

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: New Break Resources Ltd.

Trading Symbol: NBRK

Number of Outstanding Listed Securities: 40,985,750

Date: January 13, 2023

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

#### **December 2022 Exploration Activity**

**Sundog Property** (Kivalliq Region, Nunavut) - New Break filed its year 1 exploration reporting on the Sundog property with Nunavut Tunngavik Incorporated and continued to evaluate the geology of the property with the assistance of consultant Ken Reading.

**Moray Property** (49 km south of Timmins, Ontario, 32 km northwest of Alamos Gold's Young-Davidson gold mine) – New Break is in the process of evaluating assay results from its fall 2022 mechanical stripping and grab sampling program. Overall, New Break is in the process of assembling a summary and evaluation of its extensive 2022 exploration program at Moray, which included VLF survey work, a till sampling survey, drone survey, mechanical stripping and washing, channel sampling, geological mapping, grab sampling and additional VLF and ground MAG surveys. New Break was approved for a \$200,000 reimbursement from the Ontario Ministry of Northern Development under the Ontario Junior Exploration Program. New Break received \$60,000 of this reimbursement in November 2022 and expects to complete the required reporting and receive the remaining \$140,000 in the first quarter of 2023.

### **Annual General Meeting**

On December 15, 2022, New Break held its annual general meeting of shareholders. A notice of meeting and management information circular dated November 14, 2022 was mailed to shareholders of record as at November 10, 2022. A total of 24,274,250 common shares were represented in person or by proxy, representing 60.45% of New Break's issued and outstanding common shares as at the record date. New Break's five (5) directors were re-elected. McGovern Hurley LLP, Chartered Professional Accountants were re-appointed as New Break's auditor and New Break's incentive stock option plan was re-approved by shareholders. See December 30, 2022 news release.

### **Flow-Through Financing**

See item 14 below.

### **Stock Option Grant**

See item 14 below.

2. Provide a general overview and discussion of the activities of management.

The President and CEO, Vice-President, Exploration and Chief Financial Officer are involved with the ongoing operations of the Company.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None

8. Describe the acquisition of new customers or loss of customers.

None

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None

10. Report on any employee hiring's, terminations or lay-offs with details of anticipated length of lay-offs.

None

11. Report on any labour disputes and resolutions of those disputes if applicable.

None

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None

14. Provide details of any securities issued and options or warrants granted.

#### **Flow-Through Financing**

On December 30, 2022, New Break closed a non-brokered private placement financing of 830,000 flow-through common shares at a price of \$0.15 per flow-through common share for gross proceeds of \$124,500. See news release and CSE Form 9 dated and filed December 30, 2022.

#### **Stock Option Grant**

On December 30, 2022, New Break granted incentive stock options to one director and one consultant, with such options entitling the holders thereof to acquire an aggregate of up to 350,000 common shares in the capital of New Break at a price of \$0.10 in accordance with New Break's 10% rolling incentive stock option plan. The options are exercisable for a five (5) year term expiring on December 29, 2027 and vest immediately. See news release and CSE Form 11 dated and filed December 30, 2022.

15. Provide details of any loans to or by Related Persons.

N/A

16. Provide details of any changes in directors, officers or committee members.

None during the month of December 2022.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The price of gold (London P.M. Fix in U.S. dollars) increased from US\$1,753.50 at November 30, 2022 to US\$1,813.75 at December 29, 2022. In general, inflation has continued to persist, however, the outlook from the U.S. Federal Reserve appears to be more dovish, signalling the possibility of lower interest rate hikes. Market conditions for the shares of junior mining companies have continued to be challenging with the share price of most junior equities under pressure.

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated January 13, 2023

Michael Farrant

Name of Director / Senior Officer

s (Michael Farrant)

Signature

President and CEO

Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/DD
<b>New Break Resources Ltd.</b>	<u>December 31, 2022</u>	<u>23/01/13</u>
Issuer Address		
<b>18 King Street East, Suite 902</b>		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
<b>Toronto, ON M5C 1C4</b>		(416) 278-4149
Contact Name	Contact Position	Contact Telephone No.
<b>Michael Farrant</b>	President and CEO	(416) 278-4149
Contact Email Address	Web Site Address	
<u>mfarrant@newbreakresources.ca</u>	<u>www.newbreakresources.ca</u>	