



**June 30, 2017 and 2016**

(Expressed in Canadian Dollars)

- Independent Auditors' Report
- Statements of Financial Position
- Statements of Changes in Shareholders' Deficiency
- Statements of Comprehensive Loss
- Statements of Cash Flows
- Notes to the Financial Statements

## Independent Auditors' Report

---

To the Shareholders of:  
**NEW DESTINY MINING CORP.**

We have audited the accompanying financial statements of New Destiny Mining Corp., which comprise the statements of financial position as at June 30, 2017 and 2016, the statements of changes in shareholders' deficiency, comprehensive loss, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

**SERVICE**

**INTEGRITY**

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**TRUST**

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of New Destiny Mining Corp. as at June 30, 2017 and 2016, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Emphasis of Matter – Going Concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the ability of New Destiny Mining Corp. to continue as a going concern. The company incurred a net loss of \$344,700 during the year ended June 30, 2017, and as of that date, had accumulated losses since inception of \$2,582,979. These conditions, along with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if New Destiny Mining Corp. were unable to continue as a going concern.

**SUITE 420**

**1501 WEST BROADWAY**

**VANCOUVER, BRITISH COLUMBIA**

**CANADA V6J 4Z6**

*WDM*

*Chartered Professional Accountants*

Vancouver, B.C.  
October 25, 2017

**TEL: (604) 734-3247**

**FAX: (604) 734-4802**

**WWW.WDMCA.COM**

**WDM**



**New Destiny Mining Corp.**  
**Statements of Financial Position**  
As at June 30, 2017 and 2016  
(Expressed in Canadian Dollars)

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash		8,800	38
Prepaid Expense and Deposit		5,349	-
GST Recoverable		1,297	1,483
		<u>15,446</u>	<u>1,521</u>
<b>NON-CURRENT</b>			
Exploration and Evaluation Assets	6	-	-
		<u>15,446</u>	<u>1,521</u>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts Payable and Accrued Liabilities		121,318	38,435
Due to Related Parties	7(b)	28,303	162,541
		<u>149,621</u>	<u>200,976</u>
<b>SHAREHOLDERS' DEFICIENCY</b>			
Share Capital	8	2,408,201	2,020,658
Stock Options Reserve		18,166	48,369
Warrants Reserve		22,437	147,360
Deficit		(2,582,979)	(2,415,842)
		<u>(134,175)</u>	<u>(199,455)</u>
		<u>15,446</u>	<u>1,521</u>

Nature of Operations and Ability to Continue as a Going Concern (Note 1)  
Change in Accounting Policy (Note 2)  
Subsequent Event (Note 12)

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board:

"Robert Birmingham"  
Robert Birmingham, Director

"Wesley Warthe-Anderson"  
Wesley Warthe-Anderson, Director

# New Destiny Mining Corp.

## Statements of Changes in Shareholders' Deficiency

For the Years Ended June 30, 2017 and 2016

(Expressed in Canadian Dollars)

	Note	Number of Post-Consolidation Common Shares	Share Capital \$	Stock Options Reserve \$	Warrants Reserve \$	Deficit \$	Total Shareholders' Equity (Deficiency) \$
<b>Balance, June 30, 2015</b>		2,571,101	1,953,350	90,847	147,360	(2,123,660)	67,897
Shares Issued for Cash	8(b)(ii)	427,500	68,400	-	-	-	68,400
Share Issuance Costs		-	(1,092)	-	-	-	(1,092)
Fair Value of Stock Options Cancelled		-	-	(42,478)	-	42,478	-
Net Comprehensive Loss		-	-	-	-	(334,660)	(334,660)
<b>Balance, June 30, 2016</b>		2,998,601	2,020,658	48,369	147,360	(2,415,842)	(199,455)
Shares Issued for Cash	8(b)(i)	4,631,000	427,030	-	-	-	427,030
Share Issuance Costs	8(b)(i)	-	(17,050)	-	-	-	(17,050)
Fair Value of Agent's Warrant Issued	8(e)	-	(22,437)	-	22,437	-	-
Fair Value of Stock Options Expired		-	-	(30,203)	-	30,203	-
Fair Value of Share Purchase Warrants Expired		-	-	-	(147,360)	147,360	-
Net Comprehensive Loss		-	-	-	-	(344,700)	(344,700)
<b>Balance, June 30, 2017</b>		7,629,601	2,408,201	18,166	22,437	(2,582,979)	(134,175)

Share Consolidation (Note 8(b))

The accompanying notes are an integral part of these financial statements.

**New Destiny Mining Corp.**  
**Statements of Comprehensive Loss**  
For the Years Ended June 30, 2017 and 2016  
(Expressed in Canadian Dollars)

	Note	2017 \$	2016 \$
<b>EXPENSES</b>			
Consulting	7(a)	119,455	15,000
Exploration Expenses	6	50,000	-
Management Fees	7(a)	60,000	120,000
Office and Administrative		58,626	5,792
Professional Fees		19,388	14,542
Rent		10,997	620
Transfer Agent and Regulatory Fees		25,359	16,483
Travel and Promotion		875	89
<b>LOSS BEFORE OTHER ITEM</b>		(344,700)	(172,526)
Write-off of Exploration and Evaluation Asset	6(b)	-	(162,134)
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(344,700)</b>	<b>(334,660)</b>
<b>POST-SHARE CONSOLIDATION</b>			
Basic and Diluted Loss per Share	8(b)	(0.05)	(0.12)
Weighted Average Number of Common Shares Outstanding		6,684,280	2,858,054

The accompanying notes are an integral part of these financial statements.

**New Destiny Mining Corp.**  
**Statements of Cash Flows**  
For the Years Ended June 30, 2017 and 2016  
(Expressed in Canadian Dollars)

	2017	2016
	\$	\$
<b>CASH PROVIDED BY (USED FOR):</b>		
<b>OPERATING ACTIVITIES</b>		
Net Loss for the Year	(344,700)	(334,660)
Non-Cash Items		
Write-off of Exploration and Evaluation Asset	-	162,134
	(344,700)	(172,526)
Changes in Non-Cash Working Capital Accounts		
GST Recoverable	185	701
Prepaid Expense and Deposits	(5,349)	-
Accounts Payables and Accrued Liabilities	82,884	9,412
Due to Related Parties	(134,238)	94,509
	(401,218)	(67,904)
<b>FINANCING ACTIVITY</b>		
Shares Issued for Cash, Net of Issuance Costs	409,980	67,308
<b>INCREASE (DECREASE) IN CASH</b>	<b>8,762</b>	<b>(596)</b>
Cash, Beginning of the Year	38	634
<b>CASH, END OF THE YEAR</b>	<b>8,800</b>	<b>38</b>

The accompanying notes are an integral part of these financial statements.

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

### NOTE 1 – NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

New Destiny Mining Corp. (the “Company”) was incorporated on September 9, 2009 under the Business Corporations Act of British Columbia. The Company is a junior mineral exploration company engaged in the business of acquiring, exploring, and evaluating mineral properties. Its common shares are listed on the TSX Venture Exchange and trade under the symbol NED. The address of the Company’s corporate office and its principal place of business is Suite 1500 – 701 West Georgia Street, Vancouver, BC, V7Y 1C6.

During the year ended June 30, 2016, the Company terminated its interest in the Fuente De Oro property in Nicaragua (Note 6 (b)) and wrote off the carrying value of the property. The Company is currently focusing its financial resources on identifying viable exploration projects. The Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the discovery of economically recoverable mineral reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves, and upon future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve profitable operations. The Company has sustained losses from operations, and has an ongoing requirement for capital investment to acquire and explore its mineral properties.

As at June 30, 2017, the Company has an accumulated deficit of \$2,582,979 and a working capital deficiency (excess of current liabilities over current assets) of \$134,175. The Company expects to seek additional equity financing to accomplish its business plan over the next several years. While the Company believes these funds will be sufficient to meet its planned exploration expenditures and corporate administration costs in the next 12 months, there remains material uncertainty on the Company’s ability to continue as a going concern should it not be able to raise additional funds to carry out its business plan beyond next year. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in existence.

### NOTE 2 – CHANGE IN ACCOUNTING POLICY

During the year ended June 30, 2016, 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.

These financial statements reflect the retroactive application of this accounting policy change, which has no net effect on the net loss for the years ended June 30, 2015 and 2016. The impact of this retroactive application was as follows:

	As Reported		Adjustments		Restated	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	\$	\$	\$	\$	\$	\$
Stock Options Reserve	227,342	207,286	(136,495)	(136,495)	90,847	70,791
Share Purchase Warrants Reserve	285,173	137,813	(137,813)	(52,853)	147,360	84,960
Deficit	(2,397,968)	(2,116,359)	274,308	189,348	(2,123,660)	(1,927,011)

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

---

### NOTE 3 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

#### a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These audited financial statements were approved and authorized for issue by the Board of Directors on October 25, 2017.

#### b) Basis of Presentation

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss which are stated at their fair value.

#### c) Foreign Currency Translation

The financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of comprehensive loss.

#### d) Exploration and Evaluation Asset

Expenditures related to the acquisition, exploration, and development of exploration and evaluation assets are expensed and charged to earnings in the period in which they are incurred. Any option payments received by the Company from third parties or tax credits refunded to the Company are charged against exploration expenses in the statement of comprehensive loss.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with general industry standards, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers and, as such, title may be affected.

#### e) Impairment of Non-Current Assets

The carrying amounts of non-current assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indications of impairment, then the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. An impairment loss exists if the asset’s or cash generating unit’s carrying amount exceeds the recoverable amount and is recorded as an expense immediately. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

---

### NOTE 3 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### e) Impairment of Non-Current Assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

#### f) Provisions

##### (i) Decommissioning and Restoration Provision

Future obligations to retire an asset, including dismantling, remediation, and ongoing treatment and monitoring of the site related to normal operations are initially recognized and recorded as a provision based on estimated future cash flows discounted at a credit-adjusted risk-free rate. This decommissioning and restoration provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The provision is accreted to full value over time through periodic charges to profit. This unwinding of the discount is charged to financing expense in the statement of comprehensive loss.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and depreciated to profit. The method of depreciation follows that of the underlying asset. The costs related to a decommissioning and restoration provision are only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit.

As at June 30, 2017 and 2016, the Company has no material decommissioning and restoration provision.

##### (ii) Other Provisions

Provisions are recognized when a present legal or constructive obligation exists as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate.

#### g) Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive loss or directly in equity.

##### (i) Current Income Tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

---

### NOTE 3 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### g) Income Taxes (Continued)

##### (ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

#### h) Share Capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs. The Company uses the residual method with respect to the measurement of shares and warrants issued as private placement units. The fair value of the common shares issued in the unit is determined to be the more easily measurable component and the shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance of the private placement subscription proceeds, if any, is then allocated to the attached warrants and recorded in share purchase warrants reserve.

Shares issued for other than cash consideration are valued at the quoted price on the TSX Venture Exchange based on the earliest of: (i) the date the shares are issued, and (ii) the date the agreement to issue the shares is reached.

#### i) Reserves

Stock options reserve and share purchase warrants reserve are used to recognize the fair value of stock options and warrants prior to their exercise, expiry, or cancellation. Fair value of stock options and finder's warrants are determined on the date of grant using the Black-Scholes Model (Note 3(j)). Fair value of a warrant attached to a private placement unit is determined using the residual method (Note 3(h)).

#### j) Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option pricing model at the grant date and charged to profit over the vesting period.

Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related reserve is transferred to share capital.

Upon the expiry or cancellation of stock options and other share-based payments, their fair value previously recorded in reserve is transferred to deficit (Note 2).

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

---

### NOTE 3 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### k) Loss per Share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

#### l) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below. The Company does not have any derivative financial instruments.

##### i) Financial Assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Different criteria to determine impairment are applied for each category of financial assets, which are described below.

- ***Financial assets at fair value through profit or loss*** – Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The Company's cash falls into this category of financial instruments.

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

---

### NOTE 3 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### l) Financial Instruments (Continued)

##### i) Financial Assets (Continued)

- **Loans and receivables** – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less any provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company currently does not hold financial assets in this category.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is based on recent historical counterparty default rates for each identified group. The impairment losses are recognized in profit or loss.

- **Held-to-maturity investments** – Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. The Company currently does not hold financial assets in this category.
- **Available-for-sale financial assets** – Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company currently does not hold financial assets in this category.

Available-for-sale financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognized in profit or loss. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognized in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale financial assets, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated in the investment revaluation reserve.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

---

### NOTE 3 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### l) Financial Instruments (Continued)

##### ii) Financial Liabilities

For the purpose of subsequent measurement, financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities upon initial recognition.

- **Financial liabilities at fair value through profit or loss** – Financial liabilities at fair value through profit or loss include financial liabilities that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Liabilities in this category are measured at fair value with gains or losses recognized in profit or loss. The Company currently does not hold financial liabilities in this category.
- **Other financial liabilities** – Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process. The Company's accounts payable and accrued liabilities and amounts due to related parties fall into this category of financial instruments.

A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

#### m) Comparative Figures

Certain comparative figures have been reclassified to conform with the financial statements presentation adopted for the current year. These reclassifications have no effect on the net loss for the year ended June 30, 2016.

### NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 3, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are described as follows.

#### a) Share-Based Compensation

The fair value of stock based compensation is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

---

### NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

(Continued)

#### b) Deferred Tax Assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

The Company has recorded a full valuation allowance against its deferred tax assets due to the uncertainty in the realization of these assets.

### NOTE 5 – ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

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.

### NOTE 6 – EXPLORATION AND EVALUATION ASSETS

#### a) 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 payments totalling \$400,000 and/or common shares equivalent, 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.

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

### NOTE 6 – EXPLORATION AND EVALUATION ASSETS (Continued)

#### a) Treasure Mountain Property, British Columbia, Canada (Continued)

##### 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.

Ximen Mining Corp. has a common director and officer of the Company. As of the auditors’ report date, the transaction has not been approved by the TSX Venture.

#### b) Fuente De Oro Property, Nicaragua (“the Property”)

In April 2014, the Company entered into a non-binding letter of intent (the “LOI”) with Central America Mining Corp. (“CAM”) with respect to the Property, which is owned by CAM’s 99.99%-owned subsidiary Central America Mining Corporation S.A. (“CAMC”).

In June 2014, the Company entered into an option agreement with CAM, which superseded the LOI to acquire an 80% interest in and to the issued and outstanding shares of CAMC, and therefore indirectly acquire an 80% interest in the Property.

In November 2014, the Company, CAM, and CAMC entered into an amended and restated option agreement which superseded the June 2014 option agreement to acquire a 100% interest in the Property. Consideration to earn an initial 80% interest was as follows:

	Cash	Share Issuance	Property Expenditures
	US \$	Number of Shares	US \$
On signing of the LOI (Paid)	15,000	-	-
Within 5 days of TSX-V Approval Date (Paid and Issued)	60,000	2,000,000	-
One year and a day from the Acceptance Date	100,000	1,500,000	50,000
Two years from the Acceptance Date	150,000	400,000	150,000
Three years from the Acceptance Date	-	-	200,000
	<b>325,000</b>	<b>3,900,000</b>	<b>400,000</b>

Title to the Property would be transferred to the Company upon earning the 80% interest. In order to earn an additional 20% interest, a one-time payment of 200 ounces of gold or cash equivalent would be required. In connection with entering the option agreement above, the Company paid a cash finder’s fee of US\$17,500.

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

### NOTE 6 – EXPLORATION AND EVALUATION ASSETS (Continued)

#### b) Fuente De Oro Property, Nicaragua (Continued)

Cumulative acquisition and exploration costs incurred by the Company on the Property are as follows:

	\$
<b>Balance, June 30, 2014</b>	16,628
Acquisition Costs – Cash	79,296
Acquisition Costs – Share Issuance	40,000
Exploration Costs	<u>26,210</u>
<b>Balance, June 30, 2015</b>	162,134
Write off of Exploration and Evaluation Asset	<u>(162,134)</u>
<b>Balance, June 30, 2016</b>	<u><b>-</b></u>

During the year ended June 30, 2016, the Company wrote off capitalized costs totaling \$162,134 as it decided to no longer pursue the acquisition of the Property.

### NOTE 7 – RELATED PARTY TRANSACTIONS AND BALANCES

All related party transactions were in the ordinary course of business and were measured at their exchange amount as agreed between the related parties.

#### a) Compensation of Key Management Personnel

	2017	2016
	\$	\$
Consulting Fees	30,425	15,000
Management Fees	<u>60,000</u>	<u>120,000</u>
	<u><b>90,425</b></u>	<u><b>135,000</b></u>

#### b) Related Party Balances

Amounts owed to related parties are non-interest bearing, unsecured, and have no specified terms of repayment.

	2017	2016
	\$	\$
Due to a company with a common director and officer for management fees	1,677	69,900
Due to a director (also a former officer) for management fees	12,501	12,501
Due to a company with a common director for consulting fees	14,125	15,750
Due to a former officer for management fees and expense reimbursements	<u>-</u>	<u>64,390</u>
	<u><b>28,303</b></u>	<u><b>162,541</b></u>

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

---

### NOTE 8 – SHARE CAPITAL

#### a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

#### b) Issued and Outstanding Common Shares

On August 5, 2016, the Company consolidated its share capital, options, and warrants at a ratio of sixteen old common shares to one new common share. These financial statements reflect the retroactive application of this share consolidation.

As at June 30, 2017, the Company had 7,629,601 common shares issued and outstanding.

##### i) Shares Issued during the Year Ended June 30, 2017

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's 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's 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.

##### ii) Shares Issued during the Year Ended June 30, 2016

On October 29, 2015, the Company completed a private placement of 6,840,000 shares (427,500 post-consolidation shares) at a price of \$0.01 per share (\$0.16 per post-consolidation share) for gross proceeds of \$68,400. The Company incurred share issuance costs of \$1,092.

#### c) Stock options

The Company adopted a share option plan whereby it may grant stock options to directors, officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the plan is limited to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of an option may not be less than the discounted market price as permissible by TSX Venture Exchange policy. The options may have a maximum term of 10 years and vesting terms are determined by the board of directors at the time of grant.

The continuity schedules of stock options are as follows. All options have been vested as at June 30, 2017 and 2016. The number of stock options and their exercise price have been retroactively adjusted to reflect the share consolidation.

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

### NOTE 8 – SHARE CAPITAL (Continued)

#### c) Stock options (Continued)

Expiry Date	Exercise Price	June 30, 2016	Granted	Exercised	Expired/Cancelled	June 30, 2017
March 4, 2017	\$2.72	14,062	-	-	(14,062)	-
October 17, 2018	\$0.80	25,000	-	-	-	25,000
July 23, 2019	\$0.80	21,875	-	-	-	21,875
		60,937	-	-	(14,062)	46,875

  

Expiry Date	Exercise Price	June 30, 2015	Granted	Exercised	Expired/Cancelled	June 30, 2016
March 4, 2017	\$2.72	18,749	-	-	(4,687)	14,062
October 17, 2018	\$0.80	93,750	-	-	(68,750)	25,000
July 23, 2019	\$0.80	43,750	-	-	(21,875)	21,875
		156,249	-	-	(95,312)	60,937

#### d) Share Purchase Warrants

The continuity schedules of warrants are as follows. The number of warrants and their exercise price have been retroactively adjusted to reflect the share consolidation.

Expiry Date	Exercise Price	June 30, 2016	Granted	Exercised	Expired/Cancelled	June 30, 2017
August 12, 2016	\$1.28	137,500	-	-	(137,500)	-
October 31, 2016	\$1.28	323,000	-	-	(323,000)	-
August 5, 2021	\$0.10	-	2,500,000	-	-	2,500,000
October 7, 2021	\$0.17	-	1,600,000	-	-	1,600,000
December 29, 2021	\$0.17	-	531,000	-	-	531,000
		460,500	4,631,000	-	460,500	4,631,000

  

Expiry Date	Exercise Price	June 30, 2015	Granted	Exercised	Expired/Cancelled	June 30, 2016
August 12, 2016	\$1.28	137,500	-	-	-	137,500
October 31, 2016	\$1.28	323,000	-	-	-	323,000
		460,500	-	-	-	460,500

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

### NOTE 8 – SHARE CAPITAL (Continued)

#### e) Agents' Warrants

Expiry Date	Exercise Price	June 30, 2016	Granted	Exercised	Expired/Cancelled	June 30, 2017
August 5, 2021	\$0.10	-	100,000	-	-	100,000
October 7, 2021	\$0.17	-	85,000	-	-	85,000
		-	185,000	-	-	185,000

The following assumptions were used for the Black-Scholes valuation of agents' warrants granted:

Grant Date of Warrants	August 05, 2016	October 07, 2016
Risk-free interest rate	0.65%	0.75%
Expected life of agents' warrants	5 years	5 years
Annualized volatility	309.90%	312.63%
Dividend rate	0.00%	0.00%

There were no agents' warrants granted during the year ended June 30, 2016.

### NOTE 9 – INCOME TAXES

#### a) Provision for Income Taxes

The income tax recovery of the Company is reconciled to the net loss for the year as reported in the statements of comprehensive loss by applying the combined federal and provincial income tax rate of 26.0% (2016 – 26.0%) as follows:

	2017	2016
	\$	\$
Expected Income Tax Recovery at Statutory Tax Rates	(89,622)	(87,012)
Permanent Differences	-	12
Change in Unrecognized Deductible Temporary Differences	94,055	88,530
Share Issuance Costs	(4,433)	(284)
Other		(1,246)
Income Tax Expense	-	-

#### b) Deferred Tax Assets and Liabilities

As at June 30, 2017 and 2016, the Company has temporary differences between the carrying value of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized to the extent that the realization of the related tax benefit through future taxable income is probable. The Company has recorded a full valuation allowance against its deferred tax assets because of uncertainty as to the realization of these assets. The Company's deferred tax assets not recognized consist of the following amounts:

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

---

### NOTE 9 – INCOME TAXES (Continued)

#### b) Deferred Tax Assets and Liabilities (Continued)

	2017	2016
	\$	\$
Exploration and Evaluation Assets	140,533	127,533
Non-Capital Losses	550,965	471,293
Share Issuance Costs	5,378	3,995
	<hr/>	<hr/>
Deferred Tax Assets Not Recognized	696,876	602,821

As at June 30, 2017, the Company has exploration and development expenditures of \$540,511, share issuance costs of \$20,684, and non-capital losses of \$2,119,096 that may be applied against future taxable income for Canadian income tax purposes. Share issuance costs expire through to 2021. Non-capital losses expire as follows:

	\$
2030	89,137
2031	248,822
2032	298,099
2033	450,769
2034	266,836
2035	271,464
2036	187,536
2037	306,433
	<hr/>
	2,119,096

### NOTE 10 – CAPITAL MANAGEMENT

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.

### NOTE 11 – FINANCIAL INSTRUMENTS

The fair value of the Company's accounts payable and accrued liabilities and amounts due to related parties approximate their carrying value, which is the amount recorded on the statements of financial position. The Company's cash under the fair value hierarchy is recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

# New Destiny Mining Corp.

## Notes to Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

---

### NOTE 11 – FINANCIAL INSTRUMENTS (Continued)

#### a) 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. Management believes that its credit risk is not significant.

#### b) 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 \$149,621. 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.

#### c) 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.

#### d) 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.

#### e) 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.

### NOTE 12 – SUSEQUENT 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 twenty day accelerated expiry provision if the closing price of the Company's share is \$0.40 or higher for ten consecutive trading days.