Jade Leader Corp.
Consolidated Financial Statements
(Expressed in Canadian Dollars)
September 30, 2019

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Independent Auditor's Report

To the Shareholders of Jade Leader Corp.:

Opinion

We have audited the consolidated financial statements of Jade Leader Corp. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at September 30, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, in cluding a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Group incurred a net loss of $588,422 during the year ended September 30, 2019 and, as of that date, the Group did not received any revenue from mining operations and has not determined whether its mineral properties contain ore reserves that are economically recoverable. These conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is John Leavitt.

BDO Canada LLP

Chartered Professional Accountants

Calgary, Alberta
January 14, 2020

Jade Leader Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As of September 30

		2019		2018
ASSETS				
Current Assets				
Cash (Note 4)	**$**	**406,255**	$	27,004
Accounts receivable (Note 5)		**11,459**		7,739
Mining exploration tax credit receivable		**-**		5,288
Prepaid expenses		**19,949**		14,498
		437,663		54,529
Non-current Assets				
Exploration and evaluation asset advances and deposits (Note 7)		**4,357**		-
Exploration and evaluation assets (Note 7)		**1,401,188**		685,173
Property and equipment (Note 8)		**1,779**		2,232
		1,407,324		687,405
TOTAL ASSETS	**$**	**1,844,987**	$	741,934
EQUITY AND LIABILITIES				
Current Liabilities				
Deferred sublease revenue	**$**	**913**	$	-
Accounts payable and accrued liabilities (Note 9)		**86,829**		128,587
		87,742		128,587
Non-current Liabilities				
Decommissioning obligation (Note 10)		**12,750**		12,750
Deferred sublease revenue		**-**		913
		12,750		13,663
TOTAL LIABILITIES		**100,492**		142,250
EQUITY				
Share capital (Note 11)		**13,907,792**		12,854,098
Reserves		**3,110,524**		2,430,985
Deficit		**(15,273,821)**		(14,685,399)
TOTAL EQUITY		**1,744,495**		599,684
TOTAL EQUITY AND LIABILITIES	**$**	**1,844,987**	$	741,934

Nature and continuance of operations (Note 1)
Commitments (Note 18)
Subsequent events and contingent liability (Note 23)

Approved by the Board

"Jean Pierre Jutras"
_________________________ **Director**

"Shane Ebert"
__________________________ **Director**

See accompanying notes to the consolidated financial statements.

Jade Leader Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
For the years ended September 30

		2019		2018
Expenses				
General and administrative (Notes 13 and 17)	**$**	**529,460**	$	644,854
Reporting to shareholders		**15,384**		16,478
Professional fees		**38,195**		41,973
Stock exchange and transfer agent fees		**10,425**		13,798
Depreciation		**453**		574
Pre-acquisition costs		**-**		6,637
Impairment (Note 7)		**17,654**		-
		611,571		724,314
Loss before other items		**(611,571)**		(724,314)
Other Items				
Sublease revenue (Note 17)		**18,789**		18,527
Interest and other		**4,360**		331
Loss on investments held for sale		**-**		(1)
		23,149		18,857
Net loss and comprehensive loss for the year	**$**	**(588,422)**	$	(705,457)
Loss per share:				
Basic and diluted (Note 15)	**$**	**(0.01)**	$	(0.02)
Weighted average number of shares outstanding:				
Basic and diluted (Note 15)		**40,042,464**		32,828,550

See accompanying notes to the consolidated financial statements.

Jade Leader Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
For the years ended September 30

	2019	2018
Increase (decrease) in cash		
Operating activities		
Cash received from sublease revenue (Note 19)	**$ 14,092**	$ 18,527
Cash paid to suppliers and contractors (Note 19)	**(453,806)**	(284,410)
Cash used in operating activities	**(439,714)**	(265,883)
Investing activities		
Interest and other income received	**4,360**	331
Cash expended on exploration and evaluation asset advances and deposits	**(4,357)**	-
Cash expended on exploration and evaluation asset additions (Note 19)	**(689,752)**	(181,884)
Cash used in investing activities	**(689,749)**	(181,553)
Financing Activities		
Share capital and warrant issue proceeds	**1,148,954**	200,000
Share issue costs	**(44,740)**	(8,513)
Options exercised	**79,500**	23,000
Warrants exercised	**325,000**	55,000
Cash provided by financing activities	**1,508,714**	269,487
Increase (decrease) in cash	**379,251**	(177,949)
Cash,		
Beginning of year	**27,004**	204,953
End of year	**$ 406,255**	$ 27,004

Supplementary Information:
Interest and taxes

There were no cash expenditures on interest or taxes during the years ended September 30, 2019 and September 30, 2018.

Non-cash transactions

Year ended September 30, 2019

During the year ended September 30, 2019, the Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments in the amount of $224,519. The value of the stock-based payments is included in general and administrative expenses. (Note 14 - “Share-based payment transactions”)

Year ended September 30, 2018

During the year ended September 30, 2018, the Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments in the amount of $361,813. The value of the stock-based payments is included in general and administrative expenses. (Note 14 - "Share-based payment transactions”)

See accompanying notes to the consolidated financial statements.

Jade Leader Corp.

Consolidated Statement of Changes in Equity

(Expressed in Canadian Dollars)

		Reserves					
	Common share capital	Equity-settled share based payment	Warrants	Other*	Total Reserves	Deficit	Total
	$	$	$	$	$	$	$
Balance, September 30, 2017	**12,619,161**	**69,220**	**199,234**	**1,766,168**	**2,034,622**	**(13,979,942)**	**673,841**
Net and comprehensive loss for the year	-	-	-	-	-	(705,457)	(705,457)
Warrants expired	-	-	(55,939)	55,939	-	-	-
Options issued, October 2017	-	16,125	-	-	16,125	-	16,125
Private placement share and warrant issue	127,643	-	72,357	-	72,357	-	200,000
Share issuance costs	(8,513)	-	-	-	-	-	(8,513)
Options issued, January 2018	-	223,872	-	-	223,872	-	223,872
Options issued, February 2018	-	43,500	-	-	43,500	-	43,500
Options issued, March 2018	-	78,316	-	-	78,316	-	78,316
Options exercised, April 2018	40,480	(17,480)	-	-	(17,480)	-	23,000
Warrants exercised, June 2018	13,696	-	(3,696)	-	(3,696)	-	10,000
Warrants exercised, July 2018	61,631	-	(16,631)	-	(16,631)	-	45,000
Balance, September 30, 2018	**12,854,098**	**413,553**	**195,325**	**1,822,107**	**2,430,985**	**(14,685,399)**	**599,684**
Net and comprehensive loss for the year	-	-	-	-	-	(588,422)	(588,422)
Options issued, October 2018	-	11,438	-	-	11,438	-	11,438
Private placement share and warrant issue	519,226	-	629,728	-	629,728	-	1,148,954
Share issuance costs	(44,374)	-	-	-	-	-	(44,374)
Warrants exercised, February 2019	36,618	-	(11,618)	-	(11,618)	-	25,000
Warrants exercised, March 2019	411,350	-	(111,350)	-	(111,350)	-	300,000
Share issuance costs	(65)	-	-	-	-	-	(65)
Options issued, May 2019	-	10,500	-	-	10,500	-	10,500
Options exercised, June 2019	49,280	(21,280)	-	-	(21,280)	-	28,000
Options exercised, July 2019	81,960	(30,460)	-	-	(30,460)	-	51,500
Options issued, August 2019	-	202,581	-	-	202,581	-	202,581
Share issuance costs	(301)	-	-	-	-	-	(301)
Balance, September 30, 2019	**13,907,792**	**586,332**	**702,085**	**1,822,107**	**3,110,524**	**(15,273,821)**	**1,744,495**

*Other reserves are comprised of options and warrants that expired without exercise or were forfeited. These values were relieved from the share based payment reserve and warrants reserve respectively upon the cancellation/expiry of the equity instrument.

See accompanying notes to the consolidated financial statements.

1. Nature and continuance of operations

Jade Leader Corp. ("Jade Leader" or "the Company") is engaged in the business of mineral exploration and development in Canada and the USA. The Company was incorporated under the laws of the Province of British Columbia, Canada and continued under the Business Corporations Act (Alberta). The address of its primary office is Suite 815, 808 - 4th Avenue SW, Calgary, Alberta, Canada, T2P 3E8. The Company's common shares are listed on the TSX Venture Exchange (the "Exchange") under the symbol "JADE".

Since inception, the efforts of the Company have been devoted to the acquisition, exploration and development of mineral properties. To date the Company has not received any revenue from mining operations and has not determined whether its mineral properties contain ore reserves that are economically recoverable.

The Company incurred a net loss of $588,422 (2018 - $705,457) during the year ended September 30, 2019. The Company has a deficit of $15,273,821 at September 30, 2019, ($14,685,399 – September 30, 2018), and a working capital surplus of $349,921, (working capital deficiency of $74,058 – September 30, 2018) The Company's ability to continue to explore and develop its mineral properties and to continue as a going concern is dependant upon its ability to raise additional equity financing. There is no assurance that the Company will be successful in achieving profitable operations given its early stage exploration, and no assurance that it will obtain financing. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not include any adjustments which could be significant should the Company be unable to continue as a going concern.

Mineral properties are recognized in these consolidated financial statements in accordance with the accounting policies outlined in Note 3(f) "Exploration and evaluation assets". Accordingly, their carrying values represent costs incurred to date, net of recoveries, abandonments and impairments. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain necessary financing to complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company's ability to recover its costs through a disposition of its interests.

2. Basis of presentation

a) Basis of presentation

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the periods ended September 30, 2019 and 2018, using the significant accounting policies outlined in Note 3. The statements were authorized for issue by the board of directors on January 14, 2020.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments described in Note 12 and decommissioning obligation described in Note 10. In addition, these statements have been prepared using the accrual basis of accounting except for cash flow information.

The presentation and functional currency of the Company is the Canadian dollar.

2. Basis of presentation (continued)

b) Basis of presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned US subsidiary, Jadex Corporation ("Jadex"). Jadex was incorporated by the Company on July 7, 2017, in Washington State, USA, to conduct its exploration and development business in the United States (refer to Note 7 - "Exploration and evaluation assets" for more information). All intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are those entities that the Company controls through its power to govern the financial and operating policies of the subsidiary. Subsidiaries are fully consolidated from the date control is obtained and are de-consolidated from the date control ceases. The functional currency of Jadex is the Canadian dollar.

3. Summary of significant accounting policies

a) New accounting policies

The Company adopted IFRS 15, with no impact to the consolidated financial during the year ended September 30, 2019.

b) Recent accounting pronouncements

Certain new accounting standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for periods subsequent to those disclosed in these consolidated financial statements. Many are not applicable or do not have a significant impact to Jade Leader and have been excluded from below:

IFRS 16 - Leases

According to IFRS 16, all leases will be on the statement of financial position of lessees, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The standard is required to be adopted either retrospectively or using a modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information as it recognizes the cumulative effect of applying the standard to prior periods as an adjustment to opening retained earnings.

The Company will adopt IFRS 16 on October 1, 2019 using the modified retrospective approach and applying certain practical expedients available upon transition. The Company intends to apply a practical expedient that allows the Company to apply a recognition exemption for leases with remaining lease terms of less than 12 months and leases of low value on the transition date. The payments of these leases will be disclosed in the notes to the financial statements. The Company also intends to apply a practical expedient which allows the right-of-use asset recognized on transition to equal the lease liability recorded versus recognizing the carrying amount of the right-of-use asset as if IFRS 16 had been applied since the commencement date of the lease. This practical expedient is available on a lease by lease basis and the Company intends to apply it to leases that are not individually significant. In addition, any provision for onerous contracts previously recognized will be applied to the associated right-of-use asset recognized upon transition to IFRS 16 on transition date. In these cases, there will be no impairment assessment made under IAS 36 - Impairment of Assets.

The Company believes that in the immediate term there will be no significant impact on its financial reporting as the only lease the Company has is its office lease.

3. **Summary of significant accounting policies** (continued)

c) Financial Instruments

The Company's financial instruments consist of the following:

Financial Assets	**Classification**
Cash	Financial asset measured at amortized cost
Accounts receivable	Financial asset measured at amortized cost
Mining exploration tax credit receivable	Financial asset measured at amortized cost

Financial Liabilities	**Classification**
Accounts payable and accrued liabilities	Financial liabilities measured at amortized cost

The Company initially records financial assets at fair value and subsequently measures these financial assets at either amortized cost or fair value on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost if both of the following conditions are met:

1) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and,
2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If the financial asset is not measured at amortized cost as per the above, the financial asset is measured at fair value.

Financial asset measured at fair value
Financial assets measured at fair value are carried at fair value at each period end, with the related gains and losses recognized in profit or loss.

Financial assets measured at amortized cost
Financial assets measured at amortized cost are recorded at fair value upon initial recognition, plus any applicable transaction costs that are directly attributable to the acquisition of the financial asset, and subsequently carried at amortized cost, using the effective interest method. A gain or loss on a financial asset that is measured at amortized cost is recognized in profit or loss when the financial asset is derecognized, impaired, or reclassified.

Financial liabilities measured at amortized cost
Financial liabilities measured at amortized cost are recorded at fair value upon initial recognition, less any applicable transaction costs that are directly attributable to the acquisition of the financial liability, and are subsequently measured at amortized cost using the effective interest method. A gain or loss on a financial liability that is measured at amortized cost is recognized in profit or loss when the financial liability is derecognized.

Cash
Cash includes cash and highly liquid Canadian dollar denominated investments in bankers' acceptances or term deposits with terms to maturity of 90 days or less when acquired as well as nominal amounts in foreign currencies held by the Company. The counter-parties are financial institutions.

3. **Summary of significant accounting policies** (continued)
c) Financial Instruments (continued)

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

The carrying amount of financial assets is reduced by any impairment loss directly, except in the case of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of accounts receivable previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined had no impairment loss been recognized in prior years.

d) Provisions

Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation discounted using the pre-tax, risk-free rate, updated at each reporting date.

e) Decommissioning obligation

Decommissioning obligations include obligations related to future removal of property and equipment, and site restoration costs. A liability, for the fair value of environmental and site restoration obligations, is recorded in accordance with the broader policy described in "d) Provisions" above. Provisions for restoration costs do not include any additional obligations that are expected to arise from future disturbance. The amortization or unwinding of the discount applied in establishing the net present value of provisions is charged to earnings in a systematic manner. Other movements in the provision, including those from new disturbance, updated cost estimates, changes to the lives of operations and revisions to discount rates are capitalized to exploration and evaluation assets. The amounts included in capitalized costs are depleted using the unit-of-production method at such point that the mineral property achieves commercial production, or the costs will be written-off at such time that management considers that the value of the related property has been impaired**.**

f) Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral properties. The Company expenses costs incurred prior to acquiring the right to explore an area as pre-acquisition and exploration costs. The Company capitalizes costs directly related to the acquisition, exploration and evaluation of mineral properties. Such costs include, but are not restricted to, geological, geophysical, drilling, trenching and sampling costs including the support costs and supplies required in relation thereto. These assets are

3. **Summary of significant accounting policies** (continued)
f) Exploration and evaluation assets (continued)

recorded at cost and adjusted for impairments in value. Impairment is assessed when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. In assessing impairment, exploration and evaluation assets are grouped into areas of interest. Management combines contiguous mineral claims, which are specific to a geographic area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property. Each named mineral property is considered an area of interest.

Exploration and evaluation assets are reviewed for impairment if there is an indication that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of "value in use" (being the net present value of expected future cash flows of the relevant cash generating unit ("CGU")), or "fair value less costs to sell." Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the Company could receive for the assets in an arm's length transaction.

The discount rate applied in calculating net present value of expected future cash flows, is based upon pre-tax discount rates that reflect current market assessments of the time value of money and the risks associated with the relevant cash flows, to the extent that such risks are not reflected in the forecasted cash flows.

If the carrying amount of the asset exceeds its recoverable amount, the asset impairment loss is charged to profit or loss and reduces the carrying amount of the asset. A previously recognized impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally precipitated the impairment. This reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in prior years.

One or more of the following facts and circumstances indicate that a specific area of interest should be tested for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of potentially commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

Where the Company's exploration commitments for an area of interest are performed under option agreements with a third party, the proceeds of any option payments under such agreements are applied to the area of interest to the extent of costs incurred. The excess, if any, is credited to operations. Option payments made by the Company are recorded as exploration and evaluation assets. Options are exercisable entirely at the discretion of the optionee and accordingly, are recorded as exploration and evaluation assets or recoveries when the payments are made or received. The proceeds on the sale of exploration and evaluation assets are applied to the area of interest to the extent of costs incurred and the excess, if any, is credited to operations. In some circumstances option payments received by or made by the Company are made in whole or in part through the issuance of common shares. The value of these share-based payments is calculated using the closing price of the shares on the date of issue as determined by the public exchange upon which they are listed as this is the most readily determinable value.

3. **Summary of significant accounting policies** (continued)
f) Exploration and evaluation assets (continued)

When the Company enters the development stage for an area of interest, the exploration and evaluation costs are transferred into mine development costs and all subsequent expenditures on the construction, installation or completion of infrastructure net of incidental revenue is capitalized. Upon commencement of commercial production, all mine development assets for the relevant area of interest are transferred to producing mine assets at which point the costs will commence being charged to profit or loss on a unit-of-production basis.

g) Property and equipment

On initial recognition, property and equipment assets are valued at cost, being the purchase price plus the directly attributable costs of acquisition to bring the assets to the location and condition necessary for the assets to be put into use. Subsequent to acquisition, these assets are recorded at cost less accumulated depreciation. Depreciation methods and rates by significant categories of property and equipment that are calculated to write off the cost of the assets, less estimated residual values, over their useful lives, are as follows:

	Depreciation method	Depreciation rate
Computer equipment and software	Declining balance	30% - 50%
Equipment	Declining balance	20%

Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Changes to estimated residual values or useful lives are accounted for prospectively as a change in estimate.

Property and equipment are reviewed for impairment if there is an indication that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of "value in use" (being the net present value of expected future cash flows of the relevant cash generating unit ("CGU")), or "fair value less costs to sell." Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the Company could receive for the assets in an arm's length transaction.

The discount rate applied in calculating net present value of expected future cash flows, is based upon pre-tax discount rates that reflect current market assessments of the time value of money and the risks associated with the relevant cash flows, to the extent that such risks are not reflected in the forecasted cash flows.

If the carrying amount of the asset exceeds its recoverable amount, the asset impairment loss is charged to profit or loss and reduces the carrying amount of the asset. A previously recognized impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally precipitated the impairment. This reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in prior years.

Gains or losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included in other gains and losses in the statements of loss.

h) Flow-through common shares

Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation.

3. Summary of significant accounting policies (continued)
h) Flow-through common shares (continued)

At the time of closing financing involving flow-through shares, the Company allocates the gross proceeds received as follows:

- Share Capital - fair value of market price of the Company's non-flow-through shares;
- Warrant reserve - if warrants are being issued, based on the valuation derived using the Black-Scholes option-pricing model; and
- Liability for obligation to flow-through shareholders - equal to the premium, if any, investors pay for the flow-through feature over the fair value of the share capital without the flow-through feature, representing the estimated value of the tax deductions that the Company is obligated to renounce to the investors.

At the end of each reporting period, the Company records an adjustment to its deferred tax expense/liability accounts for the taxable temporary difference arising from the transfer of tax benefits to investors pursuant to flow-through share agreements. For this adjustment, the Company considers the tax benefits to have been effectively transferred if it has incurred the qualifying expenditures by the end of the reporting period and expects to fully renounce the expenditures. This deferred tax impact is recognized in other income when the expenditures have been incurred and renunciation is expected. To the extent that the Company has deferred tax assets, in the form of unutilized tax losses carry forward and other unused tax deductions, the Company uses the deferred tax assets to reduce its deferred tax liability that otherwise would be recognized.

If the Company has renounced the expenditures to the investors, the liability for obligation to flow-through shareholders is recognised as other income on the basis to which the qualifying expenditures are incurred in relation to the total amount of qualifying expenditures the Company has agreed to incur.

i) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. Circumstances could arise over the years that would require material revisions to these estimates. Changes in assumptions could have a material effect on the fair value of estimates.

These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods, if the revision affects both current and future periods. These estimates are based on historical experience, current economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant estimates include:

- the carrying values of exploration and evaluation assets and property and equipment that are included in the Statements of Financial Position, including the assumptions that are incorporated into the impairment assessments, and the amount of depreciation and/or impairments that are included in the statement of loss; (refer to Note 1 - "Nature of operations")
- the estimate of the amount of decommissioning obligations and the inputs used in determining the net present value of the liabilities for decommissioning obligations included in the Statements of Financial Position;

3. Summary of significant accounting policies (continued)
i) Significant accounting judgments and estimates (continued)

- the value of share-based compensation expense in the Statements of Loss and Comprehensive Loss and the value of warrants that have been issued in connection with private placements and are included in the Statements of Financial Position, which are valued using valuation models and incorporate assumptions made by management of stock volatility, interest rates and exercise periods;
- the collectible amount of government incentives which are subject to review by granting authorities, affecting the carrying value of receivables and exploration and evaluation assets.

j) Share-based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period or in the period the options were granted if they are vesting immediately with a corresponding increase in the equity-settled share based payment reserve in equity. Employees, for the purpose of this calculation, also include individuals who provide services similar to those performed by a direct employee, including directors and consultants of the Company. The fair values of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. Consideration received on the exercise of stock options is recorded as share capital and the related equity-settled share based payment amount is transferred to share capital. If options expire without exercise, the value associated therewith is transferred from equity-settled share based payment reserve to other reserves.

k) Loss per share

Basic loss per common share is calculated by dividing the net loss attributable to common shareholders by the weighted average number of common shares outstanding for the year. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. Only "in-the-money" dilutive instruments impact the dilution calculations and potentially dilutive instruments shall only be treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share. Refer to Note 11 for a summary of options and warrants outstanding that could potentially dilute basic earnings per share in the future, but were excluded from the calculation in the periods disclosed because their effect was anti-dilutive.

l) Income taxes

Income tax on net profit or loss for the years presented is comprised of current and deferred tax as applicable. Income tax pertaining to profit or loss is recognized in earnings or loss; income taxes pertaining to items recognized directly in equity are recorded through equity. Current tax is the tax expected to be payable on the taxable income for the year calculated using rates that have been enacted or substantively enacted by the balance sheet date. It includes adjustments for tax expected to be payable or recoverable in respect of previous periods.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets are only recognized to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary difference can be utilized.

(Expressed in Canadian Dollars)

3. Summary of significant accounting policies (continued)

m) Government incentives

Through its exploration, the Company has benefited from government grants. These incentives are not repayable provided that the Company meets the requirements of the agreement, the most significant of which is that the incentives apply to qualifying expenditures. Qualifying expenditures are defined broadly within the agreement as all reasonable expenses for contracted services, machinery rental, transportation of machinery, personnel and supplies or other approved costs in connection with specific exploration programs. The Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions of the grant and the grants will be received. The incentives reduce the mineral property costs to which they pertain in the period that the qualifying exploration expenditures are incurred or when collectability is reasonably assured if this is later. These Government incentives are subject to review by the relevant granting authorities, and by their nature are subject to measurement uncertainty. Adjustments, if any, resulting from such a review are recorded in the period during which the final grant payment amount is assessed by the governing agency.

n) Foreign currencies

Both the presentation currency and functional currency of the Company is the Canadian dollar. The functional currency of its wholly owned US subsidiary is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. At each financial statement reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items that are carried at fair value and were measured in a foreign currency are translated at the rate prevailing at the date when the fair value was determined. Foreign exchange gains and losses on the foregoing transactions are recorded in profit or loss.

4. Cash

Cash is comprised of:

		Sept 30, 2019		Sept 30, 2018
Current bank accounts	**$**	**400,755**	$	25,863
Cash held in foreign currencies		**5,500**		1,141
	$	**406,255**	$	27,004

5. Accounts receivable

		Sept 30, 2019		Sept 30, 2018
Trade receivables	**$**	**467**	$	-
Related party receivables		**5,991**		1,588
Commodity tax receivables		**5,001**		6,151
	$	**11,459**	$	7,739

6. Short-term Investments

During the year ended September 30, 2013, the Company acquired shares in North Sur Resources Inc. through the sale of a mineral property option. During the year ended September 30, 2017, North Sur Resources Inc. shares were transferred from the TSX Venture Exchange to the NEX and on March 28, 2018, the shares were delisted and cancelled. Consequently, the investment was written off during the year ended September 30, 2018.

7. Exploration and evaluation assets

DJ Jade Project, Washington State, USA

On August 28, 2017, the Company announced its acquisition of the DJ Jade project, in Washington State, USA, through a combination of Option Agreement and staking. The gross costs and impairments recorded for the DJ Jade project at September 30, 2019 are $547,168 and $Nil, respectively (September 30, 2018 - $123,916 and $Nil, respectively).

The property, consisting of 18 existing and recently filed Lode Claims, covers an area of slightly more than 140 hectares. The portion of the claims under option required a total of US$86,000 in property payments, and a staged work commitment of US$80,000 over 4 years in order for the Company to earn 100% of the mineral rights associated with those claims, subject to a 2% Net Smelter Royalty ("NSR). The Company made a final payment, of US$65,000 (CDN$87,131) on November 20, 2018, acquiring a 100% interest in the property, subject to the NSR, after having made option payments of US$6,000 and US$15,000 in fiscal 2017 and 2018 respectively, and having completed the minimum work commitment. The Company has the option to acquire one-half (1%), of the Royalty for the sum of US$500,000 in cash or equivalent value in Common shares of the Company. The Optionor also granted the Company the right, upon written notice, to acquire the remaining half, (1%), of the Royalty for the sum of US$1,000,000 in cash or equivalent value in Common Shares of the Company, thereby extinguishing the Royalty of the Optionor.

On July 20, 2017, the Company entered into an Assignment and Novation Agreement, with Jadex (the Company's wholly-owned subsidiary). Jadex agreed that it shall be bound by, observe and perform the duties and obligations of the Company, for the assigned interests.

Wyoming Jade Fields, Wyoming, USA

Wyoming Jade Fields is comprised of six (2018 – five) properties. The Company has acquired, by staking, 89 Mineral Lode Claims (2018 – 50) covering in excess of 1,800 acres (2018 – 1,035). On July 15, 2018, Jadex entered into an Option Agreement to acquire a 100% interest in an existing Lode Claim (20.7 acres). The portion of the claims under option required a total of US$35,000 in property payments and staged work commitments of US$60,000 subject to a 2% Net Smelter Royalty (“NSR”). During the three month period ended September 30, 2019, the Company made the final option payment of US$27,000, acquiring a 100% interest in the property, subject to the NSR, after having made option payments of US$8,000 in fiscal 2018. The Company has the option, upon written notice, to acquire one half (1%) of the NSR for US$20,000 in cash. The Optionor also granted the Company the right, upon written notice, to acquire the remaining half (1%) of the NSR for US$30,000 in cash, thereby extinguishing the NSR of the Optionor. The gross costs and impairments recorded for the Wyoming Jade Fields project at September 30, 2019 are $404,188 and $Nil, respectively (September 30, 2018 - $117,046 and $Nil respectively).

Keithly Mountain, British Columbia

During the three month period ended March 31, 2017, the Company acquired by staking a 2,111 hectare prospective jade property in the Cariboo Goldfields, in central British Columbia called Keithly Mountain. Subsequent to a first pass program in 2017, the property was reduced to 1,486 hectares of lode claims. During the year ended September 30, 2019, the Company determined that it would no longer continue to explore the Keithly Mountain property, and consequently impaired the full amount of expenditures to date. The Company will continue to hold the mineral claims until they expire in February 2020. The gross costs and impairments recorded to the Keithly Mountain property as at September 30, 2019, are $17,654 and $17,654, respectively (September 30, 2018 - $18,104 and $Nil, respectively).

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued)

Tell, Yukon

The Company acquired 100% of the expanded Tell mineral property through staking. The Company holds 193 (2018 – 235) claims covering slightly in excess of 4,000 (2018 – 4,900) hectares located approximately 140 kilometres east of Mayo, Yukon. The gross costs and impairments recorded to the Tell project at September 30, 2019 are $449,832 and $Nil, respectively (September 30, 2018 - $426,107 and $Nil, respectively).

A summary of exploration and evaluation expenditures by category for the years ended September 30, 2019 and September 30, 2018 appears below:

Year ended September 30, 2019		**Wyoming, USA**	**Washington, USA**	**British Columbia**	**Yukon**
	Total	**Wyoming Jade Fields**	**DJ Jade Project**	**Keithly Mountain**	**Tell**
	$	**$**	**$**	**$**	**$**
Balance at September 30, 2018	**455,953**	46,112	76,349	13,838	319,654
Geological consulting	**182,918**	79,971	94,247	-	8,700
Geophysical	**211,775**	94,376	117,399	-	-
Cutting	**3,202**	-	3,202	-	-
Helicopter	**8,795**	-	-	-	8,795
Field costs	**18,584**	4,024	13,145	-	1,415
Equipment rental	**20,582**	14,759	5,698	-	125
Travel costs	**51,794**	20,275	28,173	-	3,346
WCB	**181**	-	-	-	181
Geochemical analysis	**71,355**	1,269	68,923	-	1,163
Mining exploration tax credit	**(450)**	-	-	(450)	-
Decommissioning	**792**	-	792	-	-
Impairment	**(13,388)**	-	-	(13,388)	-
Balance, September 30, 2019	**1,012,093**	260,786	407,928	-	343,379
Property acquisition costs:					
Balance September 30, 2018	**229,220**	70,934	47,567	4,266	106,453
Acquisition costs incurred	**164,141**	72,468	91,673	-	-
Impairment	**(4,266)**	-	-	(4,266)	-
Balance, September 30, 2019	**389,095**	143,402	139,240	-	106,453
Total exploration and evaluation assets September 30, 2019	**1,401,188**	404,188	547,168	-	449,832

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued)

Year ended September 30, 2018		**Wyoming, USA**	**Washington, USA**	**British Columbia**	**Yukon**
	Total	**Wyoming Jade Fields**	**DJ Jade Project**	**Keithly Mountain**	**Tell**
	$	**$**	**$**	**$**	**$**
Balance at September 30, 2017	**356,539**	-	22,725	17,626	316,188
Geological consulting	**50,061**	29,263	19,298	1,500	-
Geophysical	**24,025**	-	24,025	-	-
Helicopter	**3,078**	-	-	-	3,078
Field costs	**5,808**	2,404	3,404	-	-
Travel costs	**21,687**	14,093	6,897	-	697
WCB	**(309)**	-	-	-	(309)
Geochemical analysis	**352**	352	-	-	-
Mining exploration tax credit	**(5,288)**	-	-	(5,288)	-
Balance, September 30, 2018	**455,953**	46,112	76,349	13,838	319,654
Property acquisition costs:					
Balance September 30, 2017	**135,313**	-	24,594	4,266	106,453
Acquisition costs incurred	**93,907**	70,934	22,973	-	-
Balance, September 30, 2018	**229,220**	70,934	47,567	4,266	106,453
Total exploration and evaluation assets September 30, 2018	**685,173**	117,046	123,916	18,104	426,107

From time to time, the Company is required to advance amounts to service providers prior to their commencing exploration work on the mineral interest. The advance is applied to the invoiced services, generally through the final invoice. As these advance's pertain to costs that form part of the long-term exploration and evaluation assets, they are classified as long-term. At September 30, 2019, the Company held $4,357 in respect of Wyoming Jade Fields in exploration and evaluation asset advances and deposits (September 30, 2018 - $nil).

During fiscal 2019, the Company applied for a British Columbia mining exploration tax credit in the amount of $520 for qualified expenditures, totalling $1,500, (September 30, 2018 - $5,288 and $17,626 respectively) that were incurred on the Keithly Mountain project.

8. Property and equipment

	Property and equipment		
	Cost	**Accumulated Depreciation**	**Net Book Value**
Balance, September 30, 2017	$ **7,462**	$ **(4,656)**	$ **2,806**
Depreciation	-	(574)	(574)
Balance, September 30, 2018	**7,462**	**(5,230)**	**2,232**
Depreciation	-	(453)	(453)
Balance, September 30, 2019	$ **7,462**	$ **(5,683)**	$ **1,779**

9. Accounts payable and accrued liabilities

	Sept 30, 2019	**Sept 30, 2018**
Trade payables	$ **1,586**	$ 26,276
Due to related parties	**19,126**	80,001
Accrued liabilities	**65,832**	22,000
Sales tax payable	**285**	310
	$ **86,829**	$ 128,587

(Expressed in Canadian Dollars)

10. Decommissioning obligation

		Yukon Tell
Balance at September 30, 2019, September 30, 2018 and September 30, 2017	**$**	**12,750**

The above noted obligation represents costs to restore the mineral exploration properties, including the costs of filling trenches and re-vegetation if applicable. Management believes that there are no other significant legal and constructive obligations as at the respective year ends for current and future decommissioning obligations and restoration costs. The year-end present value of the decommissioning obligation was determined using a risk-free rate of 1.58% (2018 – 2.21%) and an inflation rate of 1.9% (2018 – 2.35%) for the year ended September 30, 2019. The timing of future decommissioning costs is uncertain, as the costs will not be incurred until the Company gives up its legal right to explore the property or the current land use permits expire in October 2020 at which time the reclamation has to have been completed. No accretion expense has been recorded in both the current and comparative years because the amount is considered to be immaterial.

11. Share capital, stock options and warrants

a) Authorized

Unlimited number of voting common shares without par value
Unlimited number of Class A preferred shares issuable in series
Unlimited number of Class B preferred shares issuable in series

b) Issued and outstanding common share capital

	Shares Number	Value $
Balance, as at September 30, 2018	**33,626,892**	**12,854,098**
Private placement – October 2018	3,865,816	966,454
Value of warrants included in private placement	-	(539,281)
Share issuance costs	-	(37,031)
Private placement – October 2018	730,000	182,500
Value of warrants included in private placement	-	(90,447)
Share issuance costs	-	(7,343)
Warrants exercised – February 2019	250,000	36,618
Warrants exercised – March 2019	3,000,000	411,350
Share issuance costs	-	(65)
Options exercised – June 2019	280,000	49,280
Options exercised – July 2019	515,000	81,960
Share issuance costs	-	(301)
Balance, as at September 30, 2019	**42,267,708**	**13,907,792**

(Expressed in Canadian Dollars)

11. Share capital, stock options and warrants (continued)

b) Issued and outstanding common share capital (continued)

	Shares Number	Value $
Balance, as at September 30, 2017	**31,846,892**	**12,619,161**
Private placement – December 2017	787,500	157,500
Value of warrants included in private placement	-	(53,033)
Share issuance costs	-	(5,651)
Private placement - January 2018	212,500	42,500
Value of warrants included in private placement	-	(19,324)
Share issuance costs	-	(2,862)
Options exercised – April 2018	230,000	40,480
Warrants exercised – June 2018	100,000	13,696
Warrants exercised – July 2018	450,000	61,631
Balance, as at September 30, 2018	**33,626,892**	**12,854,098**

2019

On October 12, 2018, the Company closed the first tranche of the private placement share and warrant issue for 3,865,816 common units at $0.25 per unit comprised of 3,865,816 common shares and 3,865,816 common share purchase warrants for gross aggregate proceeds of $966,454. Each common unit was comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.40 per share until October 12, 2020. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes Pricing model assuming a volatility of 135.80%, a risk free rate of 2.27%, a 2 year warrant life and a 0% dividend rate. In connection with this financing, the Company paid finder's fees of $27,700 which have been included in the share issuance costs that are deducted from the proceeds of the financing that are credited to Common Share Capital.

On October 23, 2018, the Company closed the second tranche of the private placement share and warrant issue for 730,000 common units at $0.25 per unit comprised of 730,000 common shares and 730,000 common share purchase warrants for gross aggregate proceeds of $182,500. Each common unit was comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.40 per share until October 23, 2020. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes Pricing model assuming a volatility of 135.38%, a risk free rate of 2.27%, a 2 year warrant life and a 0% dividend rate. In connection with this financing, the Company paid finder's fees of $1,250 which have been included in the share issuance costs that are deducted from the proceeds of the financing that are credited to Common Share Capital.

During February 2019, 250,000 warrants exercisable at $0.10 per share, expiring April 17, 2019 were exercised for total proceeds of $25,000.

During March 2019, 2,950,000 warrants exercisable at $0.10 per share, expiring March 24, 2019 were exercised for total proceeds of $295,000 and 50,000 warrants exercisable at $0.10 per share, expiring April 17, 2019 were exercised for total proceeds of $5,000.

During June 2019, 280,000 options exercisable at $0.10 per share, expiring July 10, 2019 were exercised for total proceeds of $28,000.

During July 2019, 515,000 options exercisable at $0.10 per share, expiring July 10, 2019 were exercised for total proceeds of $51,500.

(Expressed in Canadian Dollars)

11. Share capital, stock options and warrants (continued)

b) Issued and outstanding common share capital (continued)

2018

On December 28, 2017, the Company closed the first tranche private placement share and warrant issue for 787,500 common units at $0.20 per unit comprised of 787,500 common shares and 393,750 common share purchase warrants for gross aggregate proceeds of $157,500. Each common unit was comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.30 per share until December 28, 2019. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes Pricing model assuming a volatility of 129.07% , a risk free rate of 1.69%, a two year warrant life, and a 0% dividend rate.

On January 11, 2018, the Company closed the second tranche private placement and warrant issue for 212,500 common units at $0.20 per unit comprised of 212,500 common shares and 106,250 common share purchase warrants for gross aggregate proceeds of $42,500. Each common unit was comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.30 per share until January 11, 2020. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes pricing model assuming a volatility of 108.53% , a risk free rate of 1.76%, a two year warrant life, and a 0% dividend rate.

On April 18, 2018, 230,000 stock options exercisable at $0.10 per share, expiring July 10, 2019 were exercised, for total proceeds of $23,000.

On June 4, 2018, 100,000 warrants exercisable at $0.10 per share, expiring March 24, 2019 were exercised for total proceeds of $10,000. Further, on July 17, 2018, 450,000 warrants exercisable at $0.10 per share, expiring March 24, 2019 were exercised for total proceeds of $45,000.

Subsequent to September 30, 2019 and prior to the date of these financial statements no shares were issued, nor cancelled and returned to treasury.

c) Stock options

	Number of shares		Exercise
Expiry	**Sept 30, 2019**	**Sept 30, 2018**	**Price**
July 10, 2019	-	665,000	$0.10
July 13, 2019	-	130,000	$0.10
October 19, 2022	125,000	125,000	$0.14
January 15, 2021	795,000	795,000	$0.36
February 21, 2022	150,000	150,000	$0.38
March 13, 2021	280,000	280,000	$0.365
September 30, 2021	75,000	-	$0.25
May 23, 2022	50,000	-	$0.21
August 19, 2022	1,230,000	-	$0.30
Balance, September 30, 2019	2,705,000	2,145,000	

(Expressed in Canadian Dollars)

11. Share capital, stock options and warrants (continued)

d) Stock option transactions

	Number of shares	Weighted average exercise price
Balance, September 30, 2018	2,145,000	$0.25
Issued October 1, 2018	75,000	$0.25
Issued May 23, 2019	50,000	$0.21
Exercised, June 18, 2019	(280,000)	$0.10
Exercised, July 10, 2019	(515,000)	$0.10
Issued, August 19, 2019	1,230,000	$0.30
Balance, September 30, 2019	**2,705,000**	**$0.32**

Refer to Note 14 - "Share-based payment transactions" for more information regarding the options issued during the year ended September 30, 2019.

The Company has an option plan ("the Plan"), under which up to 10% of the issued and outstanding common shares are reserved for issuance. Under the Plan, the options that have been granted expire at the earlier of: five years from the grant date, the date at which the Directors determine, or 60 days from the date on which the optionee ceases to be a director, officer, employee or consultant. The exercise prices of the options granted comply with the rules of the stock exchange or exchanges on which the shares are then listed, which prices reflect trading values at that time.

Options granted vest immediately to optionees, however, vesting limitations may be imposed at the discretion of the board of directors. All of the options outstanding at the respective year ends have vested.

Subsequent to September 30, 2019 and prior to the date of these financial statements, 275,000 options were issued to consultants and were valued at $50,980. Refer to Note 14 – “Share-based payment transactions” for more information. There were no further changes to stock options.

e) Warrant transactions and warrants outstanding

The warrants summarized below may be exercised to acquire an equal number of common shares.

Year ended September 30, 2019						
Exercise Price	**Expiry**	**Balance Sept 30, 2018**	**Warrants Issued**	**Warrants Exercised**	**Warrants Expired**	**Balance Sept 30, 2019**
$0.10	March 24, 2019	2,950,000	-	2,950,000	-	-
$0.10	April 17, 2019	300,000	-	300,000	-	-
$0.30	December 28, 2019	393,750	-	-	-	393,750
$0.30	January 11, 2020	106,250	-	-	-	106,250
$0.40	October 12, 2020	-	3,865,816	-	-	3,865,816
$0.40	October 23, 2020	-	730,000	-	-	730,000
	Total	**3,750,000**	**4,595,816**	**3,250,000**	**-**	**5,095,816**

11. Share capital, stock options and warrants (continued)

e) Warrant transactions and warrants outstanding (continued)

Year ended September 30, 2018

Exercise Price	Expiry	Balance Sept 30, 2017	Warrants Issued	Warrants Exercised	Warrants Expired	Balance Sept 30, 2018
$0.50	November 1, 2017	500,000	-	-	500,000	-
$0.10	March 24, 2019	3,500,000	-	550,000	-	2,950,000
$0.10	April 17, 2019	300,000	-	-	-	300,000
$0.30	December 28, 2019	-	393,750	-	-	393,750
$0.30	January 11, 2020	-	106,250	-	-	106,250
	Total	**4,300,000**	**500,000**	**550,000**	**500,000**	**3,750,000**

Subsequent to September 30, 2019 and prior to the date of these financial statements, no warrants were issued and none expired, nor were exercised. On December 2, 2019, the Company extended the expiry dates for certain warrants by two years as follows; 1) 393,750 warrants expiring on December 28, 2019 will now expire on December 28, 2021 and 2) 106,250 warrants expiring January 11, 2020 will now expire on January 11, 2022.

12. Financial instruments

Financial instruments recorded at fair value are classified using a fair value hierarchy that prioritizes the inputs to fair value measurements. The three levels of fair value are summarized below:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities either directly, (i.e. prices), or indirectly, (i.e. derived from prices); and
- Level 3 - Inputs that are not based on observable market data.

The following summarizes the categories of the various financial instruments:

		Sept 30, 2019		Sept 30, 2018
		Carrying Value		
Financial assets measured at amortized cost:				
Cash	**$**	**406,255**	$	27,004
Accounts receivable		**6,458**		1,588
	$	**412,713**	$	28,592
Financial liabilities measured at amortized cost:				
Accounts payable and accrued liabilities	**$**	**86,544**	$	128,277

The above noted financial instruments are exclusive of any commodity tax.

The carrying value of financial assets and liabilities measured at amortized cost approximates fair value due to the short-term nature of the instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The Company had nominal foreign currency denominated fund balances. However, at September 30, 2019, accounts payable and accrued liabilities include liabilities of US$30,670 that must be settled in US funds, (September 30, 2018 – US$ nil). At September 30, 2019, the CDN$ value of this liability was $40,832 and a 10% change to the exchange rate would result in an increase or decrease of CDN$4,083 (September 30, 2018 – CDN$ nil) to the amount payable.

(Expressed in Canadian Dollars)

13. General and administrative expenses

		Sept 30, 2019		Sept 30, 2018
Administrative consulting fees	**$**	**72,807**	$	108,840
Occupancy costs		**55,362**		43,878
Office, secretarial and supplies		**60,012**		52,117
Travel and promotion		**85,481**		46,964
Insurance		**14,091**		12,441
Computer network and website maintenance		**4,576**		9,458
Stock-based compensation		**224,519**		361,813
Salaries and benefits		**5,513**		2,277
Miscellaneous		**7,099**		7,066
Total general and administrative expenses	**$**	**529,460**	$	644,854

14. Share-based payment transactions

2019

On October 1, 2018, the Company issued 75,000 options that may be exercised at $0.25 per share to September 30, 2021. The options were valued at $11,438 incorporating the Black-Scholes Options Pricing model assuming a 3 year term, volatility of 130.67%, a risk free discount rate of 2.31% and a dividend rate of 0%.

On May 23, 2019, the Company issued 50,000 options that may be exercised at $0.21 per share to May 23, 2022. The options were valued at $10,500 incorporating the Black-Scholes Options Pricing model assuming a 3 year term, volatility of 400%, a risk free discount rate of 1.56% and a dividend rate of 0%.

On August 19, 2019, the Company issued 1,230,000 options that may be exercised at $0.30 per share to August 19, 2022. The options were valued at $202,581 incorporating the Black-Scholes Options Pricing model assuming a 3 year term, volatility of 85.32%, a risk free discount rate of 1.31% and a dividend rate of 0%.

Subsequent to September 30, 2019, and before January 14, 2020, the Company issued 150,000 options that may be exercised at $0.225 per share to November 19, 2023 and 125,000 options that may be exercised at $0.225 per share to November 19, 2022. The 150,000 options expiring November 19, 2023 were valued at $30,840 incorporating the Black-Scholes Options Pricing model assuming a 4 year term, volatility of 170.20%, a risk free discount rate of 1.45% and a dividend rate of 0%. The 125,000 options expiring November 19, 2022 were valued at $20,140 incorporating the Black-Scholes Options Pricing model assuming a 3 year term, volatility of 122.05%, a risk free discount rate of 1.51% and a dividend rate of 0%.

2018

On October 20, 2017, the Company granted 125,000 options that may be exercised at $0.14 per share to October 19, 2022. The options were valued at $16,125 incorporating the Black-Scholes Option Pricing model assuming a 5 year term, volatility of 155.62%, a risk-free discount rate of 1.70% and a dividend rate of 0%.

On January 16, 2018, the Company granted 795,000 options that may be exercised at $0.36 per share to January 15, 2021. The options were valued at $223,872 incorporating the Black-Scholes Option Pricing model assuming a 3 year term, volatility of 140.62%, a risk free discount rate of 1.83% and a dividend rate of 0%.

On February 22, 2018, the Company granted 150,000 options that may be exercised at $0.38 per share to February 21, 2022. The options were valued at $43,500 incorporating the Black-Scholes Option Pricing model assuming a 4 year term, volatility of 151.23%, a risk free discount rate of 2.09% and a dividend rate of 0%.

(Expressed in Canadian Dollars)

14. Share-based payment transactions (continued)
2018 (continued)

On March 14, 2018, the Company granted 280,000 options that may be exercised at $0.365 per share to March 31, 2021. The options were valued at $78,316 incorporating the Black-Scholes Option Pricing model assuming a 3 year term, volatility of 135.71%, a risk free discount rate of 1.88% and a dividend rate of 0%.

15. Loss per share

The following adjustments were made in arriving at diluted weighted average number of common shares for the years ended September 30:

Weighted average number of common shares:		**2019**		**2018**
Basic and Diluted		**40,042,464**		32,828,550
Loss per share:				
Basic and diluted	**$**	**(0.01)**	$	(0.02)

The dilutive effect of stock options and warrants was calculated using the treasury stock method. This method calculated the number of incremental shares by assuming the outstanding in-the-money stock options and warrants are exercised, and then reduced by the number of shares assumed to be repurchased from the issuance proceeds, using the average market price of the Company's common shares for the period. As the Company experienced a loss for the years ended September 30, 2019 and 2018, no dilution resulted.

16. Income taxes

Rate Reconciliation:
The combined provision for taxes in the statement of loss and comprehensive loss reflects an effective tax rate which differs from the expected statutory rate as follows at September 30:

	2019 Consolidated	**2018 Consolidated**
	$	**$**
Loss before income taxes	**(588,422)**	(705,457)
Rate reconciliation	**26.75%**	27%
Computed expected expense (recovery) based on a combined rate of 26.75% (2018 - 27%)	**(157,403)**	(190,473)
Differential tax rate of foreign jurisdiction	**3,468**	(903)
Non-deductible items and other	**89,408**	96,757
Unrecognized deferred tax asset	**(261,598)**	94,619
Change in tax rate	**326,125**	-
Income tax expense	**-**	-

The combined statutory rate is 26.75% for 2019 (2018 - 27.00%). The deferred combined statutory tax rate is expected to be 23.00% for 2019 and subsequent years (2018 - 27.00%).

(Expressed in Canadian Dollars)

16. Income taxes (continued)

Temporary differences and tax loss not recognized for accounting purposes:

		2019		2018
Non-capital loss carry-forwards	**$**	**3,273,886**	$	2,978,564
Capital loss carry-forwards		**117,424**		117,424
Property and equipment		**74,698**		74,245
Exploration and evaluation assets		**4,529,983**		4,925,052
Share issuance costs		**49,623**		19,895
US net operating loss		**556,096**		106,348
Total	**$**	**8,601,710**	$	8,221,528

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at September 30, 2019, the Company had unused non-capital loss carry-forwards of approximately $3,274,000 (2018 - $2,979,000) that expire between the years 2026 and 2039. Capital loss carry-forwards may be carried forward indefinitely. The Company has unused US net operating loss carry forwards of approximately $420,000 USD, (2018 - $85,800 USD), that may be carried forward indefinitely.

17. Related party balances and transactions and key management remuneration

The Company is considered a related party to CANEX Metals Inc. ("CANEX") because of its common directors, officers and key management personnel that have some direct financial interest in both the Company and CANEX. In addition, related parties include members of the Board of Directors, officers and their close family members. 635280 Alberta Ltd., a company controlled by Jean-Pierre Jutras, an officer and director of Jade Leader, Lunacees Enterprises Ltd., a company controlled by Cornell McDowell, a director of Jade Leader, and Vector Resources Inc., a company controlled by Shane Ebert, a director of Jade Leader, are also considered related parties.

The following amounts were charged to (by) related parties during the year ended September 30:

			2019		2018
Key management remuneration					
President and Director	a	**$**	**(104,371)**	$	(94,813)
Corporate Secretary	b		**(48,285)**		(41,344)
Chief Financial Officer	c		**(10,425)**		(2,700)
Total management remuneration		**$**	**(163,081)**	$	(138,857)

Management compensation payable to "key management personnel" during the years ended September 30, 2019 and 2018 is reflected in the table above and consists of consulting fees paid or payable to 635280 Alberta Ltd., a company controlled by Jean-Pierre Jutras, as well as the Corporate Secretary and the Chief Financial Officer. Directors are not paid directors' fees. Officers and directors are compensated through the granting of options from time-to-time. Refer to Note 14 - "Share-based payment transactions" for detail relating to options issued during the years ended September 30, 2019 and September 30, 2018. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company.

(Expressed in Canadian Dollars)

17. Related party balances and transactions and key management remuneration (continued)

			Sept 30, 2019		Sept 30, 2018
Other related party transactions:					
CANEX Metals Inc.					
General and administrative and secretarial costs paid	d	**$**	**(2,808)**	$	(2,955)
General and administrative and secretarial costs received	d	**$**	**6,237**	$	5,653
Office rent and operating costs received	d	**$**	**18,789**	$	18,527
Lunacees Enterprises Ltd.					
Geological consulting services paid	e	**$**	**(900)**	$	(9,000)
Vector Resources Inc.					
Geological consulting services paid	f	**$**	**-**	$	(1,500)

The following amounts were due to, or receivable from, related parties at the respective period ends:

Balances Receivable (Payable)			Sept 30, 2019		Sept 30, 2018
Office rent and operating costs:					
CANEX Metals Inc.	d	$	**4,932**	$	-
General and administrative and secretarial costs:					
CANEX Metals Inc.	d	**$**	**1,059**	$	948
CANEX Metals Inc.	d	**$**	**(450)**	$	-
Corporate secretary	b	**$**	**-**	$	(9,974)
Jean-Pierre Jutras	a	**$**	**(7,023)**	$	(1,789)
Chief financial officer	c	**$**	**-**	$	(1,260)
Geological consulting fees:					
635280 Alberta Ltd.	a	**$**	**(11,653)**	$	(64,838)
Vector Resources Inc.	f	**$**	**-**	$	(1,500)

a) Consulting fees for the President's services were billed by 635280 Alberta Ltd., a company controlled by Jean-Pierre Jutras. Consulting services that relate directly to mineral property exploration are capitalized to exploration and evaluation assets; the remainder is expensed. During the year ended September 30, 2019, $62,594 (2018 - $19,500) was capitalized to exploration and evaluation assets, and $41,777 (2018 - $75,313) was expensed through general and administrative expenses.

b) The Corporate Secretary provides services to the Company on a contract basis.

c) The Chief Financial Officer provides services to the Company on a contract basis.

d) During the years ended September 30, 2019 and 2018, the Company incurred certain administrative expenses on CANEX's behalf that were subsequently billed to CANEX on a quarterly basis. Further, CANEX incurred certain administrative costs on behalf of the Company that were billed on a quarterly basis. Since January 2015, the Company has subleased office space to CANEX. The Company renewed its sublease with CANEX on May 1, 2018, terminating April 30, 2020, (see Note 18 - "Commitments"). CANEX and the Company share two common officers and two common directors.

e) During the years ended September 30, 2019 and September 30, 2018, geological consulting services were provided by Lunacees Enterprises Ltd., a company controlled by Cornell McDowell, a director of Jade Leader.

f) During the year ended September 30, 2018, geological consulting services were provided by Vector Resources Inc., a company controlled by Shane Ebert, a director of Jade Leader.

(Expressed in Canadian Dollars)

18. Commitments

a) On May 1, 2018, the Company entered into a new leasing arrangement for office space. Pursuant to the agreement, the Company is committed to pay base lease costs plus additional rent, which includes its proportionate share of costs incurred in the operation, maintenance, management and supervision of the property as defined by the landlord's current lease for the premises. Additionally, Jade Leader entered into a sublease agreement with CANEX Metals terminating April 30, 2020.

As at September 30, 2019, the committed lease costs to the termination of the lease are as follows:

	October 1, 2019 to April 30, 2020
	$
Base lease cost	12,355
Expected additional rents	20,045
Total expected lease commitment	32,400
Expected sublease revenue	(10,960)
Net future rent	21,440

19. Supplemental disclosure statement of cash flows

		Sept 30, 2019		Sept 30, 2018
Sublease revenue	**$**	**18,789**	$	18,527
Changes in assets and liabilities pertaining to sublease revenue:				
Accounts receivable		**(4,697)**		-
Cash received for sublease revenue	**$**	**14,092**	$	18,527

		Sept 30, 2019		Sept 30, 2018
Operating expenses	**$**	**(611,571)**	$	(724,314)
Depreciation		**453**		574
Stock-based compensation		**224,519**		361,813
Impairment		**17,654**		-
Changes in assets and liabilities pertaining to operations:				
Accounts receivable		**3,478**		(3,869)
Prepaid expenses		**(5,451)**		(1,851)
Accounts payable and accrued liabilities		**(82,888)**		83,237
Cash paid to suppliers and contractors	**$**	**(453,806)**	$	(284,410)

		Sept 30, 2019		Sept 30, 2018
Exploration and evaluation asset additions	**$**	**(716,015)**	$	(193,321)
Changes in assets and liabilities pertaining to exploration and evaluation asset additions:				
Impairment		**(17,654)**		-
Mining exploration tax credit receivable		**5,288**		(5,288)
Accounts receivable		**(2,501)**		-
Accounts payable and accrued liabilities		**41,130**		16,725
Cash expended on exploration and evaluation asset additions	**$**	**(689,752)**	$	(181,884)

20. Segment disclosures

During the years ended September 30, 2019 and September 30, 2018, the Company was engaged in mineral exploration and all exploration activities were undertaken in Canada and/or the United States. Activities undertaken in both countries were similar in nature. The non-current assets associated with United States operations are comprised of the exploration and evaluation assets located in Washington State, the DJ Jade project, and Wyoming, Wyoming Jade Fields. All remaining assets are associated with Canadian operations. Refer to Note 7 for details of the carrying amounts of these assets at the respective period ends.

21. Capital

The Company's objective when managing capital is to continue as a going concern so that it can provide value to shareholders by acquiring and conducting exploration on mineral exploration properties with the ultimate objective of finding commercial quantities of base and/or precious metals. Refer to Note 1 "Nature and continuance of operations". Capital is defined as share capital, reserves and deficit. The Company has traditionally been financed through equity issues rather than debt and does not anticipate using debt to finance its continuing grass roots exploration. Should the Company evolve to the point where it is developing or operating a mine, debt options may be investigated.

The Company will raise equity as cash flow requirements dictate and will attempt, when able, to time financings with more favorable market conditions. The Company can scale back exploration, and to a certain extent, discretionary administrative costs during tighter equity markets. The Company invests capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments such as Bankers' Acceptances and Term Deposits.

The externally imposed capital requirement to which the Company can be exposed relates to flow-through shares. When the Company enters into flow-through agreements with flow-through share subscribers, the Company commits to use the full proceeds of these issuances to incur qualifying mineral exploration expenditures within a prescribed time frame. Should the Company not incur these expenditures, they are required to pay the flow-through subscribers an amount equal to the tax payable by the subscriber as a result of the Company's failure to incur the expenditures. At September 30, 2019 and September 30, 2018, there were no qualifying expenditures required pursuant to flow-through agreements; consequently there was no restricted cash at September 30, 2019 and September 30, 2018.

22. Financial risk management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of accounts receivable (excluding sales tax). The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at September 30, 2019 and September 30, 2018. The Company's cash at bank is currently held at one financial institution.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to continue to obtain adequate financing or to commence profitable operations in the future. Operating expenses beyond March, 2020, increases in expenditures over budget for the six months ended March 31, 2020, exploration programs and new property acquisitions will require additional financing. There

22. Financial risk management (continued)
b) Liquidity risk (continued)

can be no assurance that the Company will be successful in obtaining financing (refer to Note 1 - "Nature and continuance of operations").

The Company's significant remaining contractual maturities for financial liabilities as at September 30, 2019 and 2018 are as follows:

- Accounts payable and accrued liabilities are due within one year.

c) Market risk
The Company may receive equity investments from time to time for the sale of mineral properties and these investments are subject to market price risk. The Company does not invest excess cash in equity investments as a general rule. Investment in common shares is recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. The Company no longer carried equity investments on its books as at September 30, 2019 and 2018.

d) Interest rate risk
The Company has no debt facilities and has minimal amounts of interest income. Consequently, the Company is not exposed to significant interest rate risk at this time.

e) Foreign exchange risk
The Company undertakes transactions denominated in US currency through its exploration in the US; consequently it is exposed to exchange rate fluctuations. At September 30, 2019, accounts payable and accrued liabilities include liabilities of US$30,670 (CDN$40,832) (September 30, 2018 – US$Nil). The effect of a foreign currency increase or decrease of 10% on this liability would result in an increase or decrease of CDN$4,083 (September 30, 2018 – CDN$Nil) to the amount payable.

23. Subsequent events and contingent liability

On October 24, 2019, Jadex Corporation was officially served documents naming Jadex, Jade Leader Corp., and Jean-Pierre Jutras as defendants in a lawsuit brought on by the plaintiff, a prospector, who seeks to claim ownership of some of the Jade samples collected during the 2019 trenching program in Wyoming. According to the plaintiff's lawsuit, the amount of damages exceeds US$75,000, exclusive of interests and costs. Jadex has filed a motion to dismiss. The action has been brought by the plaintiff on the basis of his belief that the Company did not actually do trenching to recover samples. The Company has all records necessary to demonstrate that the samples came from the trenching program. Therefore it is the Company's position that this action is without support in fact and without merit.

On November 19, 2019, the Company issued 150,000 options that may be exercised at $0.225 per share to November 19, 2023 and 125,000 options that may be exercised at $0.225 to November 19, 2022. Refer to Note 14 – "Share based payment transactions".

On December 2, 2019, the Company granted a two year extension to 393,750 warrants and 106,250 warrants expiring on December 28, 2019 and January 11, 2020 respectively. Refer to Note 11 e) "Share capital, stock options and warrants, warrant transactions and warrants outstanding" for more information.

The following management discussion and analysis (MD&A) is management's assessment of the results and financial condition of Jade Leader Corp., ("Jade Leader" or "the Company), for the year ended September 30, 2019. The information included in this MD&A, with an effective date of January 14, 2020 should be read in conjunction with the consolidated financial statements as at and for the year ended September 30, 2019 and related notes thereto. Jade Leader's common shares trade on the TSX Venture Exchange under the symbol "JADE". The Company's most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed at www.sedar.com.

The Company's financial statements for the year ended September 30, 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as at and for the year ended September 30, 2019. The Company has consistently applied the same accounting policies throughout all periods presented. The Company's accounting policies are provided in Note 3, "Summary of significant accounting policies," to the notes to the annual consolidated financial statements as at September 30, 2019.

The "Independent Qualified Person under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") for Jade Leader's exploration projects in the following discussion and analysis is Mr. Jean Pierre Jutras, B. Sc., Geol., P. Geol., a Registered Professional Geologist of Alberta and the President and Director of Jade Leader.

Statements and/or financial forecasts that are unaudited and not historical, including without limitation, exploration budgets, data regarding potential mineralization, exploration results and future plans and objectives, are to be regarded as forward-looking statements that are subject to risks and uncertainties that can cause actual results to differ materially from those anticipated. Such risks and uncertainties include risks related to the Company's business including, but not limited to: general market and economic conditions, continued industry and public acceptance, regulatory compliance, potential liability claims, additional capital requirements and uncertainty of obtaining additional financing and dependence on key personnel. Actual exploration and administrative expenditures can differ from budget due to unforeseen circumstances, changes in the market place that will cause suppliers' prices to change, and additional findings that will dictate that the exploration plan be altered to result in more or less work than was originally planned.

All forward-looking information is stated as of the effective date of this document, and is subject to change after this date. There can be no assurance that forward-looking information will prove to be accurate and future events and actual results could differ materially from those anticipated.

1) Principal Business of the Company

The Company is engaged exclusively in the business of mineral exploration and development and, as the Company has no mining operations, is considered to be in the exploration stage. The Company's philosophy is to acquire projects at the grass roots level and advance them to a point where partners can be brought in to further the properties to the stage where a mine is commercially feasible or the property can be sold outright.

The recoverability of the amounts comprising mineral properties is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain financing to complete the development of the properties where necessary and upon future profitable production; or, alternatively, upon the Company's ability to recover its costs through a disposition of its interests. The Company has no operating income and no earnings; exploration and operating activities are financed by the sale of common shares and warrants. None of the Company's properties are in production. Consequently, the Company's net income is a limiting indicator of its performance and potential.

2) Highlights - Year ended September 30, 2019

a) DJ Jade Project, Washington State, USA

During November, 2018 the Company completed a first pass drilling program on the DJ Jade property in Washington State, USA. A total of 13 drill holes, varying in length from 15.55 to 68.3 meters for a total of 513.5 meters were drilled during this initial phase before inclement weather set in. Twelve of the thirteen holes intersected anticipated targets. Nephrite Jade, varying from ornamental to carving/jewelry grade, near gem to gem grade and cat's eye quality, was recovered in intervals ranging from 10-15 centimeters to over 5 meters in length. In addition, 77 kilograms of surface material from Lode 2, where both near-gem to gem quality and chatoyant, (cat's eye), material was identified in 2017, was recovered for testing. Two new occurrences of a red to pink to white semi-precious gemstone identified as Rhodonite were found near the Jade zone and were test hand mined for potentially marketable raw material from the property. Refer to News Release 18-16 dated November 29, 2018 for detailed information.

On January 30, 2019, the Company provided an update on the DJ Drilling Lode 2 target results, (News Release 19-01). The first pass drilling program at DJ confirmed consistent intersections of Jade material that correlates well with mapped surficial Jade occurrences but is free from strong surficial weathering. Jades, ranging from foliated to massive material suitable for carvings and jewelry as well as finer and more uniformly colored light green to blue with higher translucency referred to as near gem/gem type were represented across the width and depth of the occurrence which remains open in all directions.

Materials showing chatoyancy or cat's eye effect have also now been observed in most intersections as well, indicating that it may be much more extensively distributed through the Lode 2 target than previously indicated by limited surface sample work. While the first pass work represents a relatively small sample size of the system, the results are encouraging. As a result, management of the Company conducted 2 follow up field programs during the remainder of fiscal 2019. The spring program, which was conducted between April and June, included an airborne geophysical survey, followed by detailed mapping and sampling of previously identified in-situ jade occurrences.

A further exploration program was conducted in July and August 2019 which involved further hand - trenching and sampling. The program confirmed a new in-situ surface nephrite jade occurrence, the widest found on the property to date, consisting of a jade-bearing contact zone between serpentinites and white rhodingites; a showing essentially identical to the Lode 2 target drilled in October, November 2019. In addition to having similar geology to the Lode 2 zone, this new showing is strongly linked to the Load 2 zone by a sharp linear airborne geophysical signature running the 450 meters between the two showings. Airborne surveys conducted on the Company's Wyoming properties were followed up with field investigation of anomalies that were successful in tracing jade-bearing structures through alluvial cover. Based on these findings, the sharp anomalies defined at DJ suggest geophysics may also be very effective for tracing jade-bearing structures in areas with extensive forest cover.

During its summer 2019 jade exploration field program, the Company encountered large masses of Rhodonite, a light grey to pink to yellow semi-precious gemstone with significant commercial demand. To assess its suitability for fine art carvings, a large single block weighing approximately 10,000 pounds (4,545 Kg) was hand-harvested and trimmed to approximately 6,000 lbs pounds (2,700 Kg) and shipped to Georg Schmerholz, an internationally recognized fine art stone sculptor, for assessment and sculpting. Refer to News Release 19-05 dated August 20, 2019 for more information.

Jade samples from both drill core and surface were analyzed to test workability, color, texture and translucency and were displayed at the Tucson Gem and Mineral Show in February, 2019 and the Zi Gang Bey Jade carving competition and trade show in China in April, 2019.

b) Wyoming Jade Fields, Wyoming, USA

Jade Leader Corp. conducted the first stage of its 2019 exploration program in Wyoming, USA in April through to early June, 2019. The field program identified five priority targets. The Company flew a high resolution, helicopter-borne magnetic and radiometric geophysical survey over approximately 48 square kilometers, covering existing properties and additional areas of newly recognized alterations and geology considered to be favorable for Jade formation. A three week field program was conducted to review the airborne geophysical data, conduct additional prospecting and outline the first mechanized trenching targets for further follow-up. The field program resulted in the discovery of additional nephrite Jade at surface and led the company to stake an additional 25 lode claims increasing the size of its current 4 claim blocks, and adding an entirely new block of claims to cover a new target, bringing the Company's land package to in excess of 90 fully owned claims and option exercise. Full details are provided in News Release 19-03 dated June 12, 2019. As of September 30, 2019 the Company holds 89 claims; a further 10 claims were staked subsequent to the year end.

On July 15, 2019, the Company acquired 100%, subject to an NSR of the one Wyoming lode claim under option, upon making the final option payment of US$27,000.

The Company received its Acceptance of Notice from Bureau of Land Management ("BLM") for its planned trenching program in August, 2019, allowing it to proceed with its fall exploration program. The program which commenced on September 14th and was completed October 24th, 2019, identified the presence of Nephrite Jade mineralization in a strong alteration zone hosted in structures cutting granitic gneisses. From trench T1A, 230 individual Jade samples with a combined weight of 47,100 pounds (21.36 Tonnes) were recovered from bedrock with heavy equipment and will be evaluated for their textures, colours and carveabililty. Should any of the T1A samples be sold they are subject to a 2% NSR. Legal proceedings initiated by the vendor of the property that encompasses T1A dispute ownership of certain samples extracted therefrom. While the Company feels the complaint is without merit, there can be no assurances regarding the ultimate outcome of legal proceedings. Refer to 15) Legal Dispute within this document for further discussion. An additional 52 samples were also collected from trench T1C east with a combined weight of 4,600 pounds (2.09 Tonnes). All samples were color-coded with source-trench identifiers in the field, were weighed and have been secured in an off-site storage facility pending additional evaluation.

Extensive alteration mapping and reconnaissance sampling was conducted along the geophysically well-defined alteration zones associated with Jade formation. Two outcrops yielding fine grained dark olive Jade and sage to light green Jade were found approximately 720 to 850 feet, (220 to 260 meters), north-east of trench T1A where samples were cut for further evaluation. These discoveries provide further confirmation that the company's combined geological and geophysical approach to defining Jade-bearing structures is working. The Company staked an additional 10 lode claims around the main claim block to cover all known showings as well as the geophysically indicated alteration zones that trenching has established to be associated with bedrock Jade occurrences.

The Company has completed the reclamation required by the regulatory authorities for its trenching program on the Wyoming properties. The next step is to determine the quality and marketability of the Jade found to date. Refer to News Release 19-06 dated October 1, 2019 and News Release 19-07 dated October 24, 2019 for more information.

The Company will continue to compile and evaluate the results of its exploration activities during 2019 and will assess available funds to design an appropriate exploration program and budget for 2020.

c) Corporate

During the three month period ended December 31, 2018, the Company closed the first and second tranche private placement financings for gross aggregate proceeds of $1,148,954. The exercise of warrants during Q2 2019 and options during Q3 and Q4 2019 further bolstered the Company's working capital position. For more information refer to Section 7) "Financing" of this document.

During February, one of the Company's executives travelled to the Tucson Gem and Mineral Show, where the Company exhibited a display case of its Washington Jade.

During April 2019, two of the Company's executives and five of the Company's consultants, travelled to the 2019 Zi Gang Cup Jade and Stone Works Competition and Exhibition, held in Suzhou, Jiangsu province, China. The competition, which brings together some of the world's most recognized Chinese and International Jade carvers and Jade industry leaders, provided an excellent opportunity to formally introduce Jade Leader, it's projects and progress to a wider dedicated audience in the Jade space. The Company used this opportunity to conduct additional market research allowing it to more effectively direct its planned exploration programs at high priority targets.

3) Mineral Properties

During the year ended September 30, 2019 the Company incurred $570,000 in exploration costs and $164,000 in mineral property acquisition costs comprised of staking costs and option payments. Transactions for the year ended September 30, 2019 are summarized in Note 7 "Exploration and evaluation assets" to the Audited Consolidated Financial Statements for the year ended September 30, 2019 which accompany this MD&A.

DJ Jade Project, Washington State, USA

On August 28, 2017, the Company announced its acquisition of the DJ Jade project, in Washington State, USA, through a combination of Option Agreement and staking. The gross costs and impairments recorded to the DJ Jade project at September 30, 2019 are $547,168 and $Nil, respectively (September 30, 2018 - $123,916 and $Nil, respectively).

The property, consisting of existing and recently filed Lode Claims covers an area of slightly more than 140 hectares, with 3 historical and numerous newly identified nephrite jade occurrences, which have been visited and confirmed by the Company's representative. The Company has earned 100% of the mineral rights associated with those claims, subject to a 2% Net Smelter Royalty ("NSR"). Additional claims staked around the initial claims optioned fall within an area of mutual interest, and are considered part of the original Option Agreement.

In addition, the Company has the option to purchase one half, (1%), of the NSR for the sum of US$500,000 in cash or equivalent value in Common shares of the Company. The Optionor also granted, the Company the right, upon written notice, to acquire the remaining half, (1%), of the NSR for the sum of US$1,000,000 in cash or equivalent value of Common Shares of the Company, thereby extinguishing the NSR of the Optionor.

On July 20, 2017, the Company entered into an Assignment and Novation Agreement, with Jadex (the Company's wholly-owned subsidiary). Jadex agreed that it shall be bound by, observe and perform the duties and obligations of the Company, for the assigned interests.

The Company conducted a first pass drill program in November 2018. This program was followed up in the spring of 2019 and included an airborne geophysical survey, followed by detailed mapping and sampling of previously identified in-situ jade occurrences. A further exploration program was conducted in July and August 2019 which involved hand trenching and sampling. The program confirmed a new in-situ surface nephrite jade occurrence, the widest found on the property to date. In addition to its jade exploration work, the Company has encountered large masses of Rhodonite, a light grey to pink to yellow semi-precious gemstone with significant commercial demand. Further results are discussed in section 2) "Highlights" in this document.

Wyoming Jade Fields, Wyoming, USA

The Company has acquired, by staking 89 Mineral Lode Claims covering in excess of 1,800 acres. The claims cover 5 contiguous blocks in areas where field work found geology favourable for jade formation. This includes abundant nephrite jade float, sub-crop and in-situ jade occurrences as well as numerous small-scale historical production pits. All of the new ground is on public lands administered by the Bureau of Land Management ("BLM"). None of these historically productive jade-bearing areas have been previously evaluated using modern day jade-genesis concepts or exploration technologies. On July 15, 2018, Jadex entered into an Option Agreement to acquire a 100% interest in an existing Lode Claim (20.7 acres). The portion of the claims under option required a total of US$35,000 in property payments and staged work commitment of US$60,000. Having made option payments of US$8,000 in fiscal 2018, the Company made a final payment of US$27,000 on July 17, 2019, acquiring the 100% interest, subject to the NSR.

The Company has the option, upon written notice, to acquire one half, (1%), of the NSR for US$20,000 in cash. The Optionor also granted the Company the right, upon written notice, to acquire the remaining half, (1%), of the NSR for US$30,000 in cash, thereby extinguishing the NSR of the Optionor.

The Company conducted its spring 2019 exploration program, consisting of an airborne geophysical survey, followed by prospecting, detailed mapping, sampling of previously identified in-situ Jade occurrences, and mechanized trenching . The field program, which was completed during June 2019, was conducted to review the airborne geophysical data, conduct additional prospecting and outline the first mechanized trenching targets for further follow up, as permitting would allow. The field program resulted in additional nephrite jade discoveries at surface and led the Company to stake an additional 25 lode claims (209 hectares/516.5 acres), increasing the size of its current 4 claim blocks, and adding an entirely new block of claims to cover a new target. After receiving the required permitting, the Company completed a further exploration program involving mechanized trenching and sampling, during September and October 2019. Field evaluation of jade obtained from these trenches includes a full range of potential qualities from basic ornamental stones to carving and jewellery grade material. 282 individual jade samples (over 23.45 tonnes) were recovered from bedrock with heavy equipment and will be evaluated for their textures, colours and carveability. The next step for the Company will be to determine the quality and marketability of the jade found to date. Additionally, the field program included extensive alteration mapping and reconnaissance sampling along the geophysically well-defined alteration zones associated with jade formation identified in the spring program. More details can be found in Highlights, 2 b) above.

The gross costs and impairments recorded for the Wyoming Jade Fields project at September 30, 2019 are $404,188 and $Nil, respectively (September 30, 2018 - $117,046 and $Nil respectively).

Keithly Mountain, British Columbia
During the three month period ended March 31, 2017, the Company acquired by staking a 2,111 hectare prospective jade property in the Cariboo Goldfields, in central British Columbia called Keithly Mountain. Subsequent to a first pass program in 2017, the property was reduced to 1,486 hectares of lode claims. During the year ended September 30, 2019, the Company determined that it would no longer continue to explore the Keithly Mountain property, and consequently recognized an impairment equal to the full amount of expenditures to date. The Company will continue to hold the mineral claims until they expire in February 2020. The gross costs and impairments recorded to the Keithly Mountain property as at September 30, 2019, are $17,654 and $17,654, respectively (September 30, 2018 - $18,104 and $Nil, respectively).

Tell, Yukon
The Company acquired 100% of the Tell mineral property through staking. The Company holds 193 claims covering slightly in excess of 4,000 hectares located approximately 140 kilometres east of Mayo, Yukon. The data collected during the 2014 and 2015 short program continues to support that mineralization at Tell is sediment-hosted and potentially related to an extensive exhalative event within a sedimentary sequence with evidence of minor volcanic components, such as expected within the SEDEX/VMS environment. The 2015 surface data also confirms that mineralization may be related to an extensive metal rich unit within a sequence documented over 3 kilometres of strike length to date. These results are geologically strong and support further exploration if funding can be arranged.

Given the rising interest in the Rackla belt hosting the Tell property, subsequent to significant silver, lead and zinc discoveries regionally by Cantex Mine Development Corp, the Company conducted a one week fly in program of geological mapping and soil sampling during July 2019. The program provided all of the required expenditures to submit a certificate of work necessary to renew 187 of the existing claims constituting the Tell property for an additional year. The Tell property now consists of 193 contiguous claims, which have been extended to October 2020. Results of the summer 2019 program have not been released to date as the information gathered, is currently undergoing compilation and evaluation. The gross costs and impairments recorded to the Tell project at September 30, 2019 are $449,832 and $Nil, respectively (September 30, 2018 - $426,071 and $Nil, respectively).

4) Operating Results

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended September 30		Year ended September 30	
	2019	**2018***	**2019**	**2018**
General and administrative expenses	**$ (263,611)**	$ (86,028)	**$ (529,460)**	$ (644,854)
Reporting to shareholders	**-**	-	**(15,384)**	(16,478)
Professional fees	**(27,888)**	(23,819)	**(38,195)**	(41,973)
Stock exchange and transfer agent fees	**(2,456)**	(2,430)	**(10,425)**	(13,798)
Depreciation	**(113)**	(143)	**(453)**	(574)
Pre-acquisition costs	**-**	(1,714)	**-**	(6,637)
Impairment	**(17,654)**	-	**(17,654)**	-
Sublease revenue	**4,698**	4,697	**18,789**	18,527
Interest and other	**2,979**	47	**4,360**	331
Loss on investments held for sale	**-**	-	**`-**	(1)
Net and comprehensive loss	**$ (304,045)**	$ (109,390)	**$ (588,422)**	$ (705,457)

*This three month period has been adjusted to reflect the distribution of the change in valuation of stock options to their respective periods, while in the prior year's Management Discussion and Analysis all of the changes were recorded in the fourth and final quarter. See 10) Quarterly Financial Information for a table summarizing the change in estimates and their allocation to individual quarters.

The most significant variances in results are discussed below.

- Variances relating to general and administrative expenses are addressed below in more detail.
- Reporting to shareholder costs include the dissemination of the annual audited financial statements for the year ended September 30, 2018 and 2017 as well as the 2019 and 2018 AGMs. There is no significant variance between the current and comparative periods.
- Professional fees, which consist of auditing fees, legal and other filing fees are down by $3,800 in the current year ending September 30, 2019 and include nominal legal fees for corporate filings, fees related to news releases of $3,800 and fees for filing the September 30, 2018 US tax return and other consulting matters of $7,100 for Jadex. The comparative year expenditures include an under accrual of audit fees for the year ended September 30, 2017 of $2,000, legal fees of $5,900 primarily relating to the corporate name change, the AGM and nominal legal fees for corporate filings, fees related to news releases of $7,600 and fees for filing the September 30, 2017 US tax return for Jadex. The variance of $4,000 during the current and comparative three month periods include an increase in the audit fee accrual of $2,000 as well as legal fees of $1,700 on account of Jadex for Corporate filings.
- Stock exchange and transfer agent fees relate directly to the number of security exchange transactions during the periods. The increase in the prior annual period reflects higher TSX sustainer fees as well as fees relating to the name change. The quarter to quarter comparative amounts are consistent between the years.
- Pre-acquisition expenses were incurred in Q2 and Q4 2018 and relate to research conducted in the United States for potential Jade exploration opportunities. There were no equivalent expenditures in the current three and twelve month periods.
- The impairment recorded in Q4 of fiscal 2019 related to the Keithly Mountain property which was discussed earlier in this document. There were no impairments in the comparative year/period.
- Sublease revenue is consistent year to year and between the comparative quarters ended September 30.
- Interest income is higher in fiscal 2019 due to higher outstanding cash balances which have been invested in a high interest savings account.
- During the year ended September 30, 2017, North Sur Resources Inc. shares were transferred from the TSX Venture Exchange to the NEX and on March 28, 2018, the shares were delisted. Consequently, the Company's investment in North Sur was written off in Q2 2018.

The following summarizes the major expense categories comprising general and administrative expenses for the respective periods:

	Three months ended September 30		**Year ended September 30**	
	2019	**2018**	**2019**	**2018**
Administrative consulting fees	**$ 14,178**	$ 47,442	**$ 72,807**	$ 108,840
Occupancy costs	**13,886**	13,445	**55,362**	43,878
Office, secretarial and supplies	**11,888**	9,450	**60,012**	52,117
Travel and promotion	**10,293**	10,044	**85,481**	46,964
Insurance	**3,577**	3,418	**14,091**	12,441
Computer network and website maintenance	**1,803**	696	**4,576**	9,458
Stock-based compensation	**202,581**	-	**224,519**	361,813
Salaries and benefits	**3,835**	-	**5,513**	2,277
Miscellaneous	**1,570**	1,533	**7,099**	7,066
Total	**$ 263,611**	$ 86,028	**$ 529,460**	$ 644,854

- Administrative consulting fees, which consist of fees for the contract controller, CFO and President are down by $33,300 and $36,000 during the three and twelve month periods ended September 30, 2019 respectively. Fiscal 2019 fees include fees of $41,700 to the president, $19,250 to the contract controller, $10,200 to the CFO and $1,600 to other consultants. Fiscal 2018 fees include fees to the president of $72,300, $18,500 to the contract controller, $2,700 to the CFO and $15,200 to other consultants The 2019 three month period fees include fees of $8,000 to the president, $3,500 to the contract controller, $2,700 to the CFO and $nil to other consultants. 2018 three month period fees include fees of $28,800 to the president, $4,000 to the contract controller, $1,200 to the CFO and $13,500 to other consultants.
- Occupancy costs are up by $11,500 for the year ended September 30, 2019, ($400 for the three month period ended September 30, 2019). On May 1, 2018, the Company relocated to new premises, acquiring larger office space and entered into a new lease agreement, terminating April 30, 2020. As a result of the new leasing arrangement, the Company has incurred higher occupancy costs during the twelve month period ended September 30, 2019. For further information relating to obligations for Occupancy costs refer to Section 6) "Commitments" of this document.
- Office and secretarial fees, which primarily relate to contract administrative services, are up by $7,900 during the year ended September 30, 2019; up $2,400 when comparing the three month periods ended September 30. The increase is consistent with the increase in activity in the Company in the current year. Additional expenditures during the current year included $2,500 for one time expenditures relating to equipment upgrades and a subscription for mapping software which is expensed quarterly over the term of the subscription.
- While travel and promotion were comparable for the three months ended September 30, 2019 and 2018, these costs increased $38,500 year to year. During the three month period ended June 30, 2019, two of the Company's executives and five of the Company's consultants, travelled to the 2019 Zi Gang Cup Jade and Stone Works Competition and Exhibition, held in Suzhou, Jiangsu province, China. The competition, which brings together some of the world's most recognized Chinese and International Jade carvers and Jade industry leaders, provided an excellent opportunity to formally introduce Jade Leader, it's projects and progress to a wider dedicated audience in the Jade space. Additionally, fiscal 2019 travel and promotion expenditures include travel to Tucson, Arizona to attend various gem and mineral shows for the purpose of networking and marketing, and attending the AMEBC Roundup held annually in Vancouver, British Columbia. As well, expenditures of $36,000 have been incurred for services provided by an on-line investing news agency for the purpose of company promotion and lead generation. During the three month period ended December 31, 2017, two of the Company's executives travelled to the 2017 Zi Gang Cup Jade and Stone Works Exhibition, held in Suzhou, Jiangsu province, China. The purpose of the travel was to present an initial suite of some of the DJ Jade project's samples, consult with some of the world's most recognized Jade carvers, including both Chinese and international artists, and conduct market research to evaluate current market trends including rough and final product prices. These expenditures are reflected in Q1 2018 travel and promotion. Other travel and promotion expenditures during the three and twelve month periods ended September 30, 2018 include travel to Dallas, Texas to meet with Dr. Robert Lavinsky (a Technical advisor to the Company)

regarding various business matters, travel to Tucson, Arizona to attend various gem and mineral shows for the purpose of networking and marketing, and attending the AMEBC Roundup held annually in Vancouver, British Columbia.

- Insurance expenses are up by $1,650 in the year ended September 30, 2019 reflecting an increase in insurance rates that occurred in the latter part of 2018. There has been no significant change in insurance coverage since Q4 2017. Expenditures are in accordance with the budget.
- Computer network and website maintenance expenditures, which include internet service, website hosting and other information system expenditures, have increased by $1,100 during the three month period ended September 30, 2019 and decreased overall by $4,900 during the year ended September 30, 2019. Q4 2019 expenditures included consulting costs related to network maintenance and security. Q3 2018 expenditures include one-time expenditures relating to the website redesign and the Company's rebranding efforts to reflect its shift in focus to Jade exploration.
- During the year ended September 30, 2019, the Company issued 1,355,000 stock options to its Officers, Directors and Consultants valued at $224,519. During the year ended September 30, 2018, the Company issued 1,350,000 stock options in aggregate to its Directors, Officers and Consultants valued at $361,813. Refer to Note 14 - "Share-based payment transactions" to the Audited Consolidated Financial Statements dated September 30, 2019, which accompany this document for more information regarding these transactions. During the three month period ended September 30, 2018, the Company recognized a change in estimate of certain stock option values due to a change in the volatility calculation that utilized monthly stock prices instead of daily stock prices, an assumption that was considered to be more representative of stock volatility. In this document, the adjustment has been allocated to the specific quarters to which it pertains.
- Salaries and benefits expense incurred in Q3 and Q4 2019 relates to the Company's share of CPP remitted for the exercise of 280,000 options for proceeds of $28,000, and 515,000 options for proceeds of $51,500, respectively. Salaries and benefits expense incurred in Q3 2018 relates to the Company's share of CPP remitted for the exercise of 230,000 options for proceeds of $23,000. There has been no significant change between the current and the comparative years ending September 30, 2019 and September 30, 2018, respectively for miscellaneous administrative expenses.

5) Liquidity and Capital Resources

As of September 30, 2019, the Company had a working capital balance of $349,921 (September 30, 2018 – working capital deficiency of $74,058). Changes to working capital in the current and comparative periods are discussed below:

- Operating activities during the year ended September 30, 2019 resulted in a cash outflow of $439,714 (2018 - $265,883). Cash paid to suppliers and contractors is up by $174,000 and reflects changes in both activity levels during the year as discussed above in 4) "Operating results", as well as the changes in accounts receivable, prepaid expenses and accounts payable. Due to limited available cash at the end of the 2018 fiscal year, accounts payable increased dramatically. These payables were paid when the Company received a cash injection from the financings that occurred in Q1 2019. Further, during Q1 2019, the Company advanced $36,000 to an on-line investing news agency for the purpose of company promotion and lead generation. The advance covered one year of services. As at September 30, 2019, the company has expensed $9,000 in each quarter of fiscal 2019.
- The Company expended $689,800 on exploration and evaluation assets during the current year compared to $181,900 in the comparative year. Expenditures in the current period and comparative periods primarily related to the Company's jade properties, in Wyoming and Washington State. In addition, the Company expended $23,700 on the Tell Mineral property in the Yukon; (see Section 3) "Mineral properties" and Note 7 - "Exploration and evaluation assets" to the Audited Consolidated Financial Statements which accompany this document, for more information. The Company also posted a reclamation bond in the State of Wyoming of CDN$4,357 with respect to its Wyoming Mineral properties which is recoverable once all reclamation work has been completed.
- During the year ended September 30, 2019, the Company closed a private placement of shares and warrants for net proceeds of $1,104,214 after share issuance costs. During the year ended September 30, 2018, the Company closed a non-brokered private placement of shares and warrants for net proceeds of $191,487 after cash share issue costs. See Section 7) "Financing" below for more information.

- During the year ended September 30, 2019, 3,250,000 warrants were exercised for gross aggregate proceeds of $325,000. During the year ended September 30, 2018, 550,000 warrants were exercised for total proceeds of $55,000. Refer to Note 11 - "Share capital, stock options and warrants" of the Audited Consolidated Financial Statements which accompany this document and section 7) "Financing" for further information
- During the year ended September 30, 2019, 795,000 options were exercised for total proceeds of $79,500. During the year ended September 30, 2018, 230,000 options were exercised for total proceeds of $23,000. See Section 7) "Financing" for more information related to these transactions.

The Company believes that it has sufficient working capital to finance general and administrative and other operating expenses for the next six month period. Operating expenses beyond March, 2020, increases in expenditures over budget for the six months ended March 31, 2020, future exploration programs and new property acquisitions, will require additional financing. There can be no assurance that management will be successful in obtaining financing. Refer to Note 1 - "Nature and continuance of operations" to the Audited Consolidated Financial Statements which accompany this document. With limited capital resources the Company will prioritize non-discretionary operating costs, will cut back discretionary operating costs and will defer exploration programs until suitable financing can be procured.

6) Commitments

On May 1, 2018, the Company entered into a new leasing arrangement for office space. Pursuant to the agreement, the Company is committed to pay base lease costs plus additional rent, which includes its proportionate share of costs incurred in the operation, maintenance, management and supervision of the property as defined by the landlord's current lease for the premises. Additionally, Jade Leader entered into a sublease agreement with CANEX Metals Inc. terminating April 30, 2020 (see Note 17 - "Related party balances and transactions and key management remuneration" to the Audited Consolidated Financial Statements which accompany this document).

As at September 30, 2019, the committed lease costs to the termination of the lease are as follows:

	October 1, 2019 to April 30, 2020
	$
Base lease cost	12,355
Expected additional rents	20,045
Total expected lease commitment	32,400
Expected sublease revenue	(10,960)
Net future rent	21,440

7) Financing

2019

On October 12, 2018, the Company closed the first tranche of the private placement share and warrant issue for 3,865,816 common units at $0.25 per unit comprised of 3,865,816 common shares and 3,865,816 common share purchase warrants for gross aggregate proceeds of $966,454. Each common unit was comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.40 per share until October 12, 2020. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes Pricing model assuming a volatility of 135.80%, a risk free rate of 2.27%, a 2 year warrant life and a 0% dividend rate. In connection with this financing, the Company paid finder's fees of $27,700 which are included in the share issuance costs that are deducted from the proceeds of the financing that are credited to Common Share Capital.

On October 23, 2018, the Company closed the second tranche of the private placement share and warrant issue for 730,000 common units at $0.25 per unit comprised of 730,000 common shares and 730,000 common share purchase warrants for gross aggregate proceeds of $182,500. Each common unit was comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.40 per share until October 23, 2020. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes Pricing model assuming a volatility of 135.38%, a risk free rate of 2.27%, a 2 year warrant life and a 0% dividend rate. In connection with this financing, the Company paid finder's fees of $1,250 which are included in the share issuance costs that are deducted from the proceeds of the financing that are credited to Common Share Capital.

During February 2019, 250,000 warrants exercisable at $0.10 per share, expiring April 17, 2019 were exercised for total proceeds of $25,000.

During March 2019, 2,950,000 warrants exercisable at $0.10 per share, expiring March 24, 2019 were exercised for total proceeds of $295,000 and 50,000 warrants exercisable at $0.10 per share, expiring April 17, 2019 were exercised for total proceeds of $5,000.

During June 2019, 280,000 options exercisable at $0.10 per share, expiring July 10, 2019 were exercised for total proceeds of $28,000.

During July 2019, 515,000 options exercisable at $0.10 per share, expiring July 10, 2019 were exercised for total proceeds of $51,500.

2018

On December 28, 2017, the Company closed the first tranche private placement share and warrant issue for 787,500 units at $0.20 per unit comprised of 787,500 common shares and 393,750 common share purchase warrants for gross aggregate proceeds of $157,500. Each common unit was comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.30 per share until December 28, 2019. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes Pricing model assuming a volatility of 129.07% (refer to Note 23 – "Comparative figures" to the Audited Consolidated Financial Statements, which accompany this document), a risk free rate of 1.69%, a two year warrant life, and a 0% dividend rate.

On January 11, 2018, the company closed the second tranche private placement and warrant issue for 212,500 units at $0.20 per unit comprised of 212,500 common shares and 106,250 common share purchase warrants for gross aggregate proceeds of $42,500. Each common unit was comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.30 per share until January 11, 2020. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes Pricing model assuming a volatility of 108.53% (refer to Note 23 – "Comparative figures" to the Audited Consolidated Financial Statements, which accompany this document), a risk free rate of 1.76%, a two year warrant life, and a 0% dividend rate.

During the three month period ended June 30, 2018, 230,000 stock options exercisable at $0.10 per share, expiring July 10, 2019 were exercised at $0.10 per share, for total proceeds of $23,000 and 100,000 warrants exercisable at $0.10 per share, expiring March 24, 2019, were exercised for total proceeds of $10,000.

During the three month period ended September 30, 2018, 450,000 warrants exercisable at $0.10 per share, expiring March 24, 2019, were exercised for total proceeds of $45,000.

8) Exploration Expenditures

Refer to Note 7 "Exploration and evaluation assets" to the Consolidated Financial Statements for the year ended September 30, 2019.

9) Selected Annual financial Information

The following selected financial data has been extracted from the Consolidated Financial Statements, for the fiscal years ended September 30, 2019, 2018 and 2017 and should be read in conjunction with those Consolidated Financial Statements.

For the years ended or as at September 30	**2019**	**2018**	**2017**
Financial Results	**$**	**$**	**$**
Sublease revenue	18,789	18,527	21,409
Interest and other income	4,360	331	348
Net loss and comprehensive loss for the year	(588,422)	(705,457)	(133,991)
Basic and diluted earnings per share	(0.01)	(0.02)	0.00
Financial Position			
Working capital (deficiency)	349,921	(74,058)	191,933
Total assets	1,844,987	741,934	716,129
Capital stock	13,907,792	12,854,098	12,619,161
Reserves	3,110,524	2,430,985	2,034,622
Deficit	(15,273,821)	(14,685,399)	(13,979,942)

Net and comprehensive loss for 2019 includes a non-cash charge for share-based payment transactions of $224,519 (2018 - $361,813, 2017 - $Nil) as well as an increase in operating expenditures to reflect increased business activities as described above in Section 4) "Operating results".

10) Selected Quarterly Financial Information

The following selected financial data has been extracted from the unaudited interim financial statements for the fiscal periods indicated and should be read in conjunction with those unaudited financial statements.

Three months ended:	Sep 30 2019 (Q4 2019)	Jun 30 2019 (Q3 2019)	Mar 31 2019 (Q2 2019)	Dec 31 2018 (Q1 2019)	Sep 30 2018 (Q4 2018)	Jun 30 2018 (Q3 2018)	Mar 31 2018 (Q2 2018)*	Dec 31 2017 (Q1 2018)*
	$	$	$	$	$	$	$	$
Loss before impairment of exploration and evaluation assets and other items	(294,068)	(114,740)	(102,128)	(82,981)	(114,134)	(84,915)	(440,460)	(84,805)
Impairment	(17,654)	-	-	-	-	-	-	-
Loss before other items	(311,722)	(114,740)	(102,128)	(82,981)	(114,134)	(84,915)	(440,460)	(84,805)
Sublease revenue	4,698	4,697	4,697	4,697	4,697	4,632	4,501	4,697
Interest and other income	2,979	1,104	(17)	294	47	74	142	68
Loss from investments held for sale	-	-	-	-	-	-	(1)	-
Net and comprehensive loss	(304,045)	(108,939)	(97,448)	(77,990)	(109,390)	(80,209)	(435,818)	(80,040)
Basic and diluted loss per share	(0.01)	0.00	0.00	0.00	0.00	0.00	(0.02)	0.00

Quarterly net losses are influenced by many factors from period to period and are significantly affected by the amount of activity in the junior mining sector, the Company's working capital position, the potential exploration opportunities as well as timing of certain expenditures including the timing of the AGM, held in Q2 2018 and Q3 2019. The rebound of the junior mining sector in the latter part of fiscal 2017 and the Company's new focus on Jade exploration allowed the Company to improve its working capital position through financing, thus allowing the Company to expand its operations into fiscal 2018 and 2019. Additionally, Q1 2019, Q3 2019, Q4 2019, Q1 2018 and Q2 2018 operations include stock-based compensation of $11,438, $10,500, $202,581, $16,125 and $345,688 respectively which are non-cash charges that cause large fluctuations in earnings.

*During Q4, 2018 a change in estimate pertaining to the valuation of stock options granted throughout the year was recognized in the Audited Consolidated Financial Statements. The comparative figures in this document including the table above have been revised to reflect these changes in estimates as follows:

Stock options issued, year ended September 30, 2018						
	Original valuation		**Revised valuation**			
Date issued	Options	Volatility	Options	Volatility	Change in Stock Option Compensation	Interim period affected
	$	**%**	**$**	**%**	**$**	
October 20, 2017	17,500	283.07	16,125	155.62	(1,375)	Q1 2018
January 16, 2018	277,200	247.25	223,872	140.62	(53,328)	Q2 2018
February 22, 2018	57,000	305.43	43,500	151.23	(13,500)	Q2 2018
March 14, 2018	95,500	294.09	78,316	135.71	(17,184)	Q2 2018
Total	**447,200**		**361,813**		**(85,387)**	

Interest and other income include interest earned on the Company's high interest bank account and foreign exchange gains and losses incurred during those periods.

11) Off-Balance Sheet Transactions

The Company has no off-balance sheet transactions to report.

12) Directors and Officers

Jean Pierre Jutras	*Director and President*	Barbara O'Neill	*Corporate Secretary*
Shari Difley	*Chief Financial Officer*	Shane Ebert	*Director*
Cornell McDowell	*Director*	Peter Megaw	*Director*

13) Related Party Transactions

Transactions for the year ended September 30, 2019 are disclosed and explained in Note 17 "Related party balances and transactions and key management remuneration" to the Audited Consolidated Financial Statements for the year ended September 30, 2019 which accompany this MD&A.

14) Share capital, warrants, and stock options

Refer to Note 11 "Share capital, stock options and warrants" to the Consolidated Financial Statements for the year ended September 30, 2019 and the Statement of Changes in Equity for common share capital, stock option and warrant transactions during the year ended September 30, 2019 and balances as at that date.

Subsequent to September 30, 2019 and before January 14, 2020, the date of this report, the Company issued 150,000 options that may be exercised at $0.225 per share to November 19, 2023 and 125,000 options that may be exercised at $0.225 per share to November 19, 2022. The 150,000 options expiring November 19, 2023 were valued at $30,840 incorporating the Black-Scholes Options Pricing model assuming a 4 year term, volatility of 170.20%, a risk free discount rate of 1.45% and a dividend rate of 0%. The 125,000 options expiring November 19, 2022 were valued at $20,140 incorporating the Black-Scholes Options Pricing model assuming a 3 year term, volatility of 122.05%, a risk free discount rate of 1.51% and a dividend rate of 0%.

There were no other changes in share capital issued, warrants issued or expired or options expired, from September 30, 2019 to January 14, 2020, the date of this report. However, on December 2, 2019, the Company granted a two year extension for 393,750 warrants expiring on December 28, 2019 to December 28, 2021 and 106,250 warrants expiring January 11, 2020 to January 11, 2022.

15) Legal Dispute

On October 24, 2019, Jadex Corporation was officially served documents naming Jadex, Jade Leader Corp., and Jean Pierre Jutras as defendants in a lawsuit brought on by the plaintiff, a prospector and optionor party to the Wyoming option agreement detailed in Note 7 – "Exploration and evaluation assets" in the Audited Consolidated Financial Statements dated September 30, 2019 which accompany this document, who seeks to claim ownership of some of the Jade samples collected during the 2019 trenching program in Wyoming. According to the plaintiff's lawsuit, the amount of damages exceeds US$75,000, exclusive of interests and costs. Jadex has filed a motion to dismiss. The action has been brought by the plaintiff on the basis of his belief that the Company did not actually do trenching to recover samples. The Company has all records necessary to demonstrate that the samples came from the trenching program. Therefore it is the Company's position that this action is without support in fact and without merit.

16) Financial Instruments

The carrying value of the Company's financial instruments, consisting of cash, accounts receivable (net of sales tax), short-term investments, and accounts payable and accrued liabilities (net of sales tax), approximate their fair value due to the short-term nature of the instruments.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The Company had nominal foreign currency denominated fund balances. However, at September 30 2019, accounts payable and accrued liabilities include liabilities of US$30,670 that must be settled in US funds, (September 30, 2018 – US$ Nil). At September 30, 2019, the CDN$ value of this liability was $40,832 and a 10% change to the exchange rate would result in an increase or decrease of CDN$4,083 (September 30, 2018 – CDN$ Nil) to the amount payable.

17) Financial Risk Management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of accounts receivable, (excluding sales tax). The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at September 30, 2019 and September 30, 2018. The Company's cash and at bank is currently held with one financial institution.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to continue to obtain adequate financing or to commence profitable operations in the future. The Company believes that it has sufficient working capital to finance its administrative and other operating expenses for the next six month period. Operating expenses beyond March, 2020, increases in expenditures over budget for the six months ended March 31, 2020, 2020 exploration programs and new property acquisitions will require additional financing. There can be no assurance that the Company will be successful in obtaining financing (refer to Note 1 - "Nature and Continuance of Operations").

c) Market risk

The Company may receive equity investments from time to time for the sale of mineral properties and these investments are subject to market price risk. The Company does not invest excess cash in equity investments as a general rule. Investment in common shares is recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. The Company fully wrote off its investments in fiscal 2018.

d) Interest rate risk

The Company has no debt facilities and has minimal amounts of interest income; it is not exposed to significant interest rate risk at this time. All market risk is associated with the Company's investments in common shares, which are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings.

e) Foreign exchange risk

The Company undertakes transactions denominated in US currency; consequently it is exposed to exchange rate fluctuations. At September 30, 2019, accounts payable and accrued liabilities include liabilities of US$30,670. The effect of a foreign currency increase or decrease of 10% on this commitment and liability has been disclosed in Section 14) – "Financial instruments". The Company had nominal foreign currency denominated fund balances as at September 30, 2019 and September 30, 2018.

18) Outlook

During fiscal 2019, private placements and option and warrant exercises boosted the treasury by $1.5 million. This has enabled the Company to execute exploration programs on its Wyoming and Washington Jade properties consisting of airborne geophysical, trenching, mapping and sampling. The programs have resulted in the extraction of many high-quality samples for evaluation and testing with relatively minimal exploration costs and low environmental disturbance. The two option agreements that the Company had entered into in Washington and Wyoming respectively, were fully bought out, subject to NSR, during fiscal 2019 in recognition of the promising exploration results on the properties. The Company is pleased that field investigations of anomalies that were highlighted by airborne geophysical surveys conducted on the Wyoming properties have been successful in tracing jade-bearing structures through alluvial cover and is optimistic that the sharp anomalies defined at the DJ property in Washington may also be very effective for tracing Jade-bearing structures in areas with extensive forest cover. The only material exploration planned for 2020 will occur on the Wyoming and Washington properties.

- The work conducted in 2019 on the DJ Washington property has drastically increased the exploration potential of the Lode 2 target which was initially drilled over 30 meters of strike length. The trenching and sampling program in Washington confirmed a new in-situ surface nephrite jade occurrence, the widest found on the property to date. The drilling program conducted in October/November 2018 confirmed consistent intersections of Jade that correlates well with mapped surficial Jade. The Company is excited by the discovery of large masses of Rhodonite during its summer 2019 Jade exploration program. If the large block which was shipped to a renowned stone sculptor is considered suitable for carving, and results in a marketable piece of art being created, the Company will be able to begin to establish a value for this Rhodonite. A positive reception from the lapidary/carving industry would lead to further Rhodonite extraction on site.
- The results of the trenching and sampling program in Washington are currently being compiled and evaluated. The next phase of work on the DJ property, which is contingent upon the receipt of sufficient financing, will likely consist of a one week to ten day mechanized bulk sample (backhoe) program, aiming to recover a sufficient amount of jade materials for evaluation and marketing from the road accessible Lode 2 target, where unique chatoyant materials have been found to date. Such a program would have a budget of approximately $35,000-$45,000. Permitting for this stage may be required if a notice level exemption cannot be obtained from Forest Services for this planned next phase of work.
- The Company conducted its fall exploration program during September and October 2019 on the Wyoming Jade Fields involving mechanized trenches and sampling. All Wyoming Jade Fields projects are still active, with permitting in place until September 2020 to continue trenching on the properties. Over 22.7 tonnes of samples were collected demonstrating a full range of potential qualities from basic ornamental stones to carving and jewelry grade material. Subsequent to year end a further 10 claims were staked to encompass all known showings and all geophysically indicated alteration zones around the Company's main claim block. The Company continues to compile and evaluate data collected during this field program. The Company will design an appropriate exploration plan for the 2020 fiscal year once all results have been evaluated and the execution of the plan will be contingent upon adequate financing being available. The Company's immediate focus will be to continue to evaluate materials recovered during the September/October 2019 trenching program on the Rabbit property within the Wyoming Jade Fields. The Company will test the market for the Jade recovered and with information gained through sales and market response, will evaluate how best to target the various

types of jade in the continuation of its currently permitted trenching activities. A second phase of 2-3 weeks of focused trenching would be planned, contingent upon sufficient financing, with an estimated budget of from $150,000 to $200,000 assuming costs comparable to those incurred during the 2019 program. Refer also to 15) Legal Dispute as it pertains to claims made by the vendor of an optioned property within the Wyoming Jade Fields.

- During July 2019, the Company completed a one week fly in program of geological mapping and soil sampling on the Tell Property in the Yukon. The results of this program are currently being evaluated. There has been an increase in interest in the Rackla belt, which hosts the Tell property, as a result of significant silver, lead and zinc discoveries in the area. If the Company exploring in the same geological belt as Tell continues to have drilling success, there is good potential for the Tell property to attract third party financing or partners to take the property forward based on results obtained to date by the Company on this property. In order to move the property forward an exploration program including a helicopter property wide magnetic/electromagnetic geophysical survey, followed by a second round of diamond drilling would be planned with an estimated budget of $660,000. However, such a program would only take place given sufficient financing and is currently considered a third exploration priority behind the Jade exploration properties in Wyoming and Washington, USA. The Company will continue to investigate opportunities to option out its Tell property in order to expand exploration on the project without additional financing being required.
- Financially the Company has sufficient funds to finance projected operating expenses through the end of March, 2020. The Company is planning to reduce discretionary costs as much as possible, and Mr. Jutras has agreed to have his pay for work performed going forward deferred until the Company has raised money through an equity financing. All further exploration programs will be on hold until financing is secured. Once financing is obtained, after accounting for operating requirements, the planned Wyoming exploration detailed above will be the first priority, followed by the DJ Washington program.
- The Company has worked on increasing visibility and exposure and conducting pre-marketing in International communities through attendance at various trade events in the USA and China and further presentations and attendance at conferences in the US and Canada are scheduled for fiscal 2020.
- The Company will also work to expand current and potential investors' awareness of the Company's activities through social media, including its website which hosts videos and other relevant information.
- Subsequent to year-end the Company appointed Mr. Andrew Shaw as an advisor. Mr. Shaw is exceptionally knowledgeable about the Jade community in China and abroad and is a master carver himself. In Mr. Shaw's advisory capacity he will be eligible for a commission on future sales of material to third parties who have been introduced to the Company by Mr. Shaw during the term of the Advisory agreement.

19) Risks

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operation (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

The Company is a natural resource company engaged in the acquisition, exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of exploration, the following risk factors, among others, should be considered:

- **Exploration, development and operating risks**
  The Company is in the process of exploring its properties and has not yet determined whether its properties contain economically recoverable reserves and, therefore, does not generate any revenues from production. The recovery of expenditures on mineral properties and the related deferred

exploration expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its properties, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

- **Substantial capital requirements and liquidity**
  Substantial additional funds to pursue the Company's potential mineral exploration beyond currently planned expenditures may be required should exploration results indicate that future work may be warranted on any one project, and should any such funding not be fully generated from operations. No assurances can be given that the Company will be able to raise the additional funds that may be required for such activities, should such funds not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operation and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

- **Fluctuating mineral prices**
  The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Company's properties.

- **Regulatory, permit and license requirements**
  The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the Properties will be obtainable on reasonable terms, or that such laws and regulation will not have an adverse effect on any exploration or development project which the Company might undertake.

  Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

- **Financing risks and dilution to shareholders**
  The Company has limited financial resources, no operations and no revenues. If the Company's exploration program on it properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.

- **Title to properties**
  Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Optionors or the Company, as the case may be does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any minerals on its properties without compensation for its prior expenditures relating to its properties.

- **Competition**
  The mineral exploration and development industry is highly competitive. The Company will have to compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of mineral claims, leases and other mineral interest as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.

- **Reliance on management and dependence on key personnel**
  The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

- **Environmental risks**
  The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that drill sites and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increase capital expenditures and operating costs.

- **Conflicts of interest**
  Certain of the Directors and Officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of the Company may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

- **Uninsurable risks**
  Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the company's shares.

- **Litigation**
  The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

20) Critical Accounting Estimates

The most significant accounting estimate for the Company relates to the carrying value of its exploration and evaluation assets. Exploration and evaluation assets consist of the capitalized costs of exploration on, and acquisition of, mining concessions. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sales or abandonments. The estimated values of exploration and evaluation assets are evaluated by management on a regular basis to determine whether facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Reference is made to project economics, including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others, financing, the extent to which optionees have committed, or are expected to commit to, exploration on the property and the imminent expiry of right to explore, among other factors. When it becomes apparent that the carrying value of a specific property will not be realized an impairment provision is made for the estimated decline in value.

The Company's estimate for decommissioning obligations is based on existing laws, contracts or other policies. The value of the obligation is based on estimated future costs for abandonments and reclamations which require that certain assumptions be made. By their nature, these estimates are subject to measurement uncertainty.

The Company uses the Black-Scholes Option Pricing Model to value stock options and warrants. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted and vested, or warrants issued, during the year.

The Company estimates the fair value of its short-term equity investments at each period end as they are carried at fair value in the Statements of Financial Position. The Company uses the closing price of the common shares on the period-end date and uses the Black-Scholes Option Pricing Model discussed above to estimate the value of its investment in warrants. The price at which these instruments can ultimately be sold will vary from these estimates due to the timing of their sale, the volume of trading in securities at any given time and changes in the market over time, among other factors.

21) New Accounting Policies

The Company adopted IFRS 15, with no impact to the consolidated financial statements during the year ended September 30, 2019.

IFRS accounting standards, interpretations and amendments subsequent to period-end

Certain new accounting standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for periods subsequent to those disclosed in the financial statements. They include the following, but do not include updates that are not applicable or are not consequential to the Company's operations:

IFRS 16 – Leases

According to IFRS 16, all leases will be on the balance sheet of lessees, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The standard is required to be adopted either retrospectively or using a modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information as it recognizes the cumulative effect of applying the standard to prior periods as an adjustment to opening retained earnings.

The Company will adopt IFRS 16 on October 1, 2019 using the modified retrospective approach and applying certain practical expedients available upon transition. The Company intends to apply a practical expedient that allows the Company to apply a recognition exemption for leases with remaining lease terms of less than 12 months and leases of low value on the transition date. The payments of these leases will be disclosed in the notes to the financial statements. The Company also intends to apply a practical expedient which allows the right-of-use asset recognized on transition to equal the lease liability recorded versus recognizing the carrying amount of the right-of-use asset as if IFRS 16 had been applied since the commencement date of the lease. This practical expedient is available on a lease by lease basis and the Company intends to apply it to leases that are not individually significant. In addition, any provision for onerous contracts previously recognized will be applied to the associated right of use asset recognized upon transition to IFRS 16 on transition date. In these cases, there will be no impairment assessment made under IAS 36 Impairment of Assets.

The Company believes that in the immediate term there will be no impact on its financial reporting as the only lease the Company has is its office lease which is subject to recognition exemptions. When the current office lease expires in April, 2020, the new policy will be applied to any new office lease that the Company enters into if it is not subject to recognition exemptions.

22) Subsequent events and contingent liability

Refer to 15) Legal Dispute for legal actions taken subsequent to year end.

On November 19, 2019, the Company granted 150,000 options that were valued at $30,840 and 125,000 options that were valued at $20,140. Refer to Section 14) "Share capital, warrants and stock options" for further information.

On December 2, 2019, the Company granted a two year extension to the terms of 393,750 warrants and 106,250 warrants expiring on December 28, 2019 and January 11, 2020 respectively. Refer to Section 14) "Share capital, warrant and stock options" above for more information.

23) Other

Additional information relating to the Company may be found on SEDAR at www.sedar.com.