



**Management's Discussion and Analysis**

**of Financial Conditions and Results of Operations**

**For The Three Month Period Ended September 30, 2017**

**Date of Report – November 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 audited financial statements for the year ended June 30, 2017 and the interim unaudited financial statements for the three months ended September 30, 2017. These financial statements have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB"). The Company's accounting policies are described in Note 3 of the Annual Financial Statements for the year ended June 30, 2017.

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 \$2,644,638 as at September 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 and Share Payments:**

- \$25,000 in cash on the date of execution of the agreement (Paid);
- \$50,000 cash and issue shares equal to \$50,000 (issued 250,000 subsequent to the period) within five days of closing;
- \$75,000 in cash or shares (minimum \$10,000 in cash) on or before November 9, 2018;
- \$75,000 in cash or shares (minimum \$10,000 in cash) on or before November 9, 2019;
- \$75,000 in cash or shares (minimum \$10,000 in cash) on or before November 9, 2020 and
- \$100,000 in cash or shares (minimum \$10,000 in cash) on or before November 9, 2021.

#### **Exploration Expenditures:**

- \$100,000 on exploration work on or before November 9, 2018
- \$150,000 on exploration work on or before November 9, 2019
- \$250,000 on exploration work on or before November 9, 2020; and
- \$250,000 on exploration work on or before November 9, 2021.

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.

On November 9, 2017, the transactions has 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.

## Results of Operations

For the period ended September 30, 2017, Company reported a loss of \$ 61,659 (2016 - \$86,466). The Company's loss per share was \$0.01 (2016 - \$0.03).

	Three Months Ended September 30,	
	2017	2016
	\$	\$
Consulting	22,500	42,500
Management Fees	15,000	15,000
Office and Administrative	12,053	16,117
Professional Fees	2,000	2,000
Rent	9,080	3,588
Transfer Agent and Regulatory Fees	1,026	7,261
	<u>61,659</u>	<u>86,466</u>

- Management fees of \$15,000 (2016 - \$15,000) 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 \$2,000 (2016 - \$2,000), comprise of accrual for audit fees related to the annual year-end audit for the period.
- Consulting fees of \$22,500 (2016 - \$42,500) comprise of \$7,500 (2016-\$30,425) paid to a director of the Company for consulting fee and \$15,000 (2016-\$89,030) paid for business development and assisting management in corporate developments.
- Office and administrative of \$12,053 (2016 - \$16,117) included administrative and secretarial fees, interest and bank charges and shareholder information.
- Regulatory and transfer agent fees of \$1,026 (2016 - \$7,261) 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 September 30, 2017:

	September 30, 2017 \$	June 30, 2017 \$	March 31, 2017 \$	December 31, 2016 \$
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(61,659)	(8,022)	(141,575)	(108,637)
Basic and diluted per share	(0.01)	(0.00)	(0.02)	(0.02)

	September 30, 2016 \$	June 30, 2016 \$	March 31, 2016 \$	December 31, 2015 \$
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(86,466)	(48,038)	(105,195)	(177,593)
Basic and diluted per share	(0.01)	(0.02)	(0.04)	(0.06)

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.

### Liquidity and Capital Resources

At September 30, 2017 the Company had cash of \$13,142 and working capital deficit of \$170,234. All cash are deposited in interest accruing accounts.

	2017 \$	2016 \$
Current assets	19,017	15,120
Total Assets	19,017	15,120
Total Liabilities	189,251	105,041
Shareholders' Equity	(170,234)	(89,921)
Working Deficiency	170,234	89,921



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 \$	2016 \$
Cash used in operating activities	(21,258)	(184,469)
Cash provided by financing activities	25,600	196,000
Change in cash	4,342	11,531

- The Company had cash of \$13,142 as of September 30, 2017 compared to \$8,800 as of June 30, 2017.

### **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).

#### Compensation of Key Management Personnel

	September 30, 2017 \$	September 30, 2016 \$
Consulting Fees <sup>(a)</sup>	7,500	7,500
Management Fees <sup>(b)</sup>	15,000	15,000
	22,500	22,500

<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.

#### Related Party Balances

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

	September 30, 2017 \$	June 30, 2017 \$
Due to a company with a common director and officer for management fees	1,927	1,677
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	22,000	14,125
	36,428	28,303

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## **Subsequent Event**

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### **Private Placement**

- a) On October 05, 2017, the Company closed a non-brokered private placement and issued 681,818 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 until October 5, 2017. 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.
- b) On October 27, 2017, the Company closed a non-brokered private placement and issued 867,000 units at \$0.18 per unit for gross proceeds of \$156,060. 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 until November 2, 2019. 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.

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## **Changes in Accounting Policies and Accounting Pronouncements**

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The details of New Destiny's accounting policies are presented in Note 2 of the financial statements ended June 30, 2017. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

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## **Critical Accounting Policies and Estimates**

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The details of New Destiny's accounting policies are presented in Note 3 of the financial statements ended June 30, 2017. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

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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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## **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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## **Risk and Uncertainties**

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There are no significant changes relating to the risk factors since the filing of the annual MD&A of June 30, 2017.

## **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 September 30, 2017, the Company had a cash balance of \$13,142 to settle current liabilities of \$189,251. 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 September 30, 2017, was \$2,408,201 (June 30, 2017 – \$2,408,201). 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 period ended September 30, 2017.

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

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**

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

### **Outstanding Share Data**

	Number	Exercise Price	Expiry Date
Common Shares (November 27, 2017)	9,428,419	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
Warrants	681,818	\$0.35	October 5, 2019
Warrants	867,000	\$0.35	November 2, 2019
Agent's Warrant	100,000	\$0.10	August 5, 2021
Agent's Warrant	85,000	\$0.17	October 7, 2021