

**Jade Leader Corp.**

(Formerly Manson Creek Resources Ltd.)

**Condensed Interim Consolidated Financial Statements**

(Expressed in Canadian Dollars)

Three and Six Months Ended March 31, 2018

(Unaudited)

# Jade Leader Corp.

(Formerly Manson Creek Resources Ltd.)

(Unaudited - prepared by management)

For The Three and Six Months Ended March 31, 2018

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May 28, 2018

## **MANAGEMENT'S RESPONSIBILITY FOR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of Jade Leader Corp. ("Jade Leader") (formerly Manson Creek Resources Ltd.) are the responsibility of the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with Jade Leader's audited annual consolidated financial statements and notes thereto for the year ended September 30, 2017. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in Jade Leader's most recent audited annual financial statements, except as described in Note 3 "Significant accounting policies". Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to Jade Leader's circumstances. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 "Interim Financial Reporting" using accounting policies consistent with IFRS appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited operations and cash flows of Jade Leader, as of the date of and for the period presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfils its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the financial statements and the auditors' report. The Audit Committee also reviews Jade Leader's Management Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholder.

Management recognizes its responsibility for conducting Jade Leader's affairs in compliance with established financial standards, and applicable laws and regulation, and for maintaining proper standards of conduct for its activities.

"Jean-Pierre Jutras"

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Jean-Pierre Jutras  
President/Director

"Shari Difley"

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Shari Difley  
Chief Financial Officer

## **AUDITOR INVOLVEMENT**

The accompanying unaudited condensed interim consolidated financial statements of Jade Leader have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the six months ended March 31, 2018 have not been reviewed by Jade Leader's auditors.

# Jade Leader Corp.

(Formerly Manson Creek Resources Ltd.)

## Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at March 31, 2018 and September 30, 2017

(Unaudited - prepared by management)

	March 31, 2018	September 30 2017
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash at bank (Note 5)	\$ 172,446	\$ 204,953
Accounts receivable (Note 6)	12,924	3,870
Mining exploration tax credit receivable (Note 8)	5,288	-
Prepaid expenses	9,532	12,647
Short-term investments (Note 7)	-	1
	<u>200,190</u>	<u>221,471</u>
<b>Non-current Assets</b>		
Exploration and evaluation assets (Note 8)	541,130	491,852
Equipment and software (Note 9)	2,519	2,806
	<u>543,649</u>	<u>494,658</u>
<b>TOTAL ASSETS</b>	<b>\$ 743,839</b>	<b>\$ 716,129</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current Liabilities</b>		
Deferred sublease revenue	\$ -	\$ 913
Accounts payable and accrued liabilities (Note 10)	18,893	28,625
	<u>18,893</u>	<u>29,538</u>
<b>Non-current Liabilities</b>		
Decommissioning obligation (Note 11)	12,750	12,750
Deferred sublease revenue	913	-
	<u>13,663</u>	<u>12,750</u>
<b>TOTAL LIABILITIES</b>	<b>32,556</b>	<b>42,288</b>
<b>EQUITY</b>		
Share capital (Note 12)	12,701,492	12,619,161
Reserves	2,590,978	2,034,622
Deficit	(14,581,187)	(13,979,942)
<b>TOTAL EQUITY</b>	<b>711,283</b>	<b>673,841</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>\$ 743,839</b>	<b>\$ 716,129</b>

Nature of operations (Note 1)

Approved by the Board

"Jean-Pierre Jutras"

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Jean-Pierre Jutras Director

"Shane Ebert"

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Shane Ebert Director

See accompanying notes to the financial statements.

# Jade Leader Corp.

(Formerly Manson Creek Resources Ltd.)

## Condensed Interim Consolidated Statements of Net and Comprehensive Loss

(Expressed in Canadian Dollars)

For the three and six month periods ended March 31, 2018 and 2017

(Unaudited - prepared by management)

	Three months ended		Six months ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Expenses</b>				
General and administrative (Note 14)	\$ 489,023	\$ 27,905	\$ 565,485	\$ 47,802
Reporting to shareholders	14,394	(1,009)	17,137	1,994
Professional fees	11,646	1,946	16,033	1,946
Stock exchange and transfer agent fees	4,344	3,367	6,788	5,482
Depreciation	143	11	287	22
Pre-acquisition costs	4,922	-	4,922	660
<b>Loss before other items</b>	<b>524,472</b>	<b>32,220</b>	<b>610,652</b>	<b>57,906</b>
<b>Other items</b>				
Sublease revenue	(4,501)	(6,000)	(9,198)	(12,014)
Interest and other	(142)	(81)	(210)	(228)
Loss from short-term investments	1	-	1	-
	<b>(4,642)</b>	<b>(6,081)</b>	<b>(9,407)</b>	<b>(12,242)</b>
<b>Net loss and comprehensive loss</b>	<b>\$ 519,830</b>	<b>\$ 26,139</b>	<b>\$ 601,245</b>	<b>\$ 45,664</b>
<b>Basic and diluted loss per share</b> (Note 16)	<b>\$ (0.02)</b>	<b>\$ 0.00</b>	<b>\$ (0.02)</b>	<b>\$ 0.00</b>
<b>Weighted average shares outstanding - basic and diluted</b> (Note 16)	<b>32,823,281</b>	<b>25,413,559</b>	<b>32,347,029</b>	<b>24,823,815</b>

**Nature of operations** (Note 1)

See accompanying notes to the financial statements.

# Jade Leader Corp.

(Formerly Manson Creek Resources Ltd.)

## Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

For the three and six month periods ended March 31, 2018 and 2017

(Unaudited - prepared by management)

	Three months ended		Six months ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Increase (decrease) in cash at bank</b>				
<b>Operating activities</b>				
Cash received from sublease revenue	\$ 4,501	\$ 6,000	\$ 9,198	\$ 12,014
Cash paid to suppliers and contractors (Note 19)	(121,002)	(26,607)	(178,836)	(54,075)
<b>Cash used in operating activities</b>	<b>(116,501)</b>	<b>(20,607)</b>	<b>(169,638)</b>	<b>(42,061)</b>
<b>Investing activities</b>				
Interest and other income received	142	81	210	228
Cash expended on exploration and evaluation asset additions	(25,275)	(4,865)	(54,566)	(4,865)
<b>Cash used in investing activities</b>	<b>(25,133)</b>	<b>(4,784)</b>	<b>(54,356)</b>	<b>(4,637)</b>
<b>Financing Activities</b>				
Share capital and warrant issue proceeds	42,500	350,000	200,000	350,000
Cash share issue costs	(2,862)	(16,921)	(8,513)	(16,921)
<b>Cash provided by financing activities</b>	<b>39,638</b>	<b>333,079</b>	<b>191,487</b>	<b>333,079</b>
<b>Increase (decrease) in cash at bank</b>	<b>(101,996)</b>	<b>307,688</b>	<b>(32,507)</b>	<b>286,381</b>
<b>Cash at bank</b>				
Beginning of period	274,442	16,837	204,953	38,144
End of period	\$ 172,446	\$ 324,525	\$ 172,446	\$ 324,525

### Supplementary information:

#### Interest and taxes

During the three and six month periods ended March 31, 2018 and March 31, 2017, the Company did not expend cash on interest or taxes.

#### Non-cash transactions:

##### 2018

During the three and six month periods ended March 31, 2018, the Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments in the amounts of \$429,700 and \$447,200 respectively. The value of the stock-based payments is included in general and administrative expenses (Note 15 - "Share-based payment transactions").

##### 2017

During the three and six month period ended March 31, 2017, there were no non-cash transactions.

See accompanying notes to the financial statements.

## Jade Leader Corp.

(Formerly Manson Creek Resources Ltd.)

### Condensed Interim Consolidated Statement of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

	Reserves						Total \$
	Common Share Capital \$	Equity-Settled share based payment \$	Warrants \$	Other \$	Total Reserves \$	Deficit \$	
<b>Balance, September 30, 2016</b>	<b>12,404,263</b>	<b>69,620</b>	<b>55,939</b>	<b>1,765,768</b>	<b>1,891,327</b>	<b>(13,845,951)</b>	<b>449,639</b>
Net and comprehensive loss for the period	-	-	-	-	-	(45,664)	(45,664)
Private placement share and warrant issue	220,646	-	129,354	-	129,354	-	350,000
Share issuance costs	(18,671)	-	-	-	-	-	(18,671)
<b>Balance, March 31, 2017</b>	<b>12,606,238</b>	<b>69,620</b>	<b>185,293</b>	<b>1,765,768</b>	<b>2,020,681</b>	<b>(13,891,615)</b>	<b>735,304</b>
Net and comprehensive loss for the period	-	-	-	-	-	(88,327)	(88,327)
Private placement share and warrant issue	16,059	-	13,941	-	13,941	-	30,000
Share issuance costs	(3,136)	-	-	-	-	-	(3,136)
Options expired	-	(400)	-	400	-	-	-
<b>Balance, September 30, 2017</b>	<b>12,619,161</b>	<b>69,220</b>	<b>199,234</b>	<b>1,766,168</b>	<b>2,034,622</b>	<b>(13,979,942)</b>	<b>673,841</b>
Net and comprehensive loss for the period	-	-	-	-	-	(601,245)	(601,245)
Warrants expired	-	-	(55,939)	55,939	-	-	-
Options issued, October 20, 2017	-	17,500	-	-	17,500	-	17,500
Private placement share and warrant issue	90,844	-	109,156	-	109,156	-	200,000
Share issuance costs	(8,513)	-	-	-	-	-	(8,513)
Options issued, January 16, 2018	-	277,200	-	-	277,200	-	277,200
Options issued, February 22, 2018	-	57,000	-	-	57,000	-	57,000
Options issued, March 14, 2018	-	95,500	-	-	95,500	-	95,500
<b>Balance, March 31, 2018</b>	<b>12,701,492</b>	<b>516,420</b>	<b>252,451</b>	<b>1,822,107</b>	<b>2,590,978</b>	<b>(14,581,187)</b>	<b>711,283</b>

\*\*"Other reserves" is comprised of the aggregate of the carrying value of escrow shares that were cancelled for no proceeds and the value of options and warrants that expired without exercise. These values were relieved from common share capital, share based payment reserve and warrants reserve respectively upon the cancellation/expiry of the equity instrument.

See accompanying notes to the financial statements.

# Jade Leader Corp.

(formerly Manson Creek Resources Ltd.)

## Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2018

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### 1. Nature of operations

Jade Leader Corp. ("Jade Leader" or "the Company") (formerly Manson Creek Resources Ltd ) is engaged in the business of mineral exploration and development in Canada. 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. Effective at the opening of trading on March 21, 2018, the common shares of Jade Leader commenced trading on the TSX Venture Exchange under the symbol JADE and the common shares of Manson Creek Resources Ltd. were delisted.

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 mineral properties contain ore reserves that are economically recoverable.

Mineral properties are recognized in these financial statements in accordance with the accounting policies outlined in Note 3(f) "Exploration and evaluation assets" of the audited annual consolidated financial statements for the year ended September 30, 2017. 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 further exploration initiatives and/or 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 condensed interim consolidated financial statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting", using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretation of the International Reporting Interpretations Committee ("IFRIC") and are presented in Canadian dollars.

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments described in Note 13 and decommissioning obligations described in Note 11. 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.

#### b) Principles of consolidation

The unaudited condensed interim 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 8 - "Exploration and evaluation assets" for more information). All intercompany transactions and balances have been eliminated on consolidation. 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.

# Jade Leader Corp.

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## Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2018

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### 3. Significant accounting policies

The financial framework and accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those disclosed in its most recently completed audited annual consolidated financial statements for the year ended September 30, 2017.

#### a) New accounting policies

Jade Leader did not adopt any new accounting policies during the six month period ended March 31, 2018.

#### b) New accounting standards and interpretations

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 financial statements. Many are not applicable or do not have a significant impact to the Company and have been excluded from below. They include the following:

##### i) IFRS 9 - Financial Instruments

"Financial instruments", and consequential amendments to other related standards, are effective for accounting periods commencing on or after January 1, 2018. However, new amendments related to IFRS 9 were issued in November 2013 and were applied prospectively in the financial statements for the 2014 year, as the Company early-adopted this section. These amendments relate to hedging and own credit risk, to which the Company is not exposed, therefore these amendments did not have a significant impact on its financial reporting.

### 4. Significant accounting judgements and estimates

The preparation of these unaudited condensed interim consolidated financial statements may require management to make certain estimates, judgements and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the 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 financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Adjustments resulting from 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 and future economic conditions and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Significant estimates include:

- the carrying value of investments and the recoverability of the carrying value which is included in the balance sheet;
- the carrying values of exploration and evaluation assets and equipment and software that are included in the statement 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 and comprehensive loss; (refer to Note 1);
- the estimate of the amount of decommissioning obligation and the inputs used in determining the net present value of the liabilities for decommissioning obligations included in the statement of financial position;



# Jade Leader Corp.

(formerly Manson Creek Resources Ltd.)

## Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2018

### 4. Significant accounting judgements and estimates (continued)

- the value of share-based compensation expense in the statement of loss and comprehensive loss and the value of warrants that have been issued in connection with private placements and are included in the statement 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.

### 5. Cash at bank

Cash at bank is comprised of current bank accounts.

### 6. Accounts receivable

	March 31, 2018	September 30, 2017
Related party receivables	\$ 6,369	\$ 1,071
Sales tax receivables	6,555	2,799
	\$ 12,924	\$ 3,870

### 7. Short-term investments

	March 31, 2018	September 30, 2017
<b>North Sur Resources Inc.</b>		
<b>Common Shares</b> (March 31, 2018 - 200,000, September 30, 2017- 200,000)	\$ -	\$ 1

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. The investment has consequently been written-off.

### 8. 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 March 31, 2018 are \$100,943 and \$Nil, respectively (September 30, 2017 - \$47,319 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 portion of the claims under option require a total of US\$86,000 in property payments, (US\$6,000 of which has been paid for the first year and \$15,000 of which was paid subsequent to March 31, 2018), and 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"). Additional claims staked around the initial claims optioned fall within an area of mutual

# Jade Leader Corp.

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## Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2018

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### 8. Exploration and evaluation assets (continued)

#### DJ Jade Project, Washington State, USA (continued)

interest and are considered part of the original Option Agreement. Refer to Note 18 - "Commitments" for the remaining terms of the agreement.

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.

A two week Phase 1 reconnaissance program of initial mapping, prospecting and sampling was conducted in the latter part of fiscal 2017. Picket grids were established in the field over the first two target areas (Lode 1 and Lode 2) to situate and plot geological observations and sample site locations. Subsequent to its phase 1 reconnaissance program, the Company moved forward to complete an initial phase of mechanized jade sampling on both the previously identified Jade lodes, as well as hand trenching exposing a new nephrite bearing Jade lode south of Lode 2.

The Company is working to secure the required drilling permits with the local National Forest Service Office for the DJ Jade project in order to conduct initial drill testing of jade lodes already identified at surface.

#### 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. The property consists of a combination of both Lode and Placer claims, is easily accessible through an existing network of logging roads and is located approximately 20 kilometres north of the town of Likely, BC. The gross costs and impairments recorded to the Keithly Mountain property as at March 31, 2018, are \$17,854 and \$Nil, respectively (September 30, 2017 - \$21,892 and \$Nil, respectively).

While the geology of the region is widely known to be prospective for commodities such as gold, copper and nickel, the focus of exploration in this instance will be for Nephrite Jade of which there are historical showings and reports in the area. The property covers approximately 6.5 kilometres of strike length along a favourable package of metamorphosed serpentinites and sediments, with significant thrust faulting, all elements which are critical in the formation of Jade.

#### Tell, Yukon

The Company acquired 100% of the expanded Tell mineral property through staking. The Company holds 235 claims covering slightly in excess of 4,900 hectares located approximately 140 kilometres east of Mayo, Yukon. The data collected during the 2015 short program continues to suggest 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. The gross costs and impairments recorded to the Tell project at March 31, 2018 are \$422,333 and \$Nil, respectively (September 30, 2017 - \$422,641 and \$Nil, respectively).

# Jade Leader Corp.

(formerly Manson Creek Resources Ltd.)

## Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2018

### 8. Exploration and evaluation assets (continued)

A summary of exploration and evaluation expenditures by category for the six month period ended March 31, 2018 and the year ended September 30, 2017 appears below:

Six month period, March 31, 2018	Washington, USA		British Columbia	Yukon
	Total	DJ Jade Project	Keithly Mountain	Tell
	\$	\$	\$	\$
<b>Balance at September 30, 2017</b>	<b>356,539</b>	22,725	17,626	316,188
Geological consulting	20,548	19,298	1,250	-
Geophysical	24,025	24,025	-	-
Field costs	3,404	3,404	-	-
Travel costs	6,897	6,897	-	-
WCB	(308)	-	-	(308)
Mining exploration tax credit	(5,288)	-	(5,288)	-
<b>Balance, March 31, 2018</b>	<b>405,817</b>	76,349	13,588	315,880
<b>Property acquisition costs:</b>				
<b>Balance September 30, 2017 and March 31, 2018</b>	<b>135,313</b>	24,594	4,266	106,453
<b>Total exploration and evaluation assets March 31, 2018</b>	<b>541,130</b>	100,943	17,854	422,333
Year ended September 30, 2017	Washington, USA		British Columbia	Yukon
	Total	DJ Jade Project	Keithly Mountain	Tell
	\$	\$	\$	\$
<b>Balance at September 30, 2016</b>	<b>315,990</b>	-	-	315,990
Geological consulting	26,895	14,000	12,520	375
Field costs	4,026	210	3,816	-
Travel costs	9,805	8,515	1,290	-
WCB	(177)	-	-	(177)
<b>Balance, September 30, 2017</b>	<b>356,539</b>	22,725	17,626	316,188
<b>Property acquisition costs:</b>				
<b>Balance September 30, 2016</b>	<b>106,203</b>	-	-	106,203
Acquisition costs incurred	29,110	24,594	4,266	250
<b>Balance, September 30, 2017</b>	<b>135,313</b>	24,594	4,266	106,453
<b>Total exploration and evaluation assets September 30, 2017</b>	<b>491,852</b>	47,319	21,892	422,641

The Company applied for a British Columbia mining exploration tax credit in the amount of \$5,288 for qualified expenditures in 2017 totalling \$17,626, related to the Keithly Mountain project.

# Jade Leader Corp.

(formerly Manson Creek Resources Ltd.)

## Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2018

### 9. Equipment and software

	Equipment and software		
	Cost	Accumulated Depreciation	Net Book Value
Balance, September 30, 2016	\$ 4,555	\$ (4,466)	\$ 89
Additions	2,907	-	2,907
Depreciation	-	(190)	(190)
Balance, September 30, 2017	\$ 7,462	\$ (4,656)	\$ 2,806
Depreciation	-	(287)	(287)
Balance, March 31, 2018	\$ 7,462	\$ (4,943)	\$ 2,519

### 10. Accounts payable and accrued liabilities

	March 31, 2018	Sept 30, 2017
Trade payables	\$ 7,501	\$ 1,852
Due to related parties	11,089	6,252
Accrued liabilities	-	20,000
Sales tax payable	303	521
	\$ 18,893	\$ 28,625

### 11. Decommissioning obligation

There were no changes in the decommissioning obligation for the six month period ended March 31, 2018 and the year ended September 30, 2017.

Six months ended March 31, 2018:	Yukon
	Tell
Balance at September 30, 2017 and March 31, 2018	\$ 12,750
Year ended September 30, 2017:	Yukon
	Tell
Balance at September 30, 2016 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 obligations as at the respective period ends for current and future decommissioning obligations and restoration costs. The March 31, 2018 period end present value of the decommissioning obligation was determined using a risk-free rate of 1.77% (September 30, 2017 - 1.52%) and an inflation rate of 2.10% (September 30, 2017 - 1.5%). The Company will not incur these costs until it gives up its legal right to explore the property or the current land use permits expire (between October 2019 and May 2022), at which time the reclamation must be completed. No accretion expense has been recorded in both the current and comparative periods because the amount is considered to be immaterial.

### 12. 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

## Jade Leader Corp.

(formerly Manson Creek Resources Ltd.)

### Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2018

#### 12. Share capital, stock options and warrants (continued)

##### b) Issued and outstanding common share capital

	Shares	Value \$
<b>Balance, as at September 30, 2017</b>	<b>31,846,892</b>	<b>12,619,161</b>
Private placement - December 28, 2017	787,500	157,500
Value of warrants included in private placement	-	(80,004)
Share issuance costs	-	(5,651)
Private placement - January 11, 2018	212,500	42,500
Value of warrants included in private placement	-	(29,152)
Share issuance costs	-	(2,862)
<b>Balance, as at March 31, 2018</b>	<b>32,846,892</b>	<b>12,701,492</b>

	Shares	Value \$
<b>Balance, as at September 30, 2016</b>	<b>24,246,892</b>	<b>12,404,263</b>
Private placement - March 24, 2017	7,000,000	350,000
Value of warrants included in private placement	-	(129,354)
Share issuance costs	-	(18,671)
Private placement - April 17, 2017	600,000	30,000
Value of warrants included in private placement	-	(13,941)
Share issuance costs	-	(3,136)
<b>Balance, as at September 30, 2017</b>	<b>31,846,892</b>	<b>12,619,161</b>

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 229.92%, 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 230.56%, a risk free rate of 1.76%, a two year warrant life, and a 0% dividend rate.

On March 24, 2017, the Company partially closed a non-brokered private placement share and warrant issue for aggregate gross proceeds of \$350,000. The placement was comprised of 7,000,000 common units at \$0.05 per unit. 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 \$0.10 per share until March 24, 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 277.90%, a risk free rate of 0.74%, a two year warrant life, and a 0% dividend rate.

# Jade Leader Corp.

(formerly Manson Creek Resources Ltd.)

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(Expressed in Canadian Dollars)

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Three and Six Months Ended March 31, 2018

### 12. Share capital, stock options and warrants (continued)

#### b) Issued and outstanding common share capital (continued)

On April 17, 2017, the Company closed a private placement share and warrant issue for an additional 600,000 common units at \$0.05 per unit comprised of 600,000 common shares and 300,000 common share purchase warrants for gross aggregate proceeds of \$30,000. 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 \$0.10 per share until April 17, 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 276.15%, a risk free rate of 0.73%, a two year warrant life, and a 0% dividend rate.

Subsequent to March 31, 2018 and prior to the date of these financial statements there were no shares issued and none cancelled and returned to treasury.

#### c) Stock options outstanding

<u>Expiry</u>	<u>Number of shares</u>		<u>Exercise</u>
	<u>Mar 31, 2018</u>	<u>Sept 30, 2017</u>	<u>Price</u>
July 10, 2019	895,000	895,000	\$0.10
July 13, 2019	130,000	130,000	\$0.10
October 19, 2022	125,000	-	\$0.14
January 15, 2021	795,000	-	\$0.36
February 21, 2022	150,000	-	\$0.38
March 13, 2021	280,000	-	\$0.34
	<u>2,375,000</u>	<u>1,025,000</u>	

#### d) Stock option transactions

<b>Balance, September 30, 2017</b>	1,025,000	\$0.10
Issued October 20, 2017	125,000	\$0.14
Issued January 16, 2018	795,000	\$0.36
Issued February 22, 2018	150,000	\$0.38
Issued March 14, 2018	280,000	\$0.34
<b>Balance, March 31, 2018</b>	<u>2,375,000</u>	<u>\$0.24</u>

Refer to Note 15 - "Share-based payment transactions" for more information regarding the options issued during the three and six month periods ended March 31, 2018.

Subsequent to March 31, 2018 and prior to the date of these financial statements 230,000 stock options exercisable at \$0.10 per share, expiring July 10, 2019 were exercised for total proceeds of \$23,000. There were no further changes to stock options.

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 price of the options granted under the Plan will not be less than that from time to time permitted under the rules of the TSX Venture Exchange or other exchanges on which the shares are then listed, which price reflects trading values at that time.

# Jade Leader Corp.

(formerly Manson Creek Resources Ltd.)

## Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2018

### 12. Share capital, stock options and warrants (continued)

#### d) Stock option transactions (continued)

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 period ends have vested.

#### e) Warrant transactions and warrants outstanding

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

Six months ended March 31, 2018					
Exercise Price	Expiry	Balance Sept 30, 2017	Warrants Issued	Warrants Expired	Balance March 31, 2018
\$0.50	November 1, 2017	500,000	-	500,000	-
\$0.10	March 24, 2019	3,500,000	-	-	3,500,000
\$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
<b>Total</b>		<b>4,300,000</b>	<b>500,000</b>	<b>500,000</b>	<b>4,300,000</b>

  

Year ended September 30, 2017					
Exercise Price	Expiry	Balance Sept 30, 2016	Warrants Issued	Warrants Expired	Balance Sept 30, 2017
\$0.50	November 1, 2017	500,000	-	-	500,000
\$0.10	March 24, 2019	-	3,500,000	-	3,500,000
\$0.10	April 17, 2019	-	300,000	-	300,000
<b>TOTAL</b>		<b>500,000</b>	<b>3,800,000</b>	<b>-</b>	<b>4,300,000</b>

Subsequent to March 31, 2018 and prior to the approval date of these financial statements no warrants were issued and none expired nor were exercised.

### 13. 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.

Level 1 has been utilized to value common shares included in short-term investments

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## Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2018

### 13. Financial instruments (continued)

The following summarizes the categories of the various financial instruments:

	March 31, 2018	September 30, 2017
	Carrying Value	
<b>Financial assets measured at amortized cost:</b>		
Cash at bank	\$ 172,446	\$ 204,953
Accounts receivable	6,369	1,071
	<u>\$ 178,815</u>	<u>\$ 206,024</u>
<b>Financial assets measured at fair value:</b>		
Short-term investments	-	1
<b>Financial liabilities measured at amortized cost:</b>		
Accounts payable and accrued liabilities	\$ 18,590	\$ 28,104

The above noted financial instruments are exclusive of any sales 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 no foreign currency denominated fund balances. Consequently, variations in exchange rates will not result in foreign exchange gains or losses at this point in time.

### 14. General and administrative

	Three months ended		Six months ended	
	Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
Administrative consulting fees	\$ 21,143	\$ 7,668	\$ 38,925	\$ 10,713
Occupancy costs	9,075	12,163	18,470	24,191
Office, secretarial and supplies	14,747	2,750	26,859	3,824
Travel and promotion	10,617	1,711	25,609	1,711
Insurance	2,445	2,370	6,015	4,739
Computer network and website maintenance	290	304	581	591
Stock-based compensation	429,700	-	447,200	-
Miscellaneous	1,006	939	1,826	2,033
	<u>\$ 489,023</u>	<u>\$ 27,905</u>	<u>\$ 565,485</u>	<u>\$ 47,802</u>

### 15. Share-based payment transactions

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 \$17,500 incorporating the Black-Scholes Option Pricing model assuming a 5 year term, volatility of 283.07%, 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 \$277,200 incorporating the Black-Scholes Option Pricing model assuming a 3 year term, volatility of 247.25%, a risk free discount rate of 1.83% and a dividend rate of 0%.



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### 15. Share-based payment transactions (continued)

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 \$57,000 incorporating the Black-Scholes Option Pricing model assuming a 4 year term, volatility of 305.43%, a risk free discount rate of 2.09% and a dividend rate of 0%.

On March 14, 2018, the Company granted 280,000 options that may be exercised at \$0.34 per share to March 31, 2021. The options were valued at \$95,500 incorporating the Black-Scholes Option Pricing model assuming a 3 year term, volatility of 294.09%, a risk free discount rate of 1.88% and a dividend rate of 0%.

There were no share-based payment transactions during the year ended September 30, 2017.

### 16. Loss per share

The following adjustments were made in arriving at diluted weighted average number of common shares for the three and six months ended March 31:

	Three months ended		Six months ended	
	Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
<b>Weighted average number of common shares</b>	<b>32,823,281</b>	25,413,559	<b>32,347,029</b>	24,823,815
Effect of dilutive securities:				
Stock options	-	-	-	-
Warrants	-	-	-	-
<b>Diluted</b>	<b>32,823,281</b>	25,413,559	<b>32,347,029</b>	24,823,815
<b>Loss per share</b>				
Basic and diluted	\$ <b>(0.02)</b>	\$ 0.00	\$ <b>(0.02)</b>	\$ 0.00

The dilutive effect of stock options and warrants is calculated using the treasury stock method. This method calculates 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 losses for the three and six month periods ended March 31, 2018 and 2017, no dilution resulted.

### 17. Related party balances and transactions and key management remuneration

The Company is considered a related party to CANEX Metals Inc. ("CANEX Metals") because of its common directors, officers and key management personnel that have some direct financial interest in both the Company and CANEX Metals. In addition, related parties also include members of the Board of Directors, officers and their close family members as well as corporations over which they have control. 635280 Alberta Ltd., a company controlled by Jean-Pierre Jutras, a 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 considered related parties.

# Jade Leader Corp.

(formerly Manson Creek Resources Ltd.)

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Three and Six Months Ended March 31, 2018

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

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

Transactions:	Note	Three months ended March 31		Six months ended March 31	
		2018	2017	2018	2017
<b>Key management remuneration:</b>					
President and Director	a)	\$ (17,625)	\$ (7,125)	\$ (32,563)	\$ (7,125)
Corporate Secretary	c)	(11,655)	(720)	(22,309)	(1,620)
Total Management Remuneration		\$ (29,280)	\$ (7,845)	\$ (54,872)	\$ (8,745)
<b>Other related party transactions:</b>					
<b>CANEX Metals</b>					
Sublease revenue	b)	\$ 4,501	\$ 6,000	\$ 9,198	\$ 12,014
General and administrative and secretarial costs	b)	\$ 1,565	\$ 870	\$ 2,311	\$ 2,491
General and administrative and secretarial costs	b)	\$ (1,800)	\$ (937)	\$ (2,015)	\$ (1,365)
<b>Lunacees Enterprises Ltd</b>					
Geological consulting services	d)	\$ -	\$ -	\$ (4,500)	\$ -
<b>Vector Resources Inc.</b>					
Geological consulting services	e)	\$ (1,250)	\$ -	\$ (1,250)	\$ -

Management compensation payable to "key management personnel" during the period ended March 31, 2018 and 2017 is reflected in the table above and consists of consulting fees paid or payable to the President, through 635280 Alberta Ltd, a company controlled by Jean-Pierre Jutras, and to the Corporate Secretary. Directors are not paid directors' fees. Officers and directors are compensated through the granting of options from time-to-time. Refer to Note 15 - "Share-based payment transactions" for detail relating to options issued during the three and six month periods ended March 31, 2018. There were no options granted to officers and directors during the six month period ended March 31, 2017. 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.

The following amounts were (payable to) or receivable from related parties at the respective period ends:

		March 31, 2018	September 30, 2017
<b>Balances receivable (owing)</b>			
<b>Office rent and operating costs</b>			
CANEX Metals	b	\$ 4,726	\$ -
<b>General and administrative and secretarial costs</b>			
CANEX Metals	b	\$ 1,643	\$ 887
CANEX Metals	b	\$ (1,890)	\$ (435)
Corporate secretary	c	\$ (1,681)	\$ -
Jean-Pierre Jutras	a	\$ (2,768)	\$ -
<b>Consulting fees</b>			
635280 Alberta Ltd.	a	\$ -	\$ (3,150)
Corporate secretary	c	\$ (3,500)	\$ (2,482)
Vector Resources Inc.	e	\$ (1,250)	\$ -

# Jade Leader Corp.

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

a) Consulting fees for the President's services were billed by 635280 Alberta Ltd. Consulting services that relate directly to mineral property exploration are capitalized to exploration and evaluation assets; the remainder is expensed. During the six month period ended March 31, 2018, \$5,000 (2017 - \$875) was capitalized to exploration and evaluation assets and \$27,563 (2017 - \$6,250) was expensed through general and administrative expenses.

b) During the six month periods ending March 31, 2018 and 2017, the Company incurred certain administrative expenses on CANEX Metals' behalf that were subsequently billed to CANEX Metals on a quarterly basis. Further, CANEX Metals 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 Metals. The Company renewed its sublease with CANEX Metals on May 1, 2018, terminating April 30, 2020. CANEX Metals and the Company share three common officers and two common directors.

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

d) During the six month period ended March 31, 2018, geological consulting services were provided by Lunacees Enterprise Ltd.

e) During the six month period ended March 31, 2018, geological consulting services were provided by Vector Resources Inc.

Amounts receivable pertain to billings plus applicable sales taxes for which payment has not been received and amounts payable reflect billings plus applicable sales taxes that were unpaid at the respective period ends. Related party transactions were measured at the amounts agreed to by the transacting parties.

### 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 include 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 (see Note 17 - "Related party balances and transactions and key management remuneration").

As at March 31, 2018, the committed lease costs to the termination of the lease are as follows:

	April 1 to September 30, 2018	October 1, 2018 to September 30, 2019	October 1, 2019 to April 30, 2020
	\$	\$	\$
Base lease cost	9,083	20,459	12,544
Expected additional rents	16,616	34,762	20,278
Total expected lease commitment	25,699	55,221	32,822
Expected sublease revenue	(9,329)	(18,789)	(10,960)
Net future rent	16,370	36,432	21,862

## Jade Leader Corp.

(formerly Manson Creek Resources Ltd.)

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#### 18. Commitments (continued)

b) Pursuant to the option agreement for the acquisition of the DJ Jade project, in Washington State, the Company is committed to the following payments and minimum exploration expenditures:

Due date	Option	Exploration
	Payments	Expenditures
	US\$	US\$
May 25, 2018	15,000*	10,000
May 25, 2019	15,000	20,000
May 25, 2020	20,000	20,000
May 25, 2021	30,000	30,000
Total	80,000	80,000

\* paid subsequent to period end

#### 19. Supplemental disclosure statement of cash flows

	Three months ended		Six months ended	
	March 31		March 31	
	2018	2017	2018	2017
Loss before other items	\$ (524,472)	\$ (32,220)	\$ (610,652)	\$ (57,906)
Depreciation	143	11	287	22
Stock based compensation	429,700	-	447,200	-
Changes in assets and liabilities pertaining to operations:				
Accounts receivable	(4,726)	(344)	(9,054)	5,585
Prepaid expenses	(1,756)	1,672	3,115	5,341
Accounts payable and accrued liabilities	(19,891)	4,274	(9,732)	(7,117)
Cash paid to suppliers and contractors	\$ (121,002)	\$ (26,607)	\$ (178,836)	\$ (54,075)

#### 20. Segment disclosures

During the current period ended March 31, 2018 and the comparative period ended March 31, 2017 as well as during the year ended September 30, 2017, the Company was engaged in mineral exploration and all exploration activities were undertaken in either 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 entirely of the exploration and evaluation assets located in Washington State; the DJ Jade Project. Refer to Note 8 for details of the carrying amount of this asset at the respective period ends. All remaining assets are associated with Canadian operations.

#### 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 and minerals. Refer to Note 1 "Nature of operations". Capital is defined as share capital, reserves and deficit. The Company has traditionally 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 will be investigated.

# Jade Leader Corp.

(formerly Manson Creek Resources Ltd.)

## Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2018

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### 21. Capital (continued)

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 that the Company may be exposed to from time to time, relates to flow-through shares. Pursuant to flow-through agreements entered into with flow-through share subscribers, the Company has committed 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 March 31, 2018 and September 30, 2017, there were no qualifying expenditures required by flow-through agreements, consequently there was no restricted cash at March 31, 2018 and September 30, 2017.

### 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) and cash held in Bankers' Acceptances and Term Deposits. The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at March 31, 2018 and September 30, 2017. The Company's cash 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 when 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 obtain adequate financing or to commence profitable operations in the future. The Company believes that it has sufficient working capital to meet its funding requirements for administrative and operating costs through fiscal 2018. However, an increase in activity levels, new property acquisitions and/or an expanded 2018 exploration program will require additional financing. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 - "Nature of operations".

#### c) Market risk

The Company's equity investments are subject to market price risk. These investments were received as proceeds for the sale of mineral properties. The Company does not invest excess cash in equity investments as a general rule. Investments in common shares are 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 has written-off its investments, (refer to Note 7 - "Short-term investments" for further information).

#### 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.

## **Jade Leader Corp.**

(formerly Manson Creek Resources Ltd.)

### **Notes to the Condensed Interim Consolidated Financial Statements**

(Expressed in Canadian Dollars)

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Three and Six Months Ended March 31, 2018

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#### **2. Financial risk management (continued)**

##### **e) Foreign exchange risk**

The Company undertakes transactions denominated in US currency; consequently, exposures to exchange rate fluctuations' arise. In fiscal 2018, a 10% increase or decrease in the US foreign exchange rate would result in an increase or decrease in expenditure commitments and option payments of \$10,300 Canadian each with respect to the DJ Jade Project acquisition (refer to Note 18 - "Commitments").

#### **23. Subsequent events**

On May 16, 2018, the Company announced that it intended to apply for regulatory approval for a warrant exercise incentive program (the "Program") designed to encourage the early exercise of up to 3,800,000 of its outstanding unlisted warrants (the "Warrants"). Under the proposed Program, the Company could have received a maximum of \$380,000 in additional capital. The Company subsequently received notification from the Exchange, that its application was declined; consequently the Program will not be initiated.

Refer to News Release 18-07 dated May 16, 2018 and News Release 18-08 dated May 28, 2018 for more information.

**JADE LEADER CORP.**  
Formerly MANSON CREEK RESOURCES LTD.  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2018**

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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") (formerly Manson Creek Resources Ltd, ("Manson")). The information included in this MD&A, with an effective date of May 28, 2018 should be read in conjunction with the Unaudited Condensed Interim Consolidated Financial Statements as at and for the three and six months ended March 31, 2018 ("Q2 2018") and related notes thereto as well as the annual audited consolidated financial statements for the year ended September 30, 2017 and related notes thereto. Effective at the opening of trading on March 21, 2018, the common shares of Jade Leader commenced trading on the TSX Venture Exchange under the symbol "JADE" and the common shares of Manson were delisted. 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](http://www.sedar.com).

The Company's Unaudited Condensed Interim Consolidated Financial Statements for the three and six months ended March 31, 2018 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and the IFRS accounting policies the Company adopted in its initial IFRS Annual Financial Statements as at and for the year ended September 30, 2017. The Company's accounting policies are provided in Note 3 "Summary of significant accounting policies" to the annual consolidated financial statements as at September 30, 2017.

The "Independent Qualified Person under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") for Manson'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.

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**2) Highlights - Three and six months ended March 31, 2018**

- a) During the six month period ended March 31, 2018, and subsequent to its phase 1 reconnaissance program, the Company moved forward to complete an initial phase of mechanized jade sampling on both the previously identified Jade lodes, as well as hand trenching that exposed a new nephrite bearing Jade lode south of Lode 2. (See News Release 17-7, dated October 2017, for more information).
- b) On October 23, 2017, the Company announced that it had appointed Dr. Peter Megaw as Technical Advisor to the Company as it moves forward with its Jade exploration focus. Mr. Megaw was granted stock options which may be exercised to acquire up to 125,000 common shares, at a price of \$0.14 per share until October 19, 2022. Refer to News Release 17-8 dated October 23, 2017 and Note 12 - "Share capital, stock options and warrants" to the Condensed Unaudited Interim Consolidated Financial Statements which accompany this document for more information.
- c) During the six month period ended March 31, 2018, 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.
- d) On December 28, 2017, the Company closed the first tranche of a private placement financing which was comprised of 787,500 Units at \$0.20 per unit. Each unit was comprised of one common share and one half of a common share purchase warrant. 787,500 shares and 393,750 warrants were issued for gross aggregate proceeds of \$157,500. For more information refer to Note 12 - "Share capital, stock options and warrants" to the Condensed Unaudited Interim Consolidated Financial Statements which accompany this document and section 6) "Financing" of this document.
- e) On January 11, 2018, the Company closed the second tranche of the private placement financing which consisted of 212,500 Units at \$0.20 per unit. Each unit was comprised of one common share and one half of a common share purchase warrant. 212,500 shares and 106,250 warrants were issued for gross aggregate proceeds of \$42,500. For more information refer to Note 12 - "Share capital, stock options and warrants" to the Condensed Unaudited Interim Consolidated Financial Statements which accompany this document and section 6) "Financing" of this document.
- f) On January 16, 2018, the Company issued stock options to its Directors, Officers and Consultants which may be exercised to acquire up to 795,000 common shares at an exercise price of \$0.36 per share until January 15, 2021. Refer to News Release 18-02 dated January 16, 2018 and Note 12 - "Share capital, stock options and warrants" to the Condensed Unaudited Interim Consolidated Financial Statements which accompany this document and section 6) "Financing" of this document.
- g) On February 22, 2018, the Company appointed Dr. Robert Lavinsky of the Arkenstone as an advisor to the Company. Dr. Lavinsky has been granted stock options which may be exercised to acquire up to 150,000 common shares, at a price of \$0.38 per share until February 21, 2022. Refer to News Release 18-03 dated February 22, 2018 and Note 12 "Share capital, stock options and warrants to the Condensed Unaudited Interim Consolidated Financial Statements which accompany this document for more information.
- h) On March 14, 2018, the Company announced the results of the Annual General and Special Meeting. Highlights include the election of Dr. Peter Megaw to the Board of Directors. Dr. Megaw was serving as a Technical Advisor to the Company. As well, Ms. Shari Difley, CPA, CA, B. Comm. was appointed as the Chief Financial Officer to the Company. Dr. Megaw and Ms. Difley were issued stock options which may be exercised to acquire up to 280,000 common shares at \$0.34 per share until March 13, 2021. Refer to News Release 18-04 dated March 14, 2018 and Note 12 "Share capital, stock options and warrants" to the Condensed Unaudited Interim Consolidated Financial Statements which accompany this document.
- i) On March 21, 2018, the Company completed its name change from Manson Creek Resources Ltd. to Jade Leader Corp. Effective the opening of trading on March 21, 2018, the Company's shares began trading under the name Jade Leader Corp, using the trading symbol "JADE" and the common shares of Manson were delisted.
- j) The Company is continuing to evaluate potential new properties for staking or acquisition.



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### **3) Mineral Properties**

Transactions for Q2 2018 are summarized in Note 8 "Exploration and evaluation assets" to the Unaudited Condensed Interim Consolidated Financial Statements for the six months ended March 31, 2018 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 March 31, 2018 are \$100,943 and \$Nil, respectively (September 30, 2017 - \$47,319 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 portion of the claims under option require a total of US\$86,000 in property payments, (US\$6,000 of which has been paid for the first year and US \$15,000 of which was paid subsequent to March 31, 2018), and 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"). Additional claims staked around the initial claims optioned fall within an area of mutual interest, and are considered part of the original Option Agreement. Refer to Note 18 - "Commitments" of the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document and Section 7) "Commitments" of this document, for the remaining terms of the 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.

A two week Phase 1 reconnaissance program of initial mapping, prospecting and sampling was conducted in the latter part of fiscal 2017. Picket grids were established in the field over the first two target areas (Lode 1 and Lode 2) to situate and plot geological observations and sample site locations. Subsequent to its phase 1 reconnaissance program, the Company moved forward to complete an initial phase of mechanized jade sampling on both the previously identified Jade lodes, as well as hand trenching that exposed a new nephrite bearing Jade lode south of Lode 2. (See News Release 17-7 dated October 16, 2017, for more information).

The Company is working to secure the required drilling permits with the local National Forest Service Office for the DJ Jade project in order to conduct initial drill testing of jade lodes already identified at surface.

#### **Keithly Mountain, British Columbia**

During the three month period ended March 31, 2017, the Company acquired by staking a 2,111 hectare property in the Cariboo goldfields, in central British Columbia called Keithly Mountain. The property consists of a combination of both Lode and Placer claims, is easily accessible through an existing network of logging roads and is located approximately 20 kilometres north of the town of Likely, BC. The gross costs and impairments recorded to the Keithly Mountain property as at March 31, 2018, are \$17,854 and \$Nil, respectively (September 30, 2017 - \$21,892 and \$Nil, respectively).

While the geology of the region is widely known to be prospective for commodities such as gold, copper and nickel, the focus of exploration in this instance will be for Nephrite Jade of which there are historical showings and reports in the area. The property covers approximately 6.5 kilometres of strike length along a favourable package of metamorphosed serpentinites and sediments, with significant thrust faulting, all elements which are critical in the formation of Jade.

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The Company will evaluate and interpret all available historic exploration data from the Keithly Mountain Property in order to design an appropriate exploration program.

**Tell, Yukon**

The Company acquired 100% of the expanded Tell mineral property through staking. The Company holds 235 claims covering slightly in excess of 4,900 hectares located approximately 140 kilometres east of Mayo, Yukon. The data collected during the 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. The gross costs and impairments recorded to the Tell project at March 31, 2018 are \$422,333 and \$Nil, respectively (September 30, 2017 - \$422,641 and \$Nil, respectively).

**4) Operating Results**

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

	<u>Three months ended March 31</u>		<u>Six months ended March 31</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General and administrative expenses	\$ (489,023)	\$ (27,905)	\$ (565,485)	\$ (47,802)
Reporting to shareholders	(14,394)	1,009	(17,137)	(1,994)
Professional fees	(11,646)	(1,946)	(16,033)	(1,946)
Stock exchange and transfer agent fees	(4,344)	(3,367)	(6,788)	(5,482)
Depreciation	(143)	(11)	(287)	(22)
Pre-acquisition costs	(4,922)	-	(4,922)	(660)
Sublease revenue	4,501	6,000	9,198	12,014
Interest and other	142	81	210	228
Loss from short-term investments	(1)	-	(1)	-
<b>Net and comprehensive loss</b>	<b>\$ (519,830)</b>	<b>\$ (26,139)</b>	<b>\$ (601,245)</b>	<b>\$ (45,664)</b>

In general, operational expenditures have increased in the current three and six month periods and reflect the increase in activity during the recent months. These results are consistent with the fiscal 2018 operating budget. The most significant results are discussed below:

- Variances relating to general and administrative expenses are addressed below in more detail.
- Reporting to shareholders expenditures have increased significantly. These costs include the dissemination of the annual audited financial statements for the years ended September 30, 2017 and 2016. As well, Q2 2018 expenditures include the costs of holding the Annual General Meeting (AGM). There were no AGM expenditures in the comparative periods as the previous AGM was held in fiscal 2016; however, in Q2 2017 the Company received a refund of fees relating to the AGM held in 2016.
- Professional fees, which consist of auditing fees, legal and other filing fees are up significantly in the current three and six month periods ending March 31, 2018. The current period expenditures include an under accrual of audit fees for the year ended September 30, 2017 of \$2,000, legal fees of \$3,600 primarily relating to the corporate name change, the AGM and nominal legal fees for corporate filings, fees related to news releases of \$7,000 and fees for filing the September 30, 2017 US tax return for Jadex. Professional fees incurred in the comparative periods, relate to the 2016 annual audit, which was conducted during Q2 2017.
- Stock exchange and transfer agent fees relate directly to the number of security exchange transactions during the periods. The increase in the current period reflects higher TSX sustainer fees as well as fees relating to the name change.

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- Pre-acquisition expenses in Q2 2018 relate to research conducted in the United States for potential Jade exploration opportunities (refer to Section 16) "Outlook" for additional information).
- Effective April 1, 2017, the Company entered into a new leasing arrangement for its premises, which included subleasing office space to one other corporation, CANEX Metals Inc. ("CANEX") (see Note 17 - "Related party balances and transactions and key management remuneration and" Note 18 - "Commitments" to the Unaudited Condensed Interim Consolidated Financial Statements for the three and six month periods ended March 31, 2018 which accompany this MD&A) resulting in a reduction in overall occupancy costs and sublease revenue in the current periods. For further information relating to obligations for Occupancy costs refer to Section 7) "Commitments".
- 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. Jade Leader had previously written down the value of the shares to \$1; the Company recognized a loss of \$1 during the current period to fully write-off the investment (refer to Note 7 - "Short-term investments" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document).

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

	<b>Three months ended March 31</b>		<b>Six months ended March 31</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Administrative consulting fees	\$ 21,143	\$ 7,668	\$ 38,925	\$ 10,713
Occupancy costs	9,075	12,163	18,470	24,191
Office, secretarial and supplies	14,747	2,750	26,859	3,824
Travel and promotion	10,617	1,711	25,609	1,711
Insurance	2,445	2,370	6,015	4,739
Computer network and website maintenance	290	304	581	591
Stock-based compensation	429,700	-	447,200	-
Miscellaneous	1,006	939	1,826	2,033
<b>Total</b>	<b>\$ 489,023</b>	<b>\$ 27,905</b>	<b>\$ 565,485</b>	<b>\$ 47,802</b>

- Administrative consulting fees, which consist of fees for the contract controller, CFO and President, are up by approximately \$28,000 from the comparative six month period. The fiscal 2018 fees for the President include services relating to preparing news releases, the private placement financing announced in December 2017, attending meetings and gem-related events in Suzhou, Jiangsu province, China, Dallas, Texas and Tucson, Arizona for the purpose of researching opportunities and marketing, preparation of marketing materials including preparation of Jade samples for exhibitions and video production, corporate name change and rebranding, attending the Association for Mineral Exploration British Columbia ("AMEBC") Roundup in Vancouver, BC, preparation for the AGM, property research and budgeting. During the comparative six month period there was \$6,250 in fees charged by the President which related primarily to the private placement for financing announced in February 2017. There were no fees for services provided by the CFO in either the current or comparative periods. Fees for accounting services have increased reflecting the increase in activities during the current periods.
- In the three and six month periods ended March 31, 2018, occupancy costs are down by approximately \$5,700 from the comparative periods, resulting from the Company entering into a new lease agreement effective April 1, 2017. There was a reduction in occupancy costs of \$2,600 per quarter. For further information relating to obligations for Occupancy costs refer to Section 7) "Commitments".
- Office and secretarial fees are up by \$23,000 during the six month period ended March 31, 2018 and primarily relate to contract administrative services. The increase is consistent with the increase in activity in the Company in recent months. These expenditures include services provided by the Corporate Secretary for managing the private placement financing announced in December 2017, preparation for the AGM, managing the corporate name change, preparing marketing materials and website redesign, and renegotiating the occupancy lease, which expired on March 31, 2018. During the comparative period, administrative services were provided at a reduced level and reflect the company's working capital situation.

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- 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. There were no equivalent expenditures in the comparative period.
- Other travel and promotion expenditures during the three and six month periods ended March 31, 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 \$1,300 in the six month period ended March 31, 2018 and reflect a change in insurance coverage related to its US operations, commencing Q4 2017.
- During the six month period ended March 31, 2018, the Company issued 1,350,000 stock options to its Directors, Officers and Consultants valued at \$447,200 (refer to Note 15 - "Share-based payment transactions" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document for more information). There were no similar share-based payment transactions in the comparative periods.

**5) Liquidity and Capital Resources**

As of March 31, 2018, the Company had working capital of \$181,297 (September 30, 2017 - \$191,933), a net decrease of \$10,636. Changes to working capital in the current and comparative periods are discussed below:

- Operating expenditures during the six month period ended March 31, 2018 resulted in a cash outflow of \$170,000 (March 31, 2017 - \$42,000). Cash paid to suppliers and contractors is up by \$125,000 in the current period from the comparative period due to significantly higher activity as discussed in Section 4) "Operating Results" above.
- The Company expended \$55,000 on exploration and evaluation assets during the current six month period compared to \$4,900 in the comparative period. Expenditures in the current period relate to the DJ Jade project in Washington, USA and the Keithly Mountain property (see Section 3) "Mineral properties" and Note 8 - "Exploration and evaluation assets" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document, for more information). Expenditures during the comparative period relate to the Tell property and the acquisition of the Keithly Mountain property.
- During the six month period ended March 31, 2018, the Company closed a non-brokered private placement of shares and warrants for net proceeds of \$191,487 after cash share issue costs. During the six month period ended March 31, 2017, the Company closed a non-brokered private placement of shares and warrants for net proceeds of \$333,079 after cash share issue costs. See Section 6) "Financing" below for more information.

The Company believes that it has sufficient working capital to meet its funding requirements for administrative and operating costs for fiscal 2018. However, an increase in activity levels, new property acquisitions and/or a 2018 exploration program will require additional financing. There is no assurance that management will be successful in obtaining financing. Refer to Note 1 - "Nature of operations" to the Unaudited Condensed Interim Consolidated Financial Statements for the three and six months ended March 31, 2018 which accompany this MD&A.

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**6) Financing**

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 229.92%, 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 230.56%, a risk free rate of 1.76%, a two year warrant life, and a 0% dividend rate.

During the three month period ended March 31, 2017, the Company partially closed a non-brokered private placement share and warrant issue for aggregate gross proceeds of \$350,000. The placement consisted of 7,000,000 common units at \$0.05 per unit. 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 \$0.10 per share until March 24, 2019. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the use of the Black-Scholes Pricing model assuming a volatility of 277.90%, a risk free rate of 0.74%, a two year warrant life, and a 0% dividend rate.

On April 17, 2017, the Company closed the non-brokered private placement share and warrant issue announced February 28, 2017 for 600,000 common units at \$0.05 per unit consisting of 600,000 common shares and 300,000 common share purchase warrants for gross aggregate proceeds of \$30,000. 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 \$0.10 per share until April 17, 2019. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the use of the Black-Scholes Pricing model assuming a volatility of 276.15%, a risk free rate of 0.73%, a two year warrant life, and a 0% dividend rate.

**7) 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 (see Note 17 - "Related party balances and transactions and key management remuneration" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document).

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As at March 31, 2018, the committed lease costs to the termination of the lease are as follows:

	<b>April 1 to September 30, 2018</b>	<b>October 1, 2018 to September 30, 2019</b>	<b>October 1, 2019 to April 30, 2020</b>
	\$	\$	\$
Base lease cost	9,083	20,459	12,544
Expected additional rents	16,616	34,762	20,278
Total expected lease commitment	25,699	55,221	32,822
Expected sublease revenue	(9,329)	(18,789)	(10,960)
Net future rent	16,370	36,432	21,862

b) Pursuant to the option agreement for the acquisition of the DJ Jade project, in Washington State, the Company is committed to the following payments and minimum exploration expenditures:

Due date	Option Payments	Exploration Expenditures
	US\$	US\$
May 25, 2018	15,000*	10,000
May 25, 2019	15,000	20,000
May 25, 2020	20,000	20,000
May 25, 2021	30,000	30,000
Total	80,000	80,000

\* paid subsequent to period end

The committed option payments and exploration expenditures of \$80,000 US each would equate to \$103,000 CDN each using the March 31, 2018 Bank of Canada exchange rate. An increase or decrease of 10% to the exchange rate would result in an increase or decrease respectively in both required option payments and minimum exploration expenditures of \$10,300 each.

### 8) Exploration Expenditures

Refer to Note 8 "Exploration and evaluation assets" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document.

### 9) Selected Quarterly Financial Information

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

	Mar 31 2018 (Q2 2018)	Dec 31 2017 (Q1 2018)	Sep 30 2017 (Q4 2017)	Jun 30 2017 (Q3 2017)	Mar 31 2017 (Q2 2017)	Dec 31 2016 (Q1 2017)	Sep 30 2016 (Q4 2016)	Jun 30 2016 (Q3 2016)
Three months ended:	\$	\$	\$	\$	\$	\$	\$	\$
Loss before other items	(524,472)	(86,180)	(60,339)	(37,503)	(32,220)	(25,686)	(42,678)	(33,922)
Sublease revenue	4,501	4,697	4,708	4,686	6,000	6,014	6,013	6,014
Interest and other income	142	68	76	45	80	147	115	113
Loss from investments held for sale	(1)	-	-	-	-	-	(1,999)	-
Net and comprehensive loss	(519,830)	(81,415)	(55,555)	(32,772)	(26,139)	(19,525)	(38,549)	(27,795)
Basic and diluted loss per share	(0.02)	0.00	0.00	0.00	0.00	0.00	0.00	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

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exploration opportunities as well as timing of certain expenditures including the timing of the AGM, held in Q3 2016 and Q2 2018, and audit expenditures for year-end reporting. Audit fees were \$22,000 in Q4 2017 and \$17,500 in Q4 2016. Operations from Q3 2016 to Q2 2017 were constrained by tight working capital, primarily influenced by a depressed junior mining sector. The rebound of the junior mining sector and the Company's new focus on Jade exploration has allowed the Company to improve its working capital position through financing, thus allowing the Company to expand its operations. During the first two quarters of 2018 and the fourth quarter of 2017, the Company's expenditures have increased to reflect increased business activities. Additionally, Q1 and Q2 2018 operations include stock-based compensation of \$17,500 and \$429,700 respectively.

Investments in common shares are 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 and consequently gains and losses on these investments can vary from quarter to quarter. The only investment that the Company held has been fully written-off as of March 31, 2018.

#### **10) Off-Balance Sheet Transactions**

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

#### **11) Directors and Officers**

Jean-Pierre Jutras	<i>Director and President</i>	Barbara O'Neill	<i>Corporate Secretary</i>
Shari Difley	<i>Director, Chief Financial Officer*</i>	Shane Ebert	<i>Director</i>
Cornell McDowell	<i>Director</i>	Peter Megaw,	<i>Director**</i>
Douglas Porter	<i>Director, Chief Financial Officer (former)*</i>		

\*On March 14, 2018, the Board of Directors appointed Ms. Shari Difley, CPA, CA, B. Comm. as the Chief Financial Officer replacing Douglas Porter.

\*\*Mr. Porter ceased to be a Director at the Annual General Meeting held March 14, 2018; Dr. Peter Megaw, a Technical Advisor to the Company was elected to the Board of Directors at that time.

#### **12) Related Party Transactions**

Transactions for fiscal 2018 are disclosed and explained in Note 17 "Related party balances and transactions and key management remuneration" to the Unaudited Condensed Interim Consolidated Financial Statements for the three and six months ended March 31, 2018 which accompany this MD&A.

#### **13) Share capital, warrants, and stock options**

Refer to Note 12 " Share capital, stock options and warrants" to the Unaudited Condensed Interim Consolidated Financial Statements for the three and six months ended March 31, 2018 and the Unaudited Condensed Interim Consolidated Statement of Changes in Equity for common share capital, stock option and warrant transactions during the six months ended March 31, 2018 and balances as at that date.

During the period April 1, 2018 to May 28, 2018, the date of this report, there were no changes to share capital and warrants; however, 230,000 stock options with an expiry date of July 10, 2019 were exercised at a price of \$0.10 per share for total proceeds of \$23,000. There were no further changes to stock options. See also 20) "Subsequent Events" below.

#### **14) Financial Instruments**

The carrying value of the Company's financial instruments, consisting of cash at bank, 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.

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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 no foreign currency denominated fund balances. Consequently, variations in foreign exchange rates will not result in foreign exchange gains or losses at this point in time.

**15) 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 March 31, 2018 and September 30, 2017. The Company's cash 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 meet its funding requirements for administrative and operating costs for fiscal 2018; however, an increase in activity levels, new property acquisitions and/or a 2018 exploration program may require additional financing. There is no assurance that management will be successful in obtaining financing. Refer to Note 1 - "Nature of operations" to the Unaudited Condensed Interim Consolidated Financial Statements for the three and six months ended March 31, 2018 which accompany this MD&A.

**c) Market risk**

The Company's equity investments are subject to market price risk. These investments were received as proceeds for the assignment of mineral properties. The Company does not invest excess cash in equity investments as a general rule. Investments in common shares are 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. During the current fiscal year the Company fully wrote-off its investments, (refer to Note 7 - "Short-term investments" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document for further information).

**d) Interest rate risk**

The Company has no debt facilities and has minimal 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, exposure to exchange rate fluctuations' arise. In fiscal 2018, a 10% increase or decrease in the US foreign exchange rate would result in an increase or decrease in expenditure commitments and option payments of \$10,300 Canadian each with respect to the DJ Jade Project acquisition (refer to 7 "Commitments" above).



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**16) Outlook**

- Subsequent to the three and six month period ended March 31, 2018, the Company's technical team completed a field review of a number of additional potential Jade exploration opportunities in the United States following extensive research into nephrite Jade productive districts active at an artisanal scale around the middle of the last century. The Company has initiated a phase of land and mineral rights acquisition in relation to these projects, details of which will be released once finalized.
- The Company is working to secure the required drilling permits with the local National Forest Service Office for the DJ Jade project in order to conduct initial drill testing of jade lodes already identified at surface. Drill testing will commence as soon as approved, and under the terms and conditions outlined by the relevant authorities. Further surface work to extend known discoveries or additional geophysical work may also be conducted in the coming year.
- During the three month period ended March 31, 2017, the Company acquired by staking a 2,111 hectare property in the Cariboo Goldfields, in central British Columbia called Keithly Mountain. The Company will evaluate and interpret all available historic exploration and new field data from the Keithly Mountain Property and evaluate continuation of work at Keithly Mountain on a priority basis with regards to other ongoing opportunities.
- The Company will continue to seek out financing to pursue continued exploration of existing holdings and seek out new projects.

**17) 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 for the establishment of the Company's current and planned mineral exploration will be required. No assurances can be given that the Company will be able to secure the additional funding that may be required for such activities, should such funding 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

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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 a 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 its 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.

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- **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.

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- **Litigation**

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

### **18) 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 requires 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 on the Statement 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.

### **19) New Accounting Policies**

The Company did not adopt any new accounting policies during the six month period ended March 31, 2018.

#### **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:

##### **i) IFRS 9 - Financial Instruments**

"Financial instruments", and consequential amendments to other related standards, are effective for accounting periods commencing on or after January 1, 2018. However, new amendments related to IFRS 9 were issued in November 2013 and were applied prospectively in the financial statements for the 2014 year, as the Company early-adopted this section. The amendments relate to hedging and own credit risk, to which the Company is not exposed, therefore these amendments did not have a significant impact on its financial reporting.

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**20) Subsequent events**

On May 16, 2018, the Company announced that it intended to apply for regulatory approval for a warrant exercise incentive program (the "Program") designed to encourage the early exercise of up to 3,800,000 of its outstanding unlisted warrants (the "Warrants"). Under the proposed Program, the Company could have received a maximum of \$380,000 in additional capital. The Company subsequently received notification from the Exchange, that its application was declined; consequently the Program will not be initiated.

Refer to News Release 18-07 dated May 16, 2018 and News Release 18-08 dated May 28, 2018 for more information.

**21) Other**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).