



June 30, 2018 and 2017

(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, 2018 and 2017, 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.

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.

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, 2018 and 2017, 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 \$632,924 during the year ended June 30, 2018, and as of that date, had accumulated losses since inception of \$3,215,903. 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.

WDM

Chartered Professional Accountants

Vancouver, B.C.
October 24, 2018

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New Destiny Mining Corp.
Statements of Financial Position
As at June 30, 2018 and 2017
(Expressed in Canadian Dollars)

	Note	2018 \$	2017 \$
ASSETS			
CURRENT			
Cash		886	8,800
Prepaid Expense and Deposit		52,129	5,349
GST Recoverable		13,546	1,297
		66,561	15,446
NON-CURRENT			
Exploration and Evaluation Assets	5	-	-
		66,561	15,446
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		64,051	69,428
Due to Related Parties	7(b)	115,305	80,193
		179,356	149,621
SHAREHOLDERS' DEFICIENCY			
Share Capital	6	3,062,505	2,408,201
Stock Options Reserve		18,166	18,166
Warrants Reserve		22,437	22,437
Deficit		(3,215,903)	(2,582,979)
		(112,795)	(134,175)
		66,561	15,446

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
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, 2018 and 2017

(Expressed in Canadian Dollars)

	Note	Number of Post-Consolidation Common Shares	Share Capital \$	Stock Options Reserve \$	Warrants Reserve \$	Deficit \$	Total Shareholders' Equity (Deficiency) \$
Balance, June 30, 2016		2,998,601	2,020,658	48,369	147,360	(2,415,842)	(199,455)
Shares Issued for Cash	6(b)(ii)	4,631,000	427,030	-	-	-	427,030
Share Issuance Costs	6(b)(ii)	-	(17,050)	-	-	-	(17,050)
Fair Value of Agent's Warrant Issued	6(e)	-	(22,437)	-	22,437	-	-
Fair Value of Stock Options Expired	6(c)	-	-	(30,203)	-	30,203	-
Fair Value of Share Purchase Warrants Expired	6(d)	-	-	-	(147,360)	147,360	-
Net Comprehensive Loss		-	-	-	-	(344,700)	(344,700)
Balance, June 30, 2017		7,629,601	2,408,201	18,166	22,437	(2,582,979)	(134,175)
Shares Issued for Cash	6(b)(i)	2,891,068	611,912	-	-	-	611,912
Share Issuance Costs	6(b)(i)	-	(7,608)	-	-	-	(7,608)
Shares Issued for Exploration and Evaluation Assets	5	250,000	50,000	-	-	-	50,000
Net Comprehensive Loss		-	-	-	-	(632,924)	(632,924)
Balance, June 30, 2018		10,770,669	3,062,505	18,166	22,437	(3,215,903)	(112,795)

Share Consolidation (Note 6(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, 2018 and 2017
(Expressed in Canadian Dollars)

	Note	2018 \$	2017 \$
EXPENSES			
Advertising, Marketing and Investor Relations		37,660	-
Consulting	7(a)	134,000	119,455
Exploration Expenses	5	290,969	50,000
Management Fees	7(a)	20,000	60,000
Office and Administrative		98,161	58,626
Professional Fees		18,224	19,388
Rent		43,738	10,997
Transfer Agent and Regulatory Fees		11,138	25,359
Travel		6,307	875
LOSS BEFORE OTHER ITEM		(660,197)	(344,700)
Reversal of Flow-Through Share Premium Liability		27,273	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(632,924)	(344,700)
POST-SHARE CONSOLIDATION			
	6(b)		
Basic and Diluted Loss per Share		(0.07)	(0.05)
Weighted Average Number of Common Shares Outstanding		9,248,656	6,684,280

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, 2018 and 2017
(Expressed in Canadian Dollars)

	2018	2017
	\$	\$
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net Loss for the Year	(632,924)	(344,700)
Non-Cash Items		
Shares Issued for Exploration and Evaluation Assets	50,000	-
Reversal of Flow-Through Share Premium Liability	(27,273)	-
	(610,197)	(344,700)
Changes in Non-Cash Working Capital Accounts		
GST Recoverable	(12,249)	185
Prepaid Expense and Deposits	(46,780)	(5,349)
Accounts Payables and Accrued Liabilities	(5,377)	82,884
Due to Related Parties	35,112	(134,238)
	(639,491)	(401,218)
FINANCING ACTIVITY		
Shares Issued for Cash, Net of Issuance Costs	631,577	409,980
(DECREASE) INCREASE IN CASH	(7,914)	8,762
Cash, Beginning of the Year	8,800	38
CASH, END OF THE YEAR	886	8,800

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

New Destiny Mining Corp.

Notes to Financial Statements

June 30, 2018 and 2017

(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.

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. Accordingly, it does not give effect to adjustments that, if any, would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

As at June 30, 2018, the Company has an accumulated deficit of \$3,215,903 and working capital deficiency of \$112,795. The Company’s ability to continue operations is dependent upon the financial support from its shareholders and other related parties, its ability to obtain additional financing, the existence of economically recoverable reserves, and the attainment of profitable operations or sufficient proceeds from disposition of the properties. The outcome of these matters cannot be predicted at this time. While management has been successful in obtaining sufficient funding for its operating, capital, development, and exploration requirements from the inception of the Company to date, there is no assurance that additional future funding will be available to the Company or on terms that are acceptable to management.

The Company is in the process of exploring and developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves, and upon future production or proceeds from the disposition thereof.

The current cash resources are not adequate to pay the Company’s accounts payable and to meet its minimum commitments at the date of these financial statements, including planned corporate and administrative expenses, and other project implementation costs; accordingly, there is significant doubt about the Company’s ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

NOTE 2 – 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”).

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.

These audited financial statements were approved and authorized for issue by the Board of Directors on October 24, 2018.

New Destiny Mining Corp.

Notes to Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) 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.

c) 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.

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.

d) 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, 2018 and 2017, the Company has no material decommissioning and restoration provision.

New Destiny Mining Corp.

Notes to Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Provisions (Continued)

(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.

e) 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.

f) Flow-Through Shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares.

To account for flow-through units, on issuance, the Company allocates flow-through share proceeds into i) share capital, equal to the market value of the shares, ii) a flow-through share premium liability, equal to the estimated premium investors pay for the flow-through feature, and iii) reserve for warrants, equal to the remaining proceeds received.

The amount recorded as a liability relating to the sale of tax benefits is reversed when the tax benefits are renounced. The difference between the amount originally recorded as a liability and the estimated income tax benefits on date of renouncement is recognized in profit or loss. The tax effect of the renunciation is recorded at the time the Company makes the renunciation, which may differ from the effective date of renunciation.

g) 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.

h) 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.

New Destiny Mining Corp.

Notes to Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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(a)). Fair value of a warrant attached to a private placement unit is determined using the residual method.

j) 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.

(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.

k) 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.

New Destiny Mining Corp.

Notes to Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Financial Instruments (Continued)

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.
- ***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.

New Destiny Mining Corp.

Notes to Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Financial Instruments (Continued)

i) Financial Assets (Continued)

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.

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.

l) 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, 2017.

New Destiny Mining Corp.

Notes to Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 2, 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.

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 4 – ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up to the date of issuance of the Company's financial statements. The Company intends to adopt the following standards when they become effective.

IFRS 9 – Financial Instruments

IFRS 9 will replace IAS 39 "Financial Instruments: Recognition and Measurement" and applies to the classification and measurement of financial assets. The mandatory effective date is January 1, 2018 with early adoption permitted. The Company has not yet determined the impact of this standard on its financial statements.

IFRS 16 – Leases

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting remains largely unchanged from IAS 17 "Leases", and the distinction between operating and finance leases is retained. The standard is effective for annual period beginning on or after January 1, 2019. The Company has not yet determined the impact of this standard on its financial statements.

New Destiny Mining Corp.

Notes to Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

NOTE 5 – EXPLORATION AND EVALUATION ASSETS

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 (and/or issue number of common shares equivalent to) 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 (Paid);
- \$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. On November 14, 2017, the Company issued 250,000 shares with a fair value of \$50,000.

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.

The option agreement received final approval for the TSX Venture November 9, 2017.

Ximen Mining Corp. has a common director and officer of the Company.

NOTE 6 – 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, 2018, the Company had 10,770,669 (2017 - 7,629,601) common shares issued and outstanding.

New Destiny Mining Corp.

Notes to Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

NOTE 6 – SHARE CAPITAL (Continued)

b) Issued and Outstanding Common Shares (Continued)

i) Shares Issued during the Year Ended June 30, 2018

On October 5, 2017, the Company completed a non-brokered private placements, raising gross proceeds of \$150,000 by issuing 681,818 flow-through units at \$0.22 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 \$0.35 per share for a period of two years expiring October 5, 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. A flow-through tax premium in the amount of \$27,273 was recorded (Note 9).

On November 2, 2017, the Company completed a non-brokered private placements, raising gross proceeds of \$156,060 by issuing 867,000 units at \$0.18 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 \$0.35 per share for a period of two years expiring 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.

On November 14, 2017, the Company issued 250,000 common shares with a fair value of \$50,000 as per the option agreement with Ximen Mining Corp. (Note 5).

On March 14, 2018, the Company completed a non-brokered private placements, raising gross proceeds of \$331,500 by issuing 1,326,000 units at \$0.25 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 \$0.35 per share for a period of two years expiring March 14, 2020. The term of the warrants may also be accelerated in the event that the issuer's shares trade at or above a price of \$0.50 per share for a period of ten consecutive days. Share issuance costs totalled \$7,608.

On March 19, 2018, the Company issued 16,250 common shares upon exercise of share purchase warrants. Cash proceeds received totalled \$1,625.

ii) 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.

New Destiny Mining Corp.

Notes to Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

NOTE 6 – SHARE CAPITAL (Continued)

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, 2018 and 2017. The number of stock options and their exercise price have been retroactively adjusted to reflect the share consolidation.

Expiry Date	Exercise Price	June 30, 2017	Granted	Exercised	Expired/Cancelled	June 30, 2018
October 17, 2018	\$0.80	25,000	-	-	-	25,000
July 23, 2019	\$0.80	21,875	-	-	-	21,875
		46,875	-	-	-	46,875

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

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, 2017	Issued	Exercised	Expired/Cancelled	June 30, 2018
October 5, 2019	\$0.35	-	681,818	-	-	681,818
November 4, 2019	\$0.35	-	867,000	-	-	867,000
March 15, 2020	\$0.35	-	1,326,000	-	-	1,326,000
August 5, 2021	\$0.10	2,500,000	-	(16,250)	-	2,483,750
October 7, 2021	\$0.17	1,600,000	-	-	-	1,600,000
December 29, 2021	\$0.17	531,000	-	-	-	531,000
		4,631,000	2,874,818	(16,250)	-	7,489,568

Expiry Date	Exercise Price	June 30, 2016	Issued	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

New Destiny Mining Corp.

Notes to Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

NOTE 6 – SHARE CAPITAL (Continued)

e) Agents' Warrants

Expiry Date	Exercise Price	June 30, 2017	Issued	Exercised	Expired/ Cancelled	June 30, 2018
August 5, 2021	\$0.10	100,000	-	-	-	100,000
October 7, 2021	\$0.17	85,000	-	-	-	85,000
		185,000	-	-	-	185,000

Expiry Date	Exercise Price	June 30, 2016	Issued	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 in 2017:

	August 05, 2016	October 07, 2016
Grant Date of Warrants	2016	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%

NOTE 7 – RELATED PARTY TRANSACTIONS AND BALANCES

Key management includes directors (executive and non-executive) and senior management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions are in the normal course of operations. Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these financial statements, are described below.

a) Compensation of Key Management Personnel

	2018	2017
	\$	\$
Consulting Fees	81,000	85,425
Management Fees	20,000	60,000
Exploration and Acquisition	290,969	50,000
Travel, Office, and Filing fees	11,485	-
	403,454	195,425

b) During the year ended June 30, 2018, the Company incurred \$20,000 (2017 – \$60,000) in management fees to a company controlled by a director and officer of the Company.

c) During the year ended June 30, 2018, the Company incurred consulting fees, property acquisition, and reimbursements of travel, office, and filing fees of \$142,485 (2017 – \$55,000) to a person (and three companies controlled by them) related to a director of the Company.

New Destiny Mining Corp.

Notes to Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

NOTE 7 – RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

- d) During the year ended June 30, 2018, the Company incurred \$nil (2017 – \$30,425) in management fees to a company controlled by a former director of the Company.
- e) During the year ended June 30, 2018, the Company incurred exploration and acquisition expenses of \$240,969 (2017 – \$50,000) to a Company with a common director of the Company.

f) Related Party Balances

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

	2018	2017
	\$	\$
Due (from) to a company with a common director and officer for management fees	(16,315)	1,677
Due to a former officer and director for management fees	12,501	12,501
Due to a company with a common director for consulting fees	625	14,125
Due to companies owned by a person related to a director for consulting fees	27,525	51,890
Due to a company with a common director for exploration expenses	90,969	-
	<u>115,305</u>	<u>80,193</u>

NOTE 8 – 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 27% (2017 – 26.0%) as follows:

Loss Before Income Tax	(632,924)	(344,700)
Expected Income Tax Recovery at Statutory Tax Rates	(142,883)	(89,622)
Effect of change in tax rate	(26,803)	-
Change in Unrecognized Deductible Temporary Differences	171,740	94,055
Share Issuance Costs	(2,054)	(4,433)
Income Tax Expense	<u>-</u>	<u>-</u>

b) Deferred Tax Assets and Liabilities

As at June 30, 2018 and 2017, 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:

Exploration and Evaluation Assets	224,500	140,533
Non-Capital Losses	639,246	550,965
Share Issuance Costs	4,870	5,378
Deferred Tax Assets Not Recognized	<u>868,616</u>	<u>696,876</u>

New Destiny Mining Corp.

Notes to Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

NOTE 8 – INCOME TAXES (Continued)

b) Deferred Tax Assets and Liabilities (Continued)

As at June 30, 2018, the Company has exploration and development expenditures of \$831,480, share issuance costs of \$18,039, and non-capital losses of \$2,367,576 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
2038	248,480
	<hr/>
	2,367,576

NOTE 9 – FLOW-THROUGH SHARE PREMIUM LIABILITY

The Company entered into flow-through share subscription agreements in October 2017 whereby it committed to incur a total of \$150,000 of qualifying Canadian exploration expenditures. The value of the flow-through units in excess of the quoted market value of shares on the date of issuance and the fair value of share purchase warrants issued was set up as a liability at the time these shares were issued. Funds raised through the issuance of flow-through shares are required to be expended on qualifying Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation.

In December 2017, the Company renounced \$150,000 of qualifying exploration expenditures to the shareholders with an effective date of December 31, 2017. The effect of this renunciation and the reversal of the flow-through share premium liability has been reflected in the financial statements for the year ended June 30, 2018. The Company has incurred qualifying expenditures of \$150,000 with respect to exploration activities at the Treasure Mountain Property.

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, 2018, was \$3,062,505 (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 year ended June 30, 2018.

New Destiny Mining Corp.

Notes to Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

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:

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, 2018, the Company had a cash balance of \$886 to settle current liabilities of \$179,356. 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) 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

In October 2018, the Company completed a non-brokered private placement of 840,000 units at a price of \$0.15 per unit for gross proceeds of \$126,000. Each unit consists of one common share and one-half common share purchase warrant. One full warrant entitles the holder to purchase one additional share of the Company at a price of \$0.25 per share for a period of two years. The term of the warrants may be accelerated in the event that the issuer's shares trade at or above a price of \$0.50 per share for a period of ten consecutive days. In such case of accelerated warrants, the issuer may give notice, in writing or by way of news release, to the subscribers that the warrants will expire thirty days from the date of providing such notice.