the Company held current assets of $343,210 (December 31, 2022 - $598,092) to settle current liabilities of $167,435 (December 31, 2022 - $87,671), exclusive of non-cash flow-through share premium liability.

**Interest Rate Risk**

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

**Credit Risk**

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

The Company's financial assets and liabilities as at September 30, 2023 and December 31, 2022 were as follows:

| | Amortized Cost | FVPL | Total |
|---|---|---|---|
| **December 31, 2022** | | | |
| Financial assets | | | |
| Cash | $ 230,462 | $ - | $ 230,462 |
| HST receivable | $ 38,849 | $ - | $ 38,849 |
| Other amount receivable | $ 140,000 | $ - | $ 140,000 |
| Financial liabilities | | | |
| Accounts payable and accrued liabilities | $ 87,671 | $ - | $ 87,671 |

| | | | |
|---|---|---|---|
| **September 30, 2023** | | | |
| Financial assets | | | |
| Cash | $ 200,739 | $ - | $ 200,739 |
| HST receivable | $ 45,483 | $ - | $ 45,483 |
| Other amount receivable | $ 21,000 | $ - | $ 21,000 |
| Financial liabilities | | | |
| Accounts payable and accrued liabilities | $ 167,435 | $ - | $ 167,435 |

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

**Going Concern**

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

**Critical Accounting Policies and the Use of Estimates and Judgment**

The preparation of the condensed interim financial statements in conformity with IFRS requires that management make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses and income during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. A detailed summary of the Company's significant accounting policies and use of estimates, is included in Notes 2 and 3 of the Company's audited financial statements for the year ended December 31, 2022. The accounting policies and management estimates applied in the condensed interim financial statements for the three and nine months ended September 30, 2023, are consistent with those used in the Company's audited financial statements for the year ended December 31, 2022.

**Adoption of New Accounting Standards**

The accounting policies and management estimates applied in the condensed interim financial statements for the three and nine months ended September 30, 2023, are consistent with those used in the Company's audited financial statements for the year ended December 31, 2022. The Company adopted the following accounting standards and amendments to accounting standards, effective January 1, 2023:

On February 12, 2021, the IASB issued Definition of Accounting Estimates (Amendments to IAS 8). The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarifies how to distinguish changes in accounting policies from changes in accounting estimates. The adoption of the new standard did not impact the financial statements of the Company.

On February 12, 2021, the IASB issued Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgments). The amendments help companies provide useful accounting policy disclosures. The adoption of the new standard did not impact the financial statements of the Company.

**New Accounting Standards Issued but Not Yet Effective**

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after September 30, 2023:

• Classification of Liabilities as Current or Non-current (Amendments to IAS 1) effective for annual periods beginning on or after January 1, 2024.

• Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases) effective for annual periods beginning on or after January 1, 2024.

None of these pronouncements are expected to have a significant impact on the Company's financial statements upon adoption. The Company does not intend to early adopt these standards

**Commitments**

As at September 30, 2023, the Company had a commitment to spend $171,888 (December 31, 2022 - $124,500) on eligible CEE, from amounts raised from flow-through financing, by December 31, 2024.

**Flow-Through**

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on eligible qualifying CEE. Certain interpretations are required to assess the eligibility of flow-through expenditures that if changed, could result in the denial of renunciation. The Company has indemnified current and previous flow-through subscribers for any tax and related costs payable by them in the event the Company does not incur the required exploration expenditures. No amounts have been recorded in these financial statements for potential liabilities relating to these indemnities as a triggering event has not taken place. Upon issuance of the flow-through shares during 2023 and 2022 in the amounts of $500,700 and $124,500, respectively (2021 - $855,300), the Company recorded flow-through share premium liability amounts of $66,760 and $41,500, respectively (2021 - $371,942). As eligible CEE is incurred, the amount is drawn down as income through the statement of loss. During the three months ended September 30, 2023, the Company incurred $285,954 (September 30, 2022 - $227,360) in eligible CEE and recorded a flow-through share premium recovery of $38,128 in the statement of loss (September 30, 2022 - $81,175). During the nine months ended September 30, 2023, the Company incurred $453,312 (September 30, 2022 - $601,015) in eligible CEE and recorded a flow-through share premium recovery of $85,342 in the statement of loss (September 30, 2022 - $230,121).

### Environmental

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

### Contingent Payments

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

### Risks and Uncertainties

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

An investor should carefully consider the risks described in the Company's audited financial statements for the year ended December 31, 2022 and the "Risks and Uncertainties" discussion in the Company's MD&A for the year ended December 31, 2022, dated April 25, 2023, before investing in the Company's common shares. Readers are also encouraged to read and consider the risk factors more particularly described in Note 4 to the unaudited condensed interim financial statements for the three and nine months ended September 30, 2023, which have been posted on SEDAR+ at www.sedarplus.ca and on the Company's website at www.newbreakresources.ca. The risks described in these documents is not an exhaustive list. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business in the future. If any of the risks noted in the Company's financial disclosure occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. In this event, investors may lose part or all of their investment.

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

**Forward Looking Statements**

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

**Management's Evaluation of Disclosure Controls**

Management is responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Company's disclosure controls and procedures as at September 30, 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 September 30, 2023.

**Other MD&A Requirements**

**Additional Disclosure for Companies Without Significant Revenue**

Additional disclosure concerning New Break's exploration and evaluation expenditures, mineral property costs and general and administrative expenses is provided in the Company's unaudited condensed interim financial statements and in Note 6 of the unaudited condensed interim financial statements for the three and nine months ended September 30, 2023 and 2022 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 November 29, 2023. A copy of this MD&A will be provided to anyone who requests it from the Company.

**Additional Information**

*Officers:*
Michael Farrant, President, Chief Executive Officer
William Love, Vice President, Exploration
Jim O'Neill, Chief Financial Officer and Corporate Secretary

*Non-Independent Directors*
Ashley Kirwan, Director [(1)] [(2)] (Compensation, Governance and Nominating Committee Chair)
Michael Skutezky, Director
Michael Farrant, Director

*Independent Directors*
Andrew Malim, Non-Executive Chairman and Director [(1)] [(2)]
Thomas Puppendahl, Director [(1)] [(2)] (Audit Committee Chair)

(1) Member of the Audit Committee

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

*Legal Counsel, Auditors and Transfer Agent*

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