



Management's Discussion and Analysis

of Financial Conditions and Results of Operations

For the Three-Month Period Ended September 30, 2019

Date of Report – November 27, 2019

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 audited financial statements for the year ended June 30, 2019 and the interim unaudited financial statements for the three months ended September 30, 2019. 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 2 of the Annual Financial Statements for the year ended June 30, 2019.

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 \$4,153,943 as at September 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

The Company records its expenditures related to the acquisition, exploration, and development of mineral properties in profit or loss in the period in which they are incurred. Cumulative acquisition and exploration costs incurred by the Company to September 30, 2019 on its mineral property are summarized below.

	\$
Balance, June 30, 2018	340,969
Acquisition Costs	-
Exploration Costs	<u>182,959</u>
Balance, September 30, 2018	523,928
Balance, June 30, 2019	796,639
Acquisition Costs	-
Exploration Costs	<u>105,169</u>
Balance, September 30, 2019	<u>901,808</u>

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 (500,000 shares issued with a fair market value of \$85,000 on November 5, 2018. The fair market recognized was based on the closing quoted 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 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.

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.

Private Placements & Share Issuances in 2020

On September 18, 2019, the Company completed a non-brokered private placement of 2,200,000 flow-through units at a price of \$0.10 per unit for gross proceeds of \$220,000. Each flow-through unit consists of one flow-through common share and one transferable common share purchase warrant. One warrant entitles the holder to purchase, for a period eighteen months, one additional non-flow-through common share at an exercise price of \$0.15 per share.

Results of Operations

For the three-month period ended September 30, 2019, the Company reported a loss of \$171,551 (2018 - \$303,484). The Company’s loss per share was \$0.01 (2018 - \$0.03). The Company had reduced spending in the areas of consulting, management fees, exploration and professional fees. The reduction in spending illustrates the Company’s focus on exploration and adherence to their announced drill programs. The Company is focused on the Treasure Mountain Property and is using service providers in the exploration field to manage the project. The decrease of \$131,933 represents a 43% decrease for the same period in the previous year.

	Three Months Ended September 30,	
	2019	2018
	\$	\$
Advertising and Marketing	6,721	11,250
Consulting	-	34,000
Exploration Expenses	105,169	182,959
Insurance	-	6,500
Management Fees	3,000	15,000
Office and Administrative	26,365	27,963
Professional Fees	4,000	12,608
Rent	10,500	9,000
Transfer Agent and Regulatory Fees	3,018	4,204
Travel	12,778	-
NET LOSS FOR THE PERIOD	(171,551)	(303,484)

- Advertising and Marketing of \$6,751 (2018 - \$11,250) was paid mainly for investor relation services.
- Consulting fees of \$Nil (2018 – \$34,000) were paid for business development and corporate developments in 2018. The Company is focusing on the Treasure Mountain Property and using services providers in the exploration field to manage the project.
- Exploration of \$105,169 (2018 - \$182,959) paid for exploration and acquisition costs as per the option agreement on the Treasure Mountain Property.
- Office and administrative of \$26,365 (2018 - \$27,963) included administrative and secretarial fees, interest and bank charges and shareholder information. The Company paid \$10,500 (2018 - \$9,000) in rent.
- Professional Fees of \$4,000 (2018 - \$12,608), comprised of an accrual for audit fees related to the annual year-end audit for the period and legal engaged to advise on regulatory matters.
- Regulatory and transfer agent fees of \$3,018 (2018 - \$4,204) consisted of fees paid to regulatory bodies in Canada and the Company’s transfer agent, includes filing fees for private placement and other regulatory filing requirements.
- Travel of \$12,778 (2018 - \$Nil), paid for travel to various mining conferences and trade shows.

Summary of Quarterly Results

Results for the eight most recent quarters ending with the last quarter for the period ended September 30, 2019:

	September 30, 2019 \$	June 30, 2019 \$	March 31, 2019 \$	December 31, 2018 \$
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(171,551)	(179,984)	(132,321)	(168,866)
Basic and diluted per share	(0.01)	(0.01)	(0.01)	(0.01)

	September 30, 2018 \$	June 30, 2018 \$	March 31, 2018 \$	December 31, 2017 \$
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(303,484)	(159,425)	(200,449)	(238,665)
Basic and diluted per share	(0.03)	(0.01)	(0.02)	(0.03)

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.

Liquidity and Capital Resources

At September 30, 2019 the Company had cash of \$468 and working capital deficit of \$452,496. All cash are deposited in interest accruing accounts.

	September 30, 2019 \$	June 30, 2019 \$
Current assets	9,266	10,405
Total Assets	<u>17,831</u>	<u>18,970</u>
Total Liabilities	<u>461,762</u>	<u>498,500</u>
Shareholders' Deficiency	<u>(443,931)</u>	<u>(479,530)</u>
Working Deficiency	<u>(452,496)</u>	<u>(488,095)</u>

The Company does not generate enough 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.

	September 30, 2019 \$	September 30, 2018 \$
Cash used in operating activities	(211,553)	(29,676)
Cash provided by financing activities	207,150	30,000
Cash used in investing activities	-	-
Change in cash	<u>(4,403)</u>	<u>324</u>

- The Company had cash of \$468 as of September 30, 2019 compared to \$4,871 as of June 30, 2019.
- In September 2019, the Company completed a non-brokered private placement of 2,200,000 units at a price of \$0.10 per unit for gross proceeds of \$220,000.

Transactions with Related Parties

At the Report Date, key management consists of Robert L. Birmingham (CEO, President and a Director of the Company), Barry Brown (CFO of the Company and a Director); Allan Beaton and Wesley Warthe-Anderson (independent, Directors of the Company).

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.

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

	September 30, 2019	June 30, 2019
	\$	\$
Due (from) a company with a common director and officer for management fees (a)	(565)	(565)
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 a person related to a director for consulting fees and office expenses (d)	32,130	6,109
Due to companies with common directors for exploration (e)	351,989	357,261
	<u>397,245</u>	<u>376,496</u>

- (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 Chris Anderson.
- (e) Exploration and Acquisitions paid to Ximen Mining Corp.

b) Compensation of Key Management Personnel

	September 30, 2019	September 30, 2018
	\$	\$
Consulting Fees	-	25,500
Management Fees	3,000	15,000
Exploration and Acquisition	69,728	126,513
Office	15,035	3,000
	<u>87,763</u>	<u>170,013</u>

- c) During the period ended September 30, 2019, the Company incurred \$3,000 (2018 - \$15,000) in management fees to a company controlled by a director and officer of the Company.
- d) During the period ended September 30, 2019, the Company incurred consulting fees and reimbursements of office expenses of \$15,035 (2018 – \$28,500) to companies controlled by a person related to a director of the Company and to a director of the Company.
- e) During the period ended September 30, 2019 the Company incurred exploration and acquisition expenses of \$69,728 (2018 – \$126,513) to a Company with a common director of the Company.

Changes in Accounting Policies and Accounting Pronouncements

The details of New Destiny's accounting policies are presented in Note 2 of the financial statements ended June 30, 2019. 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.

Critical Accounting Policies and Estimates

The details of New Destiny's accounting policies are presented in Note 3 of the financial statements ended June 30, 2019. 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.

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.

Accounting Standard Issued but Not Yet Effective

Several 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 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.

Risk and Uncertainties

There are no significant changes relating to the risk factors since the filing of the annual MD&A of June 30, 2019.

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 enough liquidity to meet liabilities when due. As at September 30, 2019, the Company had a cash balance of \$468 to settle current liabilities of \$461,762. All 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

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 September 30, 2019, was \$3,683,144 (June 30, 2019 – \$3,479,855). 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, 2019.

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

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 several 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	16,405,669	n/a	n/a
Warrants	681,818	\$0.35	October 5, 2019
Warrants	867,000	\$0.35	November 2, 2019
Warrants	1,326,000	\$0.35	March 15, 2020
Warrants	420,000	\$0.25	October 18, 2020
Warrants	2,200,000	\$0.15	March 18, 2021
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' Warrants	8,000	\$0.25	October 18, 2020
Agents' Warrants	110,000	\$0.15	March 18, 2021
Agents' Warrant	100,000	\$0.10	August 5, 2021
Agents' Warrant	85,000	\$0.17	October 7, 2021