



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

**For the year ended June 30, 2023**

**Date of Report – October 25, 2023**

## **Introduction**

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The following discussion is management’s assessment and analysis of the financial condition and results of operations of New Destiny Mining Corp. (“the Company”) and should be read in conjunction with the accompanying audited financial statements for the year ended June 30, 2023 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.sedarplus.ca](http://www.sedarplus.ca).

### 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 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 \$4,704,766 as at June 30, 2023 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**

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### Property Option Agreement

#### **Treasure Mountain Property, British Columbia, Canada**

On November 30, 2016, the Company entered into an option agreement with Ximen Mining Corp. (“Ximen”) to acquire 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 (“TSX-V”) (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 (not paid), second (not paid), and third anniversaries of the approval by TSX-V (500,000 shares were issued with a fair market value of \$85,000 on November 5, 2018. On February 3, 2022, the Company issued 1,500,000 shares with a fair market value of \$75,000. The fair market value recognized is based on the closing quote price of the Company’s shares 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-V.

**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 (not met), third, and fourth anniversaries, respectively, of the approval by TSX-V.

The Transaction received final approval from the TSX Venture on November 9, 2017. Ximen has a common director and officer of the Company.

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 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**

	\$
<b>Balance, June 30, 2021</b>	861,982
Acquisition Costs	75,000
Exploration Costs	4,761
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<b>Balance, June 30, 2022</b>	941,743
Exploration Costs	19,655
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<b>Balance, June 30, 2023</b>	<b>961,398</b>

### Private Placements & Shares Issued in 2023

In February 2023, the Company issued 3,000,000 units at a price of \$0.03 per unit for gross proceeds of \$90,000. Each unit is comprised of one common share and one full share purchase warrant exercisable at \$0.05 for a period of five years. The terms of the warrants may be accelerated if certain market conditions are met.

### **Selected Annual Information**

The following financial data is derived from the Company's audited financial statements for the years ended June 30, 2023, 2022 and 2021.

	2023	2022	2021
	\$	\$	\$
<b>Financial Results</b>			
Income	NIL	NIL	NIL
Loss and comprehensive for the year	(268,797)	(140,778)	(82,616)
Basic and diluted earnings (loss)	(0.01)	(0.01)	(0.01)
<b>Financial Position</b>			
Working capital deficiency	651,353	581,725	564,797
Total assets	14,168	9,570	11,487
Total liabilities	657,521	583,295	568,284
Share Capital	3,951,044	3,862,244	3,738,394
Share Subscriptions Received in Advance	15,000	-	-
Equity reserve	95,369	-	22,437
Deficit	4,704,766	4,435,969	4,317,628

### **Results of Operations**

For the year ended June 30, 2023, the Company reported a net loss of \$268,797 (2022 - \$140,778). The Company's loss per share was \$0.01 (2022 - \$0.01). The Company had consistent expenditures in 2023 compared to the prior year with exception of recorded exploration expenditures, office administration, share based compensation (non-cash) and advertising. The Company recorded advertising and marketing expenses of \$15,000 (2022 - \$Nil). Office and administrative expenses were also up, from \$18,987 in 2022 to \$62,572 in 2023. A non-cash expense of \$95,369 was also recorded in 2023 for the issuance of stock options. Exploration expenses in the current year were down from \$79,761 in 2022 to \$19,655 in 2023. Due to the uncertainty in the market, the Company is still taking a conservative approach to operations. However, the Company plans to continue exploration of their Treasure Mountain Property.

#### *Operational Expenses, Prior to Other Items:*

	Three Months Ended		Year Ended	
	2023	2022	2023	2022
	\$	\$	\$	\$
Advertising, Marketing and Investor Relations	7,500	-	15,000	-
Exploration	11,489	1,380	19,655	79,761
Office and Administrative	28,518	5,338	62,572	18,987
Professional Fees	4,500	4,500	17,000	17,000
Rent	13,500	10,500	48,000	42,000
Share Based Compensation Expense	95,369	-	95,369	-
Transfer Agent and Regulatory Fees	640	780	11,201	13,030
Write-off of Accounts Payable	-	-	-	-
Reversal of Flow-Through Share Premium Liability	-	(30,000)	-	(30,000)
	161,516	(7,502)	268,797	140,778

- Professional Fees of \$17,000 (2022 - \$17,000), comprise of legal and audit fee accrual.
- Advertising, Marketing and Investor Relations of \$15,000 (2022 - \$Nil), paid in investor relations services fees.
- Exploration of \$19,655 (2022- \$79,761) paid for exploration and acquisition costs as per the option agreement on the Treasure Mountain Property.
- Office and administrative of \$62,572 (2022 - \$18,987) included administrative and secretarial fees, interest and bank charges and shareholder information. The Company also recorded \$48,000 (2022 - \$42,000) in rent and utilities.
- Regulatory and transfer agent fees of \$11,201 (2022 - \$13,030) consisted of fees paid to regulatory bodies in Canada and the Company's transfer agent.
- Stock Based Compensation Expense of \$95,369 (2022 – \$Nil) for the issuance of 1,450,000 stock options.

### Summary of Quarterly Results

Results for the eight most recent quarters ending with the last quarter for the period ended June 30, 2021:

	June 30, 2023 \$	March 31, 2023 \$	December 31, 2022 \$	September 30, 2022 \$
Revenue	Nil	Nil	Nil	Nil
Net loss	(161,516)	(63,899)	(21,631)	(21,751)
Basic and diluted per share	(0.01)	(0.00)	(0.00)	(0.00)

  

	June 30, 2022 \$	March 31, 2022 \$	December 31, 2021 \$	September 30, 2021 \$
Revenue	Nil	Nil	Nil	Nil
Net loss	7,502	(105,192)	(22,532)	(20,556)
Basic and diluted per share	(0.00)	(0.01)	(0.00)	(0.00)

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 \$161,516 compared to net gain of \$7,502 in the fourth quarter in 2022. Operating expenses for the two quarters are consistent with the exception of higher advertising, administration, and exploration expenditures in 2023. The Company also recorded grant revenue of \$30,000 in 2022 which resulted in a net gain for the quarter. Share based compensation of \$95,369 recorded in the fourth quarter of 2023 also contributed to the higher loss for the period. The Company continues to focus on the Treasure Mountain property and strategic allocation of funds for exploration.

## Liquidity and Capital Resources

At June 30, 2023 the Company had cash of \$3,088 and a working capital deficiency of \$651,353. All cash are deposited in interest accruing accounts.

	2023 \$	2022 \$
Current assets	6,168	1,570
Total Assets	<u>14,168</u>	<u>9,570</u>
Total Liabilities	<u>657,521</u>	<u>583,295</u>
Shareholders' Deficiency	<u>643,353</u>	<u>573,725</u>
Working Capital Deficiency	<u>651,353</u>	<u>581,725</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.

	2023 \$	2022 \$
Cash used in operating activities	(59,227)	(62,137)
Cash used in investing activities	-	-
Cash provided by financing activities	61,850	61,950
Change in cash	<u>2,623</u>	<u>(187)</u>

- The Company had cash of \$3,088 as of June 30, 2023 compared to \$465 as of June 30, 2022.
- In February 2023, the Company issued 3,000,000 units at a price of \$0.03 per unit for gross proceeds of \$90,000.

## Transactions with Related Parties

As at June 30, 2023 and 2022, 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, 2023 \$	June 30, 2022 \$
Due to companies owned by person related to a director for expense reimbursements <sup>(a)</sup>	1,402	-
Due to a company with a common director for exploration expenses <sup>(b)</sup>	304,939	304,939
	<u>306,341</u>	<u>304,939</u>

(a) Chris Anderson.

(b) Ximen Mining Corp.

### **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**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The carrying values of cash and accounts payable and accrued liabilities approximate their fair values because of the short-term nature of these financial instruments.

### **The Company's financial instruments are exposed to the following financial risks**

#### *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, 2023, the Company had a cash balance of \$3,088 to settle current liabilities of \$657,521. 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.

### *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 action to be taken in its investing and financing activities. As the Company has not yet developed commercial mineral interests, it is not exposed to significant commodity price risk.

## **Capital Risk Management**

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The Company manages its capital structure and 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, 2023, was \$3,951,044 (2022 – \$3,862,244). 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, 2023.

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

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Additional information relating to the Company is available:

- (a) On SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)
- (b) On the Company's website at [www.newdestinymining.com](http://www.newdestinymining.com)
- (c) In the Company's annual audited financial statements for the year ended June 30, 2023.

## **Forward Looking Information**

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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.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, and U.S. dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies

can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company.

Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. Specific reference is made to the Company's most recent Annual Information Form on file with Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

**Outstanding Share Data**

	Number	Exercise Price	Expiry Date
Common Shares (October 25, 2023)	22,605,669	n/a	n/a
Stock Options	1,450,000	\$0.08	February 21, 2028
Warrants	1,000,000	\$0.10	December 30, 2023
Warrants	3,000,000	\$0.05	February 6, 2028