



Management's Discussion and Analysis
of Financial Conditions and Results of Operations

For the year ended June 30, 2019

Date of Report – October 25, 2018

Introduction

The following discussion is management’s assessment and analysis of the results and financial condition of operations New Destiny Mining Corp. (“the Company”) and should be read in conjunction with the accompanying audited financial statements for the year ended June 30, 2019 and related notes. These financial statements have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (“IASB”).

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

All monetary amounts are in Canadian dollars unless otherwise specified. Additional information relating to the Company is available on SEDAR at www.sedar.com.

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 \$3,992,419 as at June 30, 2019 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.

Overall Performance

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 a 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 an amount) 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 days 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 (500,000 shares were issued with a fair market value of \$85,000 on November 5, 2018. The fair market recognized was based on the closing quote price of the Company’s share at the date of issuance); 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 days 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 Transaction received final approval from the TSX Venture November 9, 2017. Ximen has a common director and officer of the Company.

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.

Exploration Expenditures

Treasure Mountain Property, British Columbia, Canada

	\$
Balance, June 30, 2017	50,000
Acquisition Costs	75,000
Exploration Costs and Exploration Advances Paid	<u>215,969</u>
Balance, June 30, 2018	340,969
Acquisition Costs	85,000
Exploration Costs	<u>370,670</u>
Balance, June 30, 2019	<u>796,639</u>

Private Placements & Shares Issued in 2019

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 if the issuer's shares trade at or above a price of \$0.50 per share for a period of ten consecutive days. A finder fee of \$1,200 was paid and 8,000 agents' warrants were granted. The agents' warrants were valued at \$570 used Black-Scholes model and have the same terms as the warrants issued in the offering. A related party subscribed to 400,000 units of this offering.

In November 2018, the Company issued 500,000 shares as per the option agreement with Ximen Mining Corp. ("Ximen") to acquire 100% interest in mineral claims of the Treasure Mountain Property. The fair value recognized of \$85,000 was based on the closing quoted price of the Company's share at the date of issuance.

For the year ended June 30, 2019, the Company issued 2,095,000 common shares upon exercise of share purchase warrants. Cash proceeds received totalled \$209,500.

Selected Annual Information

The following financial data is derived from the Company's audited financial statements for the years ended June 30, 2019, 2018 and 2017.

During the year ended June 30, 2017, the Company changed its accounting policy, whereby upon the expiry or cancellation of stock options and share purchase warrants, their fair value previously recorded in reserve is transferred to deficit. Prior to this change in policy, the fair value of options and warrants remained in reserve upon expiry or cancellation. The following financial data reflects the retroactive application of this accounting policy change, which has no net effect on the net loss for the years ended June 30, 2019, 2018, and 2017.

	2019	2018	2017
	\$	\$	\$
Financial Results			
Income	NIL	NIL	NIL
Loss and comprehensive for the year	(784,655)	(632,924)	(344,700)
Basic and diluted earnings (loss)	(0.06)	(0.07)	(0.05)

Financial Position

Working deficiency	488,095	129,110	134,175
Total assets	18,970	82,876	15,446
Total liabilities	498,500	195,671	149,621
Share Capital	3,479,855	3,062,505	2,408,201
Equity reserve	33,034	40,603	40,603
Deficit	3,992,419	3,215,903	2,582,979

Results of Operations

For the year ended June 30, 2019, Company reported a loss of \$784,655 (2018 - \$632,924). The Company's loss per share was \$0.06 (2018 - \$0.07). Significant increases in spending for exploration, advertising and Marketing as well as insurance and professional fees accounts for the 19% increase in reported loss from one year to the next.

Operational Expenses, Prior to Other Items:

	Three Months Ended		Year Ended	
	2019	June 30, 2018	2019	June 30, 2018
	\$	\$	\$	\$
Advertising, Marketing and Investor Relations	20,000	28,910	79,792	37,660
Consulting	-	53,500	34,000	134,000
Exploration	130,313	40,000	455,670	290,969
Insurance	6,500	-	13,000	-
Management Fees	-	-	15,000	20,000
Office and Administrative	18,961	42,297	111,110	98,161
Professional Fees (adjustment)	(7,000)	(8,856)	22,419	18,224
Rent	10,500	9,000	39,000	43,738
Transfer Agent and Regulatory Fees	710	3,484	14,664	11,138
Travel	-	(8,910)	-	6,307
	<u>179,984</u>	<u>159,425</u>	<u>784,655</u>	<u>660,197</u>

- Management fees of \$15,000 (2018 - \$20,000) 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 \$22,419 (2018 - \$18,224), comprise of legal and audit fee accrual.
- Consulting fees of \$34,000 (2018 – \$134,000) for asset management, business development and assisting management in corporate developments.
- Advertising, Marketing and Investor Relations of \$79,792 (2018 - \$37,660), paid in investor relations services fees.
- Exploration of \$455,670 (2018- \$290,969) paid for exploration and acquisition costs as per the option agreement on the Treasure Mountain Property.
- Office and administrative of \$111,110 (2018 - \$98,161) included administrative and secretarial fees, interest and bank charges and shareholder information.

- Regulatory and transfer agent fees of \$14,664 (2018 - \$11,138) consisted of fees paid to regulatory bodies in Canada and the Company's transfer agent.

Summary of Quarterly Results

Results for the eight most recent quarters ending with the last quarter for the period ended June 30, 2018:

	June 30, 2019 \$	March 31, 2019 \$	December 31, 2018 \$	September 30, 2018 \$
Revenue	Nil	Nil	Nil	Nil
Net loss	(179,984)	(132,321)	(168,866)	(303,484)
Basic and diluted per share	(0.01)	(0.01)	(0.01)	(0.03)

	June 30, 2017 \$	March 31, 2017 \$	December 31, 2016 \$	September 30, 2016 \$
Revenue	Nil	Nil	Nil	Nil
Net loss	(159,425)	(200,449)	(238,665)	(61,658)
Basic and diluted per share	(0.01)	(0.02)	(0.03)	(0.01)

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 can secure equity financing with favorable terms, the Company's activity levels, and the size and scope of planned exploration projects will typically increase.

Fourth Quarter

During the fourth quarter, the Company reported a net loss of \$179,984 compared to net loss of \$159,425 in the fourth quarter in 2018. An increase in spending can be seen in the area of exploration with the Company spending \$130,313 compared to \$40,000 in the fourth quarter of 2018. The Company did reduce their spending in the areas of consulting, office and admin as well and regulatory fees. The overall increase amounted to approximately \$20,000 or 13%. The Company continues to focus on the Treasure Mountain property and strategic allocation of funds for exploration.

Liquidity and Capital Resources

At June 30, 2019 the Company had cash of \$4,871 and working capital deficit of \$487,530. All cash are deposited in interest accruing accounts.

	2019 \$	2018 \$
Current assets	10,405	66,561
Total Assets	<u>18,970</u>	<u>82,876</u>
Total Liabilities	<u>498,500</u>	<u>195,671</u>
Shareholders' Equity	<u>(479,530)</u>	<u>(112,795)</u>
Working Deficiency	<u>488,095</u>	<u>129,110</u>

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.

	2019 \$	2018 \$
Cash used in operating activities	(320,935)	(639,491)
Cash used in investing activities	(8,000)	
Cash provided by financing activities	<u>332,920</u>	<u>631,577</u>
Change in cash	<u>3,985</u>	<u>(7,914)</u>

- The Company had cash of \$4,871 as of June 30, 2019 compared to \$886 as of June 30, 2018.
- On October 18, 2018, the Company completed a non-brokered private placement, raising gross proceeds of \$126,000 by issuing 840,000 units at \$0.15 per unit.
- On November 05, 2018, the Company issued 500,000 shares as per the option agreement for the Treasure Mountain property.
- For the year ended June 30, 2019, the Company issued 2,095,000 common shares upon exercise of share purchase warrants. Cash proceeds received totalled \$209,500.

Transactions with Related Parties

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

	2019	2018
	\$	\$
Consulting Fees ^(a)	25,500	81,000
Management Fees ^(b)	15,000	20,000
Exploration and Acquisition ^(c)	283,042	290,969
Advertising ^(c)	65,000	-
Travel, Office and Filing Fees ^(d)	10,950	11,485
	399,492	403,454

- (a) Consulting Fee paid/accrued to Zelen Consulting Ltd., a company controlled by Anthony Zelen, a former Director of the Company.
 (b) Management fees paid/accrued to Benaterra Communications Inc., a company controlled by Robert Bermingham, the President and CEO of the Company.
 (c) Exploration and Acquisitions paid to Ximen Mining Corp.
 (d) Travel, office and filing paid to companies controlled by Chris Anderson (1136130 BC Ltd. And 703891 BC Ltd).

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. A related party (Chris Anderson) subscribed to 400,000 units of this offering.

As at June 30, 2019 and 2018, the Company has the following amounts owed to related parties that are non-interest bearing, unsecured, and have no specified terms of repayment.

	June 30, 2019	June 30, 2018
Due from a company with a common director and officer for management fees ^(a)	(565)	(16,315)
Due to a former officer and director for management fees ^(b)	12,501	12,501
Due to a company with a common director for consulting fees ^(c)	625	625
Due to companies owned by person related to a director for consulting fees ^(d)	6,109	27,525
Due to a company with a common director for exploration expenses ^(e)	357,261	90,969
	375,931	115,305

- (a) Management fees paid/accrued to Benaterra Communications Inc., a company controlled by Robert Bermingham, the President and CEO of the Company.
 (b) Management fees paid/accrued to Greg Oleson, a former officer and director of the Company
 (c) Consulting Fee paid/accrued to Zelen Consulting Ltd., a company controlled by Anthony Zelen, a former Director of the Company.
 (d) Consulting fees paid/accrued to companies controlled by Chris Anderson (1136130 BC Ltd. And 703891 BC Ltd).
 (e) Exploration and Acquisitions paid to Ximen Mining Corp.

Subsequent Event

On September 12, 2019, the Company announced a non-brokered private placement of 2.2 million flow-through units at a price of \$0.10 per unit for gross proceeds of \$220,000. Each Flow-Through Unit consists of one common share that qualifies as a “flow-through share” as defined in subsection 66(15) of the Income Tax Act and one transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase, for a period of 18 months from the date of issue, one additional non-flow-through common share of the Issuer at an exercise price of \$0.15 per share. The proceeds of the private placement will be used for continued exploration work at the Company’s Treasure Mountain property.

Accounting Standard Issued but Not Yet Effective

Several new accounting standards, amendments to standards, and interpretations have been issued but not yet effective as of June 30, 2019. The Company is assessing the impact of these new standards but does not expect them to have a significant effect on the financial statements. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded herein.

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 determined there is no impact of this standard on its financial statements.

Off-Balance Sheet Arrangements

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.

Risk and Uncertainties

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

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

Financial Instruments and Risk Management

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

Credit Risk

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

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2019, the Company had a cash balance of \$4,871 to settle current liabilities of \$498,500. 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.

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

The Company manages its capital structure and adjusts 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, 2019, was \$3,479,855 (2018 – \$3,062,505). 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, 2019.

Additional Information in relation to the Company

Additional information relating to the Company is available:

- (a) On SEDAR at www.sedar.com
- (b) On the Company's website at www.newdestinymining.com
- (c) In the Company's annual audited financial statements for the year ended June 30, 2019.

Forward Looking Information

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

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

Outstanding Share Data

	Number	Exercise Price	Expiry Date
Common Shares (October 15, 2019)	16,405,669	n/a	n/a
Stock Options	21,875	\$0.80	July 23, 2019
Warrants	681,818	\$0.35	October 5, 2019
Warrants	867,000	\$0.35	November 4, 2019
Warrants	1,326,000	\$0.35	March 15, 2020
Warrants	420,000	\$0.25	October 18, 2020
Warrants	388,750	\$0.10	August 5, 2021
Warrants	1,600,000	\$0.17	October 7, 2021
Warrants	531,000	\$0.17	December 29, 2021
Agents' Warrant	8,000	\$0.25	October 18, 2020
Agents' Warrant	100,000	\$0.10	August 5, 2021
Agents' Warrant	85,000	\$0.17	October 7, 2021