

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. Name and Address of Company

New Break Resources Ltd. (“**New Break**” or the “**Company**”)
110 Yonge Street, Suite 1601
Toronto, Ontario M5C 1T4

2. Date of Material Change

December 29, 2023

3. News Release

A news release disclosing the material change was released on December 29, 2023 through the facilities of Newsfile Corp. and subsequently filed on SEDAR+. It is attached as Schedule “A”.

4. Summary of Material Change

The material change is described in the Company’s news release which is attached as Schedule “A” and is incorporated herein.

5. Full Description of Material Change

The material change is described in the Company’s news release which is attached as Schedule “A” and is incorporated herein.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

None.

8. Executive Officer

Michael Farrant
President and Chief Executive Officer
New Break Resources Ltd.
Phone: 416-278-4149

9. Date of Report

This report is dated at Toronto, this 2nd day of January, 2024.

SCHEDULE "A"

Not for dissemination in the United States of America or through U.S. newswire services.

New Break Announces Closing of First Tranche of Private Placement

Toronto, Ontario, December 29, 2023 – New Break Resources Ltd. ("**New Break**" or the "**Company**") (CSE: **NBRK**) is pleased to announce that, further to its news release dated December 7, 2023, it has closed the first tranche of the previously announced non-brokered private placement (the "**Offering**") of flow-through units ("**FT Units**") at a price of \$0.10 per FT Unit and non-flow-through units ("**Units**") at a price of \$0.08 per Unit. The closing of the first tranche of the Offering consisted of 1,250,000 FT Units for gross proceeds of \$125,000 and 750,000 Units for gross proceeds of \$60,000.

Each Unit consists of one common share ("**Common Share**") of the Company and one common share purchase warrant ("**Warrant**"), with each Warrant entitling the holder thereof, to purchase one additional Common Share of the Company at a price of \$0.12 for a period of twenty-four (24) months from the date of issuance.

Each FT Unit consists of one common share that will qualify as a "flow-through share" (within the meaning of subsection 66(15) of the Income Tax Act (Canada) (an "**FT Share**") and one common share purchase warrant, with each Warrant entitling the holder thereof, to purchase one additional non-flow-through Common Share of the Company at a price of \$0.15 for a period of twenty-four (24) months from the date of issuance.

The Warrants are subject to an acceleration clause, whereby if the closing price of the Common Shares of the Company on the Canadian Securities Exchange (the "**CSE**") is equal to \$0.25 or higher for five non-consecutive trading days, over a 365-day period, the Company may accelerate the expiry of the Warrants to the date that is 20 business days from the date of the issuance of a news release by the Company announcing the exercise of the acceleration right.

The gross proceeds from the sale of the FT Units will be used for Canadian Exploration Expenses ("**CEE**") and will qualify as "flow-through mining expenditures" as defined in the Income Tax Act (Canada). More specifically, it is expected that these proceeds will be used to fund a planned drilling program at the Company's Moray property, located approximately 49 km south of Timmins, Ontario and 32 km northwest of the Young-Davidson gold mine, operated by Alamos Gold Inc. The net proceeds from the sale of the Units will be used for general working capital purposes. No finder's fees were paid in connection with the closing of the first tranche of the Offering.

All securities issued pursuant to this private placement are subject to a statutory hold period of four months and one day expiring on April 30, 2024, in accordance with applicable Canadian Securities Laws. The completion of the Financing is subject to certain conditions including, but not limited to, the receipt of all required regulatory approvals including final approval of the CSE.

John Ross Quigley, a greater than 10% securityholder and Orix Geoscience 2018 Inc., a geological consulting company, the President and CEO of which, is also a director of New Break (collectively, the "**Related Parties**") purchased a total of 1,000,000 FT Units and 500,000 Units. This issuance of securities constitutes a "related party transaction" as such term is defined under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on an exemption from the formal valuation and minority shareholder approval requirements provided under MI 61-101 pursuant to section 5.5(a) and section 5.7(1)(a) of MI 61-101, on the basis that the issuance of the securities does not exceed 25% of the fair market value of the Company's market capitalization.

The securities being offered have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This news release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

About New Break Resources Ltd.

New Break is a Canadian mineral exploration company with a dual vision for value creation. In northern Ontario, New Break is focused on its Moray Project, in a well-established mining camp, within proximity to existing infrastructure, while at the same time, through our prospective land holdings in Nunavut that include the Sundog, Esker-Noomut, Sy and Angikuni Lake properties, we provide our shareholders with significant exposure to the vast potential for exploration success in one of the most up and coming regions in Canada for gold exploration and production. New Break is supported by a highly experienced team of mining professionals committed to placing a premium on Environmental, Social and Corporate Governance. Information on New Break is available under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.newbreakresources.ca. New Break began trading on the Canadian Securities Exchange (www.thecse.com) on September 7, 2022 under the symbol **CSE: NBRK**.

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

Michael Farrant, President and Chief Executive Officer

Tel: 416-278-4149

E-mail: mfarrant@newbreakresources.ca

And follow us on [Twitter](#), [LinkedIn](#) and [Facebook](#)

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

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

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

To view the source version of this news release, please visit
<https://www.newsfilecorp.com/release/192787/>