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**MANAGEMENT DISCUSSION AND ANALYSIS**

**For the three months ended August 31, 2016**

**Contact Person**  
**Contact's Position**  
**Contact's Telephone Number**  
**Date of the Report**  
**E-Mail Address**  
**Website**

**Fred Hewett**  
**President & C.E.O.**  
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**October 20, 2016**  
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**Form 51-102F1**  
**Management Discussion and Analysis**  
**For**  
**New Dimension Resources Ltd.**  
**(“NDR” or the “Company”)**

The following management’s discussion and analysis (“MD&A”) of the Company has been prepared as of October 20, 2016 and is intended to supplement and complement the Company’s interim consolidated financial statements for the three months ended August 31, 2016 and should be read in conjunction with the audited financial statements of the Company for the years ended May 31, 2016 and May 31, 2015 together with the notes thereto. The Company’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

Unless otherwise noted, all currency amounts are stated in Canadian dollars.

**NATURE OF BUSINESS**

The Company is engaged primarily in the acquisition, exploration and development of mineral resource properties throughout the Americas. The Company’s exploration activities are currently focused on mineral properties situated in Canada. The Company is listed on the TSX Venture Exchange (“TSXV”) and trades under the symbol “NDR”.

**HIGHLIGHTS FOR THE THREE MONTHS ENDED AUGUST 31, 2016 AND SUBSEQUENT EVENTS TO OCTOBER 20, 2016**

- The Company is currently exploring its Savant Lake gold project located in northwestern Ontario and has been conducting a surface exploration program with the objective of identifying mineralization that conforms to the Company’s exploration model of gold bearing quartz-sulfide bodies potentially associated with banded iron formation;
- During the period the Company expanded its land position at Savant Lake to 187.8 square kilometers and elected to terminate the Midas gold agreement with ALX Uranium Corp. to focus its exploration efforts and resources on its Savant Lake gold project;
- The Company continues to focus on its mineral projects in Canada with an emphasis on Savant Lake.

**EXPLORATION OVERVIEW**

<b>Exploration and evaluation assets</b>	<b>Midas, Ontario, Canada \$</b>	<b>Savant Lake, Ontario, Canada \$</b>	<b>Total \$</b>
<b>Balance, May 31, 2015</b>	<b>335,135</b>	<b>-</b>	<b>335,135</b>
Acquisition and tenure	5,000	14,000	19,000
Data collection	-	138,632	138,632
Exploration costs written off	(340,135)	-	(340,135)
<b>Balance, May 31, 2016</b>	<b>-</b>	<b>152,632</b>	<b>152,632</b>
Acquisition and tenure	-	65,400	65,400
Data collection and other	-	94,340	94,340
<b>Balance, August 31, 2016</b>	<b>-</b>	<b>312,372</b>	<b>312,372</b>

## **Midas Property, Ontario**

During the year ended May 31, 2014, the Company entered into an agreement to earn a 70% interest in the Midas gold property located in the Sault Ste. Marie Mining Division of Northern Ontario. During the year ended May 31, 2016, capitalized costs totalling \$340,135 were written off and subsequent to May 31, 2016 the agreement was terminated.

## **Savant Lake Property, Ontario**

Effective April 1, 2016, the Company entered into an agreement to earn a 100% interest in the Savant Lake Property, in Ontario. Under the terms of the agreement, the Company can earn its interest in the property by issuing 600,000 shares (100,000 shares issued at a fair value of \$14,000) and paying \$100,000 to the vendors on or before the fourth anniversary date of the agreement. The property is subject to a 2% net smelter royalty, of which 1% can be purchased for \$1,000,000.

## **Domain Project, Manitoba**

The Domain Project consists of a mineral exploration license in northern Manitoba. Under the terms of a joint venture agreement between the Company and Yamana Gold Inc. ("Yamana"), Yamana earned a 65% joint venture interest in the property in prior years. During the year ended May 31, 2013, capitalized costs totalling \$394,221 related to the property were written off. The Company currently holds a 34.88% interest in the property.

The exploration programs described below were conducted under the direction of Fred Hewett, the Company's President and CEO, and a Qualified Person under NI 43-101. Mr. Hewett has reviewed the technical summaries.

The Company's projects are as follows:

## **CANADA**

### *Savant Lake Gold Project, Canada*

In April 2016, the Company announced that it had executed an option agreement to acquire a 100% interest in 83.5 square kilometre Savant Lake gold property (the "Property") located approximately 240 kilometres northwest of Thunder Bay, Ontario in the Savant Lake Greenstone Belt. The Property is accessible by an all-weather road (provincial highways 17 and 599) and is within 25 kilometres of the Canadian National Railway's main line.

The Savant Lake gold project covers a classic iron formation hosted system of gold occurrences within a very prospective mineral district in Ontario. The Property, which has not been significantly explored since the early 1980's, hosts multiple gold showings that have yielded high grade values up to 138.87 g/t. Of the historical gold showings on the property the majority are spatially related to oxide facies iron formation and generally contained within mixed iron formation and adjacent pyritic metasediments with varying amounts of quartz veining and carbonate alteration.

During the 1980's two of the gold showings were tested by shallow drilling which returned values of 0.3 to 0.5 oz/t gold (8.5 g/t to 14.2 g/t) over narrow widths of 1.0 to 1.4 feet (0.3 metres to 0.43 metres). Historical stripped areas over the western drilled area exposed mixed oxide facies iron formation and clastic metasediments, which are host to pyrite and arsenopyrite mineralization as well as quartz veining and ankerite alteration.

In 2014, a total of 57 samples were taken by the Property vendors over the historical showings with values ranging from 138.87 g/t gold to 0.005 g/t gold. In total, 35 samples reported grades exceeding 1.0 g/t gold

including 11 samples exceeding 20 g/t gold. The known showings are exposed on surface or through shallow cover but over 90% of the interpreted iron formation horizons do not outcrop.

Available magnetic data indicates that strong folding of the iron formation has occurred resulting in the development of multiple steeply plunging fold hinges. Examples of fold hinges hosting mineralization include the past producing Lupin and Homestake mines. The setting of the Savant Lake gold occurrences also shows many similarities to a number of other significant iron formation hosted gold deposits including Goldcorp's Mussewhite Mine, Agnico Eagle's Meadowbank Mine and Agnico's recently discovered Amaruq deposit.

Under the terms and of the agreement, New Dimension can earn a 100% interest in the Savant Lake Property by paying the vendors C\$100,000 and issuing 600,000 shares of New Dimension over a four-year period. These payments can be accelerated at the option of the Company, with no cash payments due in the first year. The Property is subject to a 2% NSR, of which one percent (1%) can be purchased for C\$1,000,000.

In Spring of 2016, New Dimension carried out a 925 line kilometre VTEM airborne geophysical program over the Property. The airborne survey successfully identified 18 high priority anomalies and resulted in a significant expansion of the claims via strategic staking of an additional 104.3 square kilometres; representing a 125% increase to the now 187.8 square kilometre Property.

In August 2016, the Company commenced a detailed field program to include detailed mapping and sampling with the aim of ground-truthing identified anomalies and further evaluating their potential to be gold bearing. The initial field program was completed in mid-September and successfully advanced the understanding of multiple target types on the project including iron-formation hosted gold that was the initial project target priority. In addition, increased focus is being given to gold-bearing volcanogenic massive sulphide ("VMS") targets and a newly recognized shear related style of mineralization which significantly expands the discovery potential on the project. The field program included geological mapping and prospecting over a four (4) week period during which a total of 252 grab and chip samples were collected. Values ranged from below detection to 38.6 g/t gold. This sampling was distributed over 15 separate targets and the results, combined with previous work will be the main drivers in prioritizing targets for follow-up.

#### Domain Project, Manitoba

The Domain project is located approximately 150 kilometres southeast of Thompson, Manitoba. The property was staked by the Company and is presently in a Joint Venture with Yamana. Work to date on the property by the Company and others has defined a favorable Archaean greenstone belt with the potential of hosting economic banded iron formation related gold deposits.

Mineralization at Domain is associated with northwest trending, steeply southwest dipping, siliceous, sulphide-bearing, shear zones with some holes identifying two to three separate intervals of mineralization. Drill holes within the shears commonly contain visible gold. Results of the exploration programs to date have established that the elevated gold values of the B Zone continue up and down dip from previously known intercepts and the target structures continue on strike to the northeast.

The B-Zone is the current highest priority target on the Domain property but multiple geophysical targets remain that have seen little or no drilling. The potential at Domain is comparable to Yamana's Monument Bay deposit which lies within the same belt of favorable rocks to the northeast.

During the year ended May 31, 2013, capitalized costs of \$394,221 related to the property were written off.

In December 2013, the Joint Venture reduced the size of the property to 3 claims totalling 576 hectares, with New Dimension currently holding an approximate 35% interest.

## FINANCIAL CONDITION, LIQUIDITY, CAPITAL RESOURCES, OPERATIONS AND FINANCIAL RESULTS

### OVERALL PERFORMANCE

During the three months ended August 31, 2016, the Company incurred a loss of \$16,351 (August 31, 2015 - \$20,685) as it maintained its public listing and continued to evaluate its projects and reviewed possible acquisitions.

A summary of the Company's financial position is as follows:

	August 31, 2016	May 31, 2016	May 31, 2015
Current assets	\$ 414,626	\$ 648,117	\$ 563,433
Non-current assets	\$ 410,648	\$ 177,632	\$ 335,135
Liabilities	\$ (61,564)	\$ (45,688)	\$ (87,491)
Shareholder equity	\$ 763,710	\$ 780,061	\$ 811,077

### FINANCING PROCEEDS

During the year ended May 31, 2016, the Company closed a non-brokered private placement with the issuance of 4,796,445 units at a price of \$0.09 per unit for gross proceeds of \$431,680. Each unit was comprised of one share and one-half of a share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one common share at a price of \$0.20 per share for a period of 24 months. The warrants are subject to an accelerated exercise provision if the share price of the Company trades at or above \$0.45 for 10 or more consecutive trading days.

### RESULTS OF OPERATIONS

During the three months ended August 31, 2016, (the "current quarter") the Company recorded a loss of \$16,351 or \$0.00 per share. This compares with a net loss of \$20,685 or \$0.00 per share for the three months ended August 31, 2015 (the "comparative quarter"). The loss for the current quarter consists of general and administrative expenses of \$16,103 (comparative quarter - \$22,068) and interest and foreign exchange costs of \$248 (comparative quarter - income \$1,383).

The \$4,334 reduction in the loss for the current quarter compared to the comparative quarter is largely a result of reduced salary costs resulting from reductions in staff usage.

General and administrative expenses incurred during the current quarter were \$5,965 less than the comparative quarter, largely as a result of a reductions in salaries, shareholder information and professional fees. During fiscal 2017, the Company has continued to reduce costs and discretionary activities resulting in decreases in salaries \$1,500 (comparative quarter - \$5,000), shareholder information \$3,367 (comparative quarter - \$4,954) and professional fees \$nil (comparative quarter - \$541).

Interest, foreign exchange and other income during the current quarter was a cost of \$248 (comparative quarter - income \$1,383) a reduction largely as a result of reduced U.S. and Canadian funds on hand throughout the year and fluctuations in exchange rates.

The Company capitalizes all acquisition and exploration costs until the property to which those costs relate is placed into production, sold or abandoned. The decision to abandon a property is largely determined from exploration results and the amount and timing of the Company's write-offs of capitalized mineral property costs will vary from one year to the next and typically cannot be predicted in advance. During the current quarter the Company capitalized expenditures totaling \$159,740 for exploration and expansion of the Savant Lake project.

## Financial condition - August 31, 2016 compared to May 31, 2016

At August 31, 2016, the Company had working capital of \$353,062 that consisted of cash of \$401,090, receivables of \$13,536 and accounts payable and accrued liabilities of \$61,564. This is compared to working capital of \$602,429 at May 31, 2016 that consisted of cash of \$628,892, accounts receivable of \$19,225 and accounts payable and accrued liabilities of \$45,688. The reduction in the Company's working capital position during the first quarter of fiscal 2017 was largely due to the exploration work undertaken on the Savant Lake property.

## SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly financial information of NDR and is derived from unaudited quarterly financial statements prepared by management.

Period	Revenues	Net loss for the period	Net loss per share for the period
Three months ended August 31, 2016	\$ Nil	\$ 16,351	\$ 0.00
Three months ended May 31, 2016	\$ Nil	\$ 448,348	\$ 0.05
Three months ended February 29, 2016	\$ Nil	\$ 24,388	\$ 0.00
Three months ended November 30, 2015	\$ Nil	\$ 35,013	\$ 0.00
Three months ended August 31, 2015	\$ Nil	\$ 20,685	\$ 0.00
Three months ended May 31, 2015	\$ Nil	\$ 119,376	\$ 0.01
Three months ended February 28, 2015	\$ Nil	\$ 25,854	\$ 0.00
Three months ended November 30, 2014	\$ Nil	\$ 47,988	\$ 0.00

The Company's quarterly results can be affected by many factors such as winter conditions and/or seasonal fluctuations, variations in capital markets, the write-off of capitalized amounts, share-based payment costs, tax recoveries and other factors that affect Company's exploration and financing activities.

Mineral exploration, such as in Northern Canada, is often a seasonal business, and the Company's expenditures and cash requirements may fluctuate depending upon the season. In addition, if the Company's exploration in Canada is funded by flow through share issuances, losses may be reduced by any cash premium the Company received on the flow through share issuance. For accounting purposes, the cash premium is initially recorded on the balance sheet as a deferred premium and is credited to income as flow through expenditures are incurred resulting in other income on deferred premium.

The Company's expenditures may also be affected by the strength of capital markets. 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 may decline as a result of difficulties raising funds. When capital markets strengthen and the Company is able to secure equity financing with favourable terms, the Company's activity levels and the size and scope of planned exploration projects may increase.

The Company's loss of \$16,351 for the first quarter of fiscal 2017 continues to reflect the cost of administering its operations and maintaining its public listing.

The Company's loss of \$448,348 for the fourth quarter of fiscal 2016 largely reflects its administrative operations and included a \$340,135 charge for the write-off of the Midas Property.

The Company's loss of \$24,388 for the third quarter of fiscal 2016 continues to reflect the cost of administering its operations and maintaining its public listing while it reviewed potential acquisitions.

The Company's loss of \$35,013 for the second quarter of fiscal 2016 continues to reflect the cost of administering its operations and maintaining its public listing.

The Company's loss of \$20,685 for the first quarter of fiscal 2016 largely reflects the cost of administering its operations and maintaining its public listing as it continues to evaluate projects.

The Company's loss of \$119,376 for the fourth quarter of fiscal 2015 largely reflects its administrative operations and included a \$55,745 share-based payment charge.

The Company's \$25,854 loss for the third quarter of fiscal 2015 continues to reflect cuts in overall administrative expenditures in the current financial market.

The Company's loss of \$47,988 for the second quarter of fiscal 2015 reflects costs of maintain its public listing and insurance for its operations. The Company continues to try to reduce activities and conserve cash.

The Company's business consists of only one reportable segment, mineral exploration and development.

Details on a geographic basis are as follows:

Total Non-Current Assets	<b>August 31, 2016</b>	May 31, 2016
Canada	<b>\$ 410,648</b>	\$ 177,632
	<b>Three months ended</b>	Three months ended
	<b>August 31, 2016</b>	August 31, 2015
Loss		
Canada	<b>\$ 16,351</b>	\$ 20,685

## LIQUIDITY AND CAPITAL RESOURCES

During the three months ended August 31, 2016, the Company's cash position decreased \$227,802 (comparative quarter – decreased \$15,784) from its operating, financing and investing activities.

### Operating Activities

During the three months ended August 31, 2016 the Company's operating activities used \$17,222 (comparative quarter –used \$15,784) of cash related to funding the ongoing general and administrative activities of the Company. During the three months ended August 31, 2016, the Company funded a loss from operations of \$16,351 (comparative quarter - \$20,685) increased by \$871 (comparative quarter – decreased \$4,901) for funds used to fund changes in working capital items such as accounts receivable and accounts payable. The Company continues to try to reduce the cash used in operating activities due to difficult market condition.

### Investing Activities

During the three months ended August 31, 2016, cash used for investing activities totalled \$210,580 (comparative period – \$nil) as a result of cash expenditures of \$210,580 (comparative period - \$nil) on exploration and evaluation assets. During the three months ended August 31, 2016, the Company's focus has continued to be on acquisitions and the advancement of its Canadian assets.

### Financing Activities

During the three months ended August 31, 2016, the Company raised \$nil (comparative quarter - \$nil) from the issuance of shares pursuant to private placement financings.

## CAPITAL RESOURCES

The Company has no operations that generate cash flow and its long term financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales and from the exercise of convertible securities. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record and the experience and caliber of its management.

The Company currently has sufficient financial resources to meet its administrative overhead expenses for the current operating period and maintain its exploration evaluation assets. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activity and the state of the financial markets. The Company intends to continue to use various strategies to minimize its dependence on equity capital, including the securing of joint venture partners where appropriate. There have been no changes to the management of capital during the fiscal year.

### Commitments

Please refer to the August 31, 2016 and May 31, 2016 financial statements for details on the Company's exploration and evaluation asset commitments.

### OUTSTANDING SHARE DATA

The table below presents the Company's common share data as of October 20, 2016.

	Price	Expiry date	Number of common shares
Common shares, issued and outstanding			14,519,634
Securities convertible into common shares			
Options			
	\$1.05	December 16, 2016	14,285
	\$1.05	July 12, 2017	65,712
	\$0.10	May 11, 2020	706,500
	\$0.15	May 25, 2021	353,500
Warrants			
	\$0.15	May 5, 2017	1,352,500
	\$0.20	May 9, 2018	2,398,222
			<b>19,410,353</b>

### RISKS AND UNCERTAINTIES

NDR has no history of profitable operations and is an exploration stage company. As such, it is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and lack of revenues.

Some of the Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

Resource acquisition, exploration, development, and operation is a highly speculative business that involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate.



While the discovery of precious metals and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish economically viable mineral deposits, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the acquisition, exploration or development programs planned by the Company will result in a profitable commercial mining operation. The potential for any project to eventually become an economically viable operation depends on numerous factors including: the quantity and quality of the minerals discovered if any, the proximity to infrastructure, metal and mineral prices (which vary considerably over time) and government regulations. The exact effect these factors can have on any given exploration property cannot accurately be predicted but the effect can be materially adverse.

### **Exploration Stage Company**

The Company is engaged in the business of acquiring and exploring mineral properties to locate economic deposits of minerals. All of its properties are in the early stages of exploration and are without defined mineral bodies. Advancement of the Company's properties will only occur after obtaining satisfactory exploration results. There can be no assurance that the Company's existing or future exploration programs will result in the discovery of economically recoverable mineral deposits. Further, there can be no assurance that even if an economic deposit of minerals is located, it can be commercially mined.

### **No Source of Operating Revenue**

At present, the Company's operations do not generate cash inflows and the Company's continued existence depends on management's ability to raise additional equity financing, discover recoverable mineral deposits and sell or otherwise participate in the development of those projects. Many factors influence the Company's ability to raise funds, including the health of the commodity resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required over time, but recognizes there are risks involved that may be beyond its control. If those risks fully materialize, the Company may not be able to raise adequate funds to continue its operations.

### **Political or economic instability in countries where the Company operates**

Certain of the Company's properties are located in countries which may be subject to political and economic instability, or unexpected legislative change which may delay or prevent exploration of properties. Exploration of the Company's properties could be adversely affected by:

- political instability and violence;
- war and civil disturbance;
- labour unrest or community relation issues;
- permitting issues
- expropriation or nationalization;
- changing fiscal regimes and uncertain regulatory environments;
- changes to royalty and tax regimes;
- underdeveloped industrial and economic infrastructure; and
- the unenforceability of contractual rights and judgments.

### **Competition**

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals in the search for and the acquisition of attractive mineral properties, including competitors with greater financial, technical and other resources. The Company's ability to acquire properties in the future will depend not only on its ability to advance its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or advancement. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects. In addition, there is a

limited supply of good geological talent and drilling crews and equipment. There is no assurance that the Company will be able to acquire the supply of geological talent or drillers, executives or other employees or contractors that are required to complete exploration work in planned time frames

### Title to Property

The Company has taken precautions to ensure that legal titles to its property interests are properly recorded. There can be no assurance that the Company will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments in the jurisdictions in which the properties are situated will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned. In addition, some of the Company's properties are held in the names of others. Third parties may have valid claims underlying portions of the Company's interests and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate. In addition, the Company may fail, due to error, omission, or technological issues to renew its claims in a timely manner, potentially resulting in the loss of valuable claims to property.

### Personnel

NDR is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of NDR could result, and other persons would be required to manage and operate the Company.

### Commodity Price Risk

The market price of precious metals and other minerals is volatile and cannot be controlled.

### TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed below. Details of the transactions between the Company and other related parties are disclosed below.

#### a) Related party transactions

The Company incurred the following transactions in the normal course of operations in connection with an officer and/or director or companies which have an officer and/or director in common.

	Note	Three months ended August 31, 2016	Three months ended August 31, 2015
Administrative, consulting and management costs		\$ 6,490	\$ 6,680
Rent		\$ 2,400	\$ 2,400
Shareholder information	(i)	\$ -	\$ 4,500
Salary costs	(i)	\$ 1,500	\$ 2,000

(i) The Company has reimbursed certain salary amounts to companies with certain officers and directors in common. These amounts have been recorded against salaries and benefits expense.

#### b) Related party balances

	August 31, 2016	May 31, 2016
North Arrow Minerals Inc.	\$ 840	\$ 840
Mortimer Mining Services Ltd. – Chief Executive Officer	\$ 2,180	\$ 1,166
Wayne Johnstone – Chief Financial Officer	\$ 4,779	\$ 5,542

c) Compensation of key management personnel

The remuneration for the services of the Chief Executive Officer, Chief Financial Officer and Corporate Secretary during the year was as follows:

	Note	Three months ended August 31, 2016	Three months ended August 31, 2015
Salary/Exploration/Consulting- CEO	\$	2,250	\$ 1,000
Consulting- CFO – Wayne Johnstone	\$	4,240	\$ 7,280
Salary - Corp. Sec. – Brenda Nowak	\$	1,500	\$ 1,500

(i) Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the years ended May 31, 2016 and 2015.

## NATURE OF OPERATIONS AND GOING CONCERN

New Dimension Resources Ltd. (the “Company”) is incorporated under the laws of the Province of British Columbia, Canada. The Company’s corporate office, registered address and records office is located at 789 West Pender St., Suite 960, Vancouver, British Columbia.

The Company engages primarily in the acquisition, exploration and evaluation of mineral properties.

The Company’s interim consolidated financial statements have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. The Company has incurred a deficit of \$8,966,049 at August 31, 2016 and has no current source of revenue. The Company’s continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations. There can be no assurances that management’s future plans for the Company will be successful. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. The Company’s financial statements do not include any adjustments to the recoverability and classification of assets and liabilities that might be necessary, should the Company be unable to continue as a going concern.

## SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experiences and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

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 further periods if the revision affects both current and future periods.

The most significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, the valuation of share based payments and the valuation of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

(i) Economic recoverability and probability of future benefits of exploration and evaluation costs.

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

(ii) Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and Company's earnings and equity reserves.

(iii) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

(iv) Non-cash transactions

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

## **ACCOUNTING STANDARDS**

### **Statement of Compliance with International Financial Reporting Standards**

#### **Statement of Compliance**

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended May 31, 2016.

#### **Principles of Consolidation**

The Company's consolidated financial statements have been prepared in accordance with IFRS and include the accounts of the Company and its wholly owned inactive U.S. and Peruvian subsidiaries, Dimension

Resources (USA) Inc., Camino Ventures S.A.C., and a Peruvian corporation, which the Company has an irrevocable right to acquire, Minera NDR Peru S.A.C., respectively. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Inter-company balances have been eliminated upon consolidation.

### **Historical cost**

The Company's consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

### **New Accounting Policies and Pronouncements**

- i) The IASB has issued several new standards and amendments which have been adopted by the Company. The adoption of the standards and amendments did not have a material effect on the consolidated financial statements.
- ii) Certain pronouncements were issued by the IASB or IFRIC but are not yet effective as at August 31, 2016. The Company intends to adopt these standards and interpretations when they become effective.

The following are the accounting standards issued but not effective as of August 31, 2016 that the Company believes could be significant.

- IFRS 9 - Financial Instruments – classification and measurement  
Effective for annual periods beginning on or after January 1, 2018. This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value with changes in fair value through profit or loss. In addition, this new standard has been updated to include guidance on financial liabilities and derecognition of financial instruments.
- IFRS 16 – Leases  
Effective for annual periods commencing on or after January 1, 2019, this new standard eliminates the classification of leases as either operating or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months.

The Company is currently assessing the impact of these new accounting standards on its consolidated financial statements.

## FINANCIAL INSTRUMENTS

### Categories of financial instruments

	August 31, 2016	May 31, 2016
Financial assets		
FVTPL		
Cash	\$ 401,090	\$ 628,892
Loans and receivables		
Receivables	13,536	19,225
	\$ 414,626	\$ 648,117
Financial liabilities		
Other financial liabilities		
Accounts payable and accrued liabilities	\$ 61,564	\$ 45,688

### Fair value of financial instruments

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 – Unadjusted 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 Company's classifications of financial instruments within the fair value hierarchy are summarized below:

	August 31, 2016	May 31, 2016
Level 1		
Cash	\$ 401,090	\$ 628,892
Level 2	-	-
Level 3	-	-
	\$ 401,090	\$ 628,892

The carrying value of receivables and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

#### a) Currency Risk

The Company is primarily exposed to currency fluctuations relative to the Canadian dollar through expenditures that are denominated in US dollars. Also, the Company is exposed to the impact of currency fluctuations on its monetary assets and liabilities.

The Company is exposed to foreign currency risk through the following financial assets and liabilities denominated in currencies other than Canadian dollars:

August 31, 2016	Cash	Receivables	Accounts payable and accrued liabilities
US dollars	\$ 24,321	\$ -	\$ -

May 31, 2016	Cash	Receivables	Accounts payable and accrued liabilities
US dollars	\$ 24,883	\$ -	\$ -

At August 31, 2016 with other variables unchanged, a +/-10% change in exchange rates would decrease/increase pre-tax loss by \$2,400.

b) Interest rate and credit risk

The Company has a positive cash balance and no interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Cash includes deposits which are at variable interest rates. Sensitivity to a +/- 1% change in rates would affect annual net gain or loss by \$4,000.

Receivables consist of goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to receivables is remote.

c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at August 31, 2016, the Company had a cash balance of \$401,090 (May 31, 2016 - \$628,892) to settle current liabilities of \$61,564 (May 31, 2016 - \$45,688).

d) Commodity Price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of gold and silver. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

## CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and short-term investments.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period that ends May 31, 2017.

#### **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Additional disclosure concerning NDR's general and administrative expenses and mineral property costs are provided in the Company's Consolidated Statement of Loss and Notes to the Financial Statements contained in its consolidated financial statements for August 31, 2016 and May 31, 2016. These statements are available on NDR's website at [www.newdimensionresources.com](http://www.newdimensionresources.com) or on its SEDAR Page Site accessed through [www.sedar.com](http://www.sedar.com).

#### **APPROVAL**

The Board of Directors of NDR has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

#### **ADDITIONAL INFORMATION**

Additional information relating to NDR is on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **FORWARD LOOKING INFORMATION**

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

These forward-looking statements include, among others, statements with respect to the Company's objectives for the ensuing year, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements. In particular, statements regarding the Company's future operations, future exploration and development activities or other development plans contain forward-looking statements.

All forward-looking statements and information are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration, development and mining activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements.

These factors include, but are not limited to, developments in world financial and commodity markets, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, changes in exploration plans due to exploration results and changing budget priorities of the Company or its joint venture partners, changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade



or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing, the effects of competition in the markets in which the Company operates, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks, and the Company's anticipation of and success in managing the foregoing risks. The Company cautions that the foregoing list of actors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on our behalf, except as required by law.