



**Management's Discussion and Analysis**  
**of Financial Conditions and Results of Operations**  
**For the year ended June 30, 2017**

**Date of Report – October 27, 2017**

## **Introduction**

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The following discussion is management's assessment and analysis of the results and financial condition of operations New Destiny Mining Corp. (the Company) and should be read in conjunction with the accompanying audited financial statements for the year ended June 30, 2017 and related notes. These financial statements have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (IASB).

The Financial Statements, together with the MD&A, are intended to provide investors with a reasonable basis for assessing the performance and potential future performance of the Company, and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward-looking statements, and the Company cautions investors that any forward looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events.

All monetary amounts are in Canadian dollars unless otherwise specified. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### Description of the Business

New Destiny Mining Corp (the Company) was incorporated under the laws of the Province of British Columbia on September 9, 2009 and is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties. The Company is a reporting issuer in British Columbia and Alberta and its shares are listed on the TSX Venture Exchange under the symbol NED.V.

The Company is focusing on its financial resources on identifying viable exploration projects primarily through acquisitions. In addition, the Company has engaged in negotiations with creditors and significant shareholders and reviewed several strategic opportunities in the mining business with a view to increasing shareholder value.

The Company has incurred recurring losses since its inception, and had an accumulated deficit of \$2,582,979 as at June 30, 2017 which has been funded primarily by the issuance of shares. The Company has no source of operating cash flows and expects to incur further losses in the exploration and development of its mineral properties. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

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## **Overall Performance**

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### Property Option Agreement

#### **Treasure Mountain Property, British Columbia, Canada**

On November 30, 2016, the Company entered into an option agreement with Ximen Mining Corp. (Ximen) to acquire 100% interest in mineral claims of the Treasure Mountain Property. Upon signing of the Agreement, and to earn an undivided 100% interest in the property, the Company is required to make cash and or issue common shares totalling \$400,000, issue an aggregate of 500,000 common shares, and incur exploration expenditures on the property as follows:

#### **Cash Payments:**

- \$25,000 in cash on the date of execution of the agreement (Paid);
- \$50,000 in cash within five business day following the approval by TSX Venture;
- \$75,000 in cash and/or common shares equivalent (subject to a minimum of \$10,000 to be paid in cash) on or before the first, second, and third anniversaries of the approval by TSX Venture; and
- \$100,000 in cash and/or common shares equivalent (subject to a minimum of \$10,000 to be paid in cash) on or before the fourth anniversary of the approval by TSX Venture.

#### **Shares Payment:**

- 500,000 common shares with a minimum fair value of \$50,000 within five business day following the approval by TSX Venture.

#### **Exploration Expenditures:**

- Annual minimum exploration expenditures of \$100,000, \$150,000, \$250,000, and \$250,000 on the property in each year ending on or before the first, second, third, and fourth anniversaries, respectively, of the approval by TSX Venture.

Ximen will retain a 2.5% net smelter return royalty (the NSR Royalty) which the Company may buy down 1% of the NSR Royalty by paying \$1,000,000 to Ximen. Upon the completion of the sale of the property, Ximen will have a right for nine months thereafter to elect to form a joint venture with the Company by paying to the Company the amount of money equal to 30% of the total amount expended on the Property by the Company. If Ximen exercises this joint-venture right, Ximen and the Company will enter into a joint venture for the exploration and development of the property.

During the year ended June 30, 2017, the Transaction has not yet been approved by the TSX Venture..

The Treasure Mountain Silver Property covers historically prospective ground in the Similkameen and New Westminster Mining Divisions. The Property is adjacent to Nicola Mining Inc.'s Treasure Mountain Property, site of the previous operating Treasure Mountain Silver-Lead-Zinc Mine which exploited polymetallic veins. The Property occurs within the Intermontane Tectonic Belt, which hosts numerous porphyry copper and copper-gold deposits. The Property covers approximately 9500 hectares and hosts seven gold, silver, lead, zinc and / or copper occurrences in various regions as reported in B.C. Ministry of Energy and Mines MINFILE database. These include gold-quartz vein, polymetallic vein and porphyry type occurrences. Some of these mineral occurrences have associated historic, underground workings.

### Share-Consolidation

On August 5, 2016, the Company consolidated the issued share capital on the basis of sixteen (16) old common shares for one (1) new common share. Outstanding stock options and warrants were adjusted by the consolidation ratio. All common shares and per common share amounts in these management discussion have been retroactively restated to reflect the share consolidation.

### Private Placements

On August 5, 2016, the Company completed a private placement, raising gross proceeds of \$150,000 by issuing 2,500,000 units at \$0.06 per unit. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share of the Company at \$0.10 per share for a period of 5 years expiring August 5, 2021. Finders fees of \$6,000 were paid and 100,000 agent warrants with a fair value of \$7,995 were granted.

On October 7, 2016, the Company completed a private placement, raising gross proceeds of \$208,000 by issuing 1,600,000 units at \$0.13 per unit. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share of the Company at \$0.17 per share for a period of 5 years expiring October 7, 2021. Finders fees of \$11,050 were paid and 85,000 agent warrants with a fair value of \$14,442 were granted.

On December 29, 2016, the Company completed a private placement, raising gross proceeds of \$69,030 by issuing 531,000 units at \$0.13 per unit. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share of the Company at \$0.17 per share for a period of 5 years expiring December 29, 2021.

### Corporate Update

On August 5, 2016, the Company announced the appointment of Mr. Wesley Warthe-Anderson as a director of the Company.

On August 5, 2016, the Company announced the appointment of Ms. Zeny Manalo as a Chief Financial Officer of the Company and Ms. Ping Shen resigned as a Chief Financial Officer and director of the Company.

### Selected Annual Information

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The following financial data is derived from the Company's audited financial statements for the years ended June 30, 2017, 2016 and 2015.

During the year ended June 30, 2017, the Company changed its accounting policy, whereby upon the expiry or cancellation of stock options and share purchase warrants, their fair value previously recorded in reserve is transferred to deficit. Prior to this change in policy, the fair value of options and warrants remained in reserve upon expiry or cancellation. The following financial data reflects the retroactive application of this accounting policy change, which has no net effect on the net loss for the years ended June 30, 2015, 2016, and 2017.

|                                     | 2017<br>\$ | 2016<br>\$ | 2015<br>\$ |
|-------------------------------------|------------|------------|------------|
| <b>Financial Results</b>            |            |            |            |
| Income                              | NIL        | NIL        | NIL        |
| Loss and comprehensive for the year | (344,700)  | (334,660)  | (281,609)  |
| Basic and diluted earnings (loss)   | (0.05)     | (0.12)     | (0.16)     |
| <b>Financial Position</b>           |            |            |            |
| Working deficiency                  | 134,175    | 199,455    | 94,237     |
| Total assets                        | 15,446     | 1,521      | 164,952    |
| Total liabilities                   | 149,621    | 200,976    | 97,055     |
| Share Capital                       | 2,408,201  | 2,020,658  | 1,953,350  |
| Equity reserve                      | 40,603     | 195,729    | 238,207    |
| Deficit                             | 2,582,979  | 2,415,842  | 2,123,660  |

### Results of Operations

For the year ended June, 2017, Company reported a loss of \$ 344,700 (2016 - \$344,660). The Company's loss per share was \$0.05 (2016 - \$0.12).

|   | Three Months Ended |               | Year Ended     |                |
|---|--------------------|---------------|----------------|----------------|
|   | 2017               | 2016          | 2017           | 2016           |
|   | \$                 | \$            | \$             | \$             |
| Consulting (Recovery)                       | (5,000)            | 6,776         | 119,455        | 15,000         |
| Exploration                                 | 25,000             | -             | 50,000         | -              |
| Management Fees (Recovery)                  | (30,000)           | 30,000        | 60,000         | 120,000        |
| Office and Administrative                   | 8,017              | 1,792         | 58,626         | 5,792          |
| Professional Fees                           | 3,971              | 5,281         | 19,388         | 14,542         |
| Rent (Recovery)                             | (1,743)            | -             | 10,997         | 620            |
| Transfer Agent and Regulatory Fees          | 7,655              | 4,189         | 25,359         | 16,483         |
| Travel and Promotion                        | 122                | -             | 875            | 89             |
| Write-Off Exploration and Evaluation Assets | -                  | -             | -              | 162,134        |
|   | <b>8,022</b>       | <b>48,038</b> | <b>344,700</b> | <b>334,660</b> |

- Management fees of \$60,000 (2016 - \$120,000) accrued/paid to the Chief Executive Officer (CEO) of the Company, in consideration of management services provided, including day to day administration for the Company, and overseeing regulatory filings and requirements.
- Professional Fees of \$19,388 (2016 - \$14,542), comprise of legal and audit fees, including: \$8,000 accrual for audit fees related to the annual year-end audit for the period.
- Consulting fees of \$119,455 (2016 - \$15,000) comprise of \$30,425 paid to a director of the Company for consulting fee and \$89,030 paid for business development and assisting management in corporate developments.

- Exploration of \$50,000 (2016-\$Nil) paid for acquisition of property and to a company for property research and 43-101 report.
- Office and administrative of \$58,626 (2016 - \$5,792) included administrative and secretarial fees, interest and bank charges and shareholder information.
- Regulatory and transfer agent fees of \$25,359 (2016 - \$16,483) consisted of fees paid to regulatory bodies in Canada and the Company's transfer agent, includes filing fees for private placement and share consolidation.

### Summary of Quarterly Results

Results for the eight most recent quarters ending with the last quarter for the period ended June 30, 2017:

|                             | June 30,<br>2017<br>\$ | March 31,<br>2017<br>\$ | December 31,<br>2016<br>\$ | September 30,<br>2016<br>\$ |
|-----------------------------|------------------------|-------------------------|----------------------------|-----------------------------|
| Revenue                     | Nil                    | Nil                     | Nil                        | Nil                         |
| Net income (loss)           | (8,022)                | (141,575)               | (108,637)                  | (86,466)                    |
| Basic and diluted per share | (0.00)                 | (0.02)                  | (0.02)                     | (0.01)                      |

  

|                             | June 30,<br>2016<br>\$ | March 31,<br>2016<br>\$ | December 31,<br>2015<br>\$ | September 30,<br>2015<br>\$ |
|-----------------------------|------------------------|-------------------------|----------------------------|-----------------------------|
| Revenue                     | Nil                    | Nil                     | Nil                        | Nil                         |
| Net income (loss)           | (48,038)               | (105,195)               | (177,593)                  | (3,834)                     |
| Basic and diluted per share | (0.02)                 | (0.04)                  | (0.06)                     | (0.00)                      |

Mineral exploration is typically a seasonal business, and accordingly, the Company's operating expenses and cash requirements will fluctuate depending upon the season and the level of activity. The Company's primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company's activity level normally declines accordingly. As capital markets strengthen and the Company is able to secure equity financing with favorable terms, the Company's activity levels and the size and scope of planned exploration projects will typically increase.

### Fourth Quarter

No significant items or events occurred in the fourth quarter of 2017 that would affect the Company's financial position, cash flows or results of operations. During the fourth quarter, the Company reported a net loss of \$8,022 compared to net loss of \$48,038 in the fourth quarter of 2016.

During the fourth quarter of 2017, the president and a director to reduce the amount owed to them for management and consulting fees. As a result, the Company reduced the amount in accounts payable and accrued liabilities.



## Liquidity and Capital Resources

At June 30, 2017 the Company had cash of \$8,800 and working capital deficit of \$134,175. All cash are deposited in interest accruing accounts.

|                     | 2017<br>\$ | 2016<br>\$ |
|---------------------|------------|------------|
| Current assets      | 15,446     | 1,521      |
| Total Assets        | 15,446     | 1,330      |
| Total Liabilities   | 149,621    | 200,076    |
| Shareholders Equity | (134,175)  | (199,455)  |
| Working Deficiency  | 134,175    | 199,455    |

The Company does not generate sufficient cash flow from operations to fund its exploration activities, its acquisitions and its administration costs. The Company is reliant on equity financing to provide the necessary cash to continue its operations.

|                                       | 2017<br>\$ | 2016<br>\$ |
|---------------------------------------|------------|------------|
| Cash used in operating activities     | (401,218)  | (67,904)   |
| Cash provided by financing activities | 409,980    | 67,308     |
| Change in cash                        | 8,762      | (596)      |

- The Company had cash of \$8,800 as of June 30, 2017 compared to \$38 as of June 30, 2016.
- On August 5, 2016, the Company completed a non-brokered private placement of 2,500,000 units at a price of \$0.06 per unit for gross proceeds of \$150,000.
- On October 7, 2016, the Company completed a private placement of 1,600,000 units at a price of \$0.13 per unit for gross proceeds of \$208,000.
- On December 29, 2016, the Company completed a private placement of 531,000 units at a price of \$0.13 per unit for gross proceeds of \$69,030.

### Transactions with Related Parties

At the Report Date, key management consists of Robert L. Birmingham (CEO, President and a Director of the Company), Zeny Manalo (CFO of the Company) who replaced Ping Shen (former CFO and Director of the Company); Anthony Zelen, Greg Olesen (former President and CEO of the Company) and Wesley Warthe-Anderson (independent, Directors of the Company).

|                                | 2017<br>\$ | 2016<br>\$ |
|--------------------------------|------------|------------|
| Consulting Fees <sup>(a)</sup> | 30,425     | 15,000     |
| Management Fees <sup>(b)</sup> | 60,000     | 120,000    |
|                                | 90,425     | 135,000    |

<sup>(a)</sup> Consulting Fee paid/accrued to a company controlled by a Director of the Company.

<sup>(b)</sup> Management fees paid/accrued to a company controlled by the President and CEO of the Company.

### Transactions with other related parties:

As at June 30, 2017 and 2016, the Company has the following amounts owed to related parties that are non-interest bearing, unsecured, and have no specified terms of repayment.

|   | June 30,<br>2017 | June 30,<br>2016 |
|---|------------------|------------------|
| Due to a company controlled by the President and CEO of the Company for management fees | 1,677            | 69,900           |
| Due to a director (also a former President and CEO) for management fees                 | 12,501           | 12,501           |
| Due to a company controlled by a director of the Company for consulting fees            | 14,125           | 15,750           |
| Due to a former officer for management and accounting fees and expense reimbursements   | -                | 64,390           |
|   | 28,303           | 162,541          |

### Subsequent Event

#### Private Placement

On October 05, 2017, the Company closed a non-brokered private placement and issued 681,818 post consolidation flow-through units at \$0.22 per unit for gross proceeds of \$150,000. Each flow-through unit consisted of one common share and one share purchase warrant. Each warrant is exercisable for one additional common share at a price of \$0.35 per share for two years. The warrants are subject to a 20 day accelerated expiry provision if the closing price of the Company's share is \$0.40 or higher for 10 consecutive trading days.

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## **Accounting Standard Issued But Not Yet Effective**

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The IASB has issued a new standard, IFRS 9, *Financial Instruments* (IFRS 9), which will replace IAS 39, *Financial Instruments: Recognition and Measurement* (IAS 39) and applies to the classification and measurement of financial assets. The mandatory effective date has been set for January 1, 2018 with early adoption permitted. The Company currently does not intend to early adopt IFRS 9. The adoption of IFRS 9 is not expected to have a material impact on the financial statements as the classification and measurement of the Company's financial instruments is not expected to change given the nature of the Company's operations and the types of financial instruments that it currently holds.

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## **Off-Balance Sheet Arrangements**

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The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

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## **Risk and Uncertainties**

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The Company's Operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risk and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulation risk.

- (a) the state of the capital markets, which will affect the ability of the Company to finance further mineral property acquisitions and expand its contemplated exploration programs;
- (b) the prevailing market prices for base metals and precious metals;
- (c) the consolidation and potential abandonment of the Company's property as exploration results provide further information relating to the underlying value of the property; and
- (d) the ability of the Company to identify and successfully acquire additional mineral properties in which the Company may acquire an interest whether by option, joint venture or otherwise, in addition to or as an alternative to the property.

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## **Financial Instruments and Risk Management**

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The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### *Credit Risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that its credit risk is not significant.

### *Liquidity Risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2017, the Company had a cash balance of \$8,800 to settle current liabilities of \$121,318. All of the Company's financial liabilities have contractual maturities of less than 30



days and are subject to normal trade terms. Management expects to fund those liabilities through equity financing and loans from related parties over the coming year.

### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's amounts due to related parties are non-interest bearing, and as such, the Company is not exposed to significant interest rate risk.

### *Foreign Currency Risk*

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in U.S. Dollars. The Company's financial instruments denoted in U.S. Dollars are insignificant and any fluctuation in foreign currency exchange rates would have no significant impact.

### *Commodity Price Risk*

The Company is subject to price risk from fluctuations in the market prices of commodities as it relates to the possible underlying values of its commodity based mineral properties and the corresponding ability to raise funds for future operations. Management closely monitors commodity prices to determine the appropriate course of actions to be taken in its investing and financing activities. As the Company has not yet developed commercial mineral interests, it is not exposed to significant commodity price risk.

## **Capital Risk Management**

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The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of mineral properties. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages its share capital as capital, which as at June 30, 2017, was \$2,408,201 (2016 . \$2,020,658). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended June 30, 2017.

## **Additional Information in relation to the Company**

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Additional information relating to the Company is available:

- (a) On SEDAR at [www.sedar.com](http://www.sedar.com)
- (b) On the Company's website at [www.newdestinymining.com](http://www.newdestinymining.com)
- (c) In the Company's annual audited financial statements for the year ended June 30, 2017.

## **Forward Looking Information**

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Certain of the statements made and information contained herein is forward-looking information within the meaning of the British Columbia, Alberta and Ontario Securities Act, including statements concerning our plans at our mineral projects, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, failure to establish mineral resources; delays in obtaining or failure to obtain required governmental, environmental or other project approvals; changes in national and local government legislation or regulations regarding environmental factors, royalties, taxation or foreign investment; political or economic instability; terrorism; inflation; changes in currency exchange rates; fluctuations in commodity prices; delays in the development of projects; shortage of personnel with the requisite knowledge and skills to design and execute exploration programs; difficulties in arranging contracts for drilling and other exploration and development services; dependency on equity market financings to fund programs and maintain and develop mineral properties; risks associated with title to resource properties and difficulties of determining the validity of certain tenures and other risks and uncertainties, including those described in each management discussion and analysis. In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management; the assumed long-term price of various minerals; the availability of permits and surface rights; access to financing, equipment and labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.

#### **Outstanding Share Data**

|                                  | Number    | Exercise Price | Expiry Date       |
|----------------------------------|-----------|----------------|-------------------|
| Common Shares (October 24, 2017) | 8,311,419 | n/a            | n/a               |
| Stock Options                    | 25,000    | \$0.80         | October 17, 2018  |
|                                  | 21,875    | \$0.80         | July 23, 2019     |
| Warrants                         | 2,500,000 | \$0.10         | August 9, 2021    |
| Warrants                         | 1,600,000 | \$0.17         | October 7, 2021   |
| Warrants                         | 531,000   | \$0.17         | December 29, 2021 |
| Agent <del>s</del> Warrant       | 100,000   | \$0.10         | August 5, 2021    |
| Agent <del>s</del> Warrant       | 85,000    | \$0.17         | October 7, 2021   |