Jade Leader Corp.

Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)
December 31, 2018
(Unaudited)

Notice to Reader

These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors. These statements have been prepared by and are the responsibility of the Company's management.

Jade Leader Corp.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	December 31 2018	September 30 2018
ASSETS		
Current Assets		
Cash (Note 5)	$ **695,434**	$ 27,004
Accounts receivable (Note 6)	**14,754**	7,739
Mining exploration tax credit receivable	**450**	5,288
Prepaid expenses	**36,569**	14,498
	747,207	54,529
Non-current Assets		
Exploration and evaluation assets (Note 8)	**960,877**	685,173
Equipment and software (Note 9)	**2,118**	2,232
	962,995	687,405
TOTAL ASSETS	$ **1,710,202**	$ 741,934
EQUITY AND LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 10)	$ **58,827**	$ 128,587
Non-current Liabilities		
Decommissioning obligation (Note 11)	**12,750**	12,750
Deferred sublease revenue	**913**	913
	13,663	13,663
TOTAL LIABILITIES	**72,490**	142,250
EQUITY		
Share capital (Note 12)	**13,214,081**	12,854,098
Reserves	**3,187,020**	2,430,985
Deficit	**(14,763,389)**	(14,685,399)
TOTAL EQUITY	**1,637,712**	599,684
TOTAL EQUITY AND LIABILITIES	$ **1,710,202**	$ 741,934

Nature of operations (Note 1)

Approved by the Board

"Shane Ebert"
___________________________ **Director**

"Jean Pierre Jutras"
___________________________ **Director**

See accompanying notes to the consolidated financial statements.

Jade Leader Corp.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)
For The Three Months Ended December 31

		2018		2017
Expenses				
General and administrative (Notes 14 and 23)	**$**	**77,422**	$	75,087
Reporting to shareholders		**-**		2,743
Professional fees		**3,452**		4,387
Stock exchange and transfer agent fees		**1,993**		2,444
Depreciation		**114**		144
		82,981		84,805
Loss before other items		**(82,981)**		(84,805)
Other items				
Sublease revenue		**4,697**		4,697
Interest and other		**294**		68
		4,991		4,765
Net loss and comprehensive loss	**$**	**(77,990)**	$	(80,040)
Basic and diluted loss per share (Note 16)	**$**	**0.00**	$	0.00
Weighted average shares outstanding - basic and diluted (Note 16)		**37,585,926**		31,881,131

See accompanying notes to the consolidated financial statements.

Jade Leader Corp.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)
For The Three Months Ended December 31

		2018		2017
Increase (decrease) in cash at bank				
Operating activities				
Cash received from sublease revenue	**$**	**4,697**	$	4,697
Cash paid to suppliers and contractors (Note 19)		**(176,456)**		(57,834)
Cash used in operating activities		**(171,759)**		(53,137)
Investing activities				
Interest and other income received		**294**		68
Cash expended on exploration and evaluation asset additions (Note 19)		**(264,685)**		(29,291)
Cash used in investing activities		**(264,391)**		(29,223)
Financing activities				
Share capital and warrant issue proceeds		**1,148,954**		157,500
Cash share issuance and transaction costs		**(44,374)**		(5,651)
Cash provided by financing activities		**1,104,580**		151,849
Increase in cash at bank		**668,430**		69,489
Cash at bank:				
Beginning of period		**27,004**		204,953
End of period	**$**	**695,434**	$	274,442

Supplementary information:

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

Non-cash transactions:

2019
The Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments totalling $11,438 that is included in general and administrative expenses (Notes 14 and 15).

2018
The Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments totalling $16,125 that is included in general and administrative expenses (Notes 14, 15 and 23).

See accompanying notes to the consolidated financial statements.

(Expressed in Canadian Dollars)

		Reserves					
	Common share Capital $	Equity-settled share based payment $	Warrants $	Other* $	Total Reserves $	Deficit $	Total $
Balance, December 31, 2017	**12,717,977**	**85,345**	**196,328**	**1,822,107**	**2,103,780**	**(14,059,982)**	**761,775**
Net loss and comprehensive loss for the period (Note 23)	-	-	-	-	-	(625,417)	(625,417)
Private placement share and warrant issue (Note 23)	23,176	-	19,324	-	19,324	-	42,500
Share issuance costs	(2,862)	-	-	-	-	-	(2,862)
Options issued – January 16, 2018 (Note 23)	-	223,872	-	-	223,872	-	223,872
Options issued – February 22, 2018 (Note 23)	-	43,500	-	-	43,500	-	43,500
Options issued – March 14, 2018 (Note 23)	-	78,316	-	-	78,316	-	78,316
Options exercised - April 18, 2018	40,480	(17,480)	-	-	(17,480)	-	23,000
Warrants exercised – June 4, 2018	13,696	-	(3,696)	-	(3,696)	-	10,000
Warrants exercised – July 17, 2018	61,631	-	(16,631)	-	(16,631)	-	45,000
Balance, September 30, 2018	**12,854,098**	**413,553**	**195,325**	**1,822,107**	**2,430,985**	**(14,685,399)**	**599,684**
Net loss and comprehensive loss for the period	-	-	-	-	-	(77,990)	(77,990)
Options issued – October 1, 2018	-	11,438	-	-	11,438	-	11,438
Private placement share and warrant issue – October 12, 2018	327,789	-	638,665	-	638,665	-	966,454
Share issuance costs	(37,031)	-	-	-	-	-	(37,031)
Private placement share and warrant issue – October 23, 2018	76,568	-	105,932	-	105,932	-	182,500
Share issuance costs	(7,343)	-	-	-	-	-	(7,343)
Balance, December 31, 2018	**13,214,081**	**424,991**	**939,922**	**1,822,107**	**3,187,020**	**(14,763,389)**	**1,637,712**

*Other reserves are 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

(Expressed in Canadian Dollars)

		Reserves					
	Common share Capital $	**Equity-settled share based payment $**	**Warrants $**	**Other* $**	**Total Reserves $**	**Deficit $**	**Total $**
Balance, September 30, 2017	**12,619,161**	**69,220**	**199,234**	**1,766,168**	**2,034,622**	**(13,979,942)**	**673,841**
Net loss and comprehensive loss for the period (Note 23)	-	-	-	-	-	(80,040)	(80,040)
Warrants expired	-	-	(55,939)	55,939	-	-	-
Options issued – October 20, 2017 (Note 23)	-	16,125	-	-	16,125	-	16,125
Private placement share and warrant issue (Note 23)	104,467	-	53,033	-	53,033	-	157,500
Share issuance costs	(5,651)	-	-	-	-	-	(5,651)
Balance, December 31, 2017	**12,717,977**	**85,345**	**196,328**	**1,822,107**	**2,103,780**	**(14,059,982)**	**761,775**

*Other reserves are 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.

1. Nature of operations

Jade Leader Corp. (“Jade Leader” or “the Company”) 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. The Company's common shares are listed on the TSX Venture Exchange (the "Exchange") under the symbol “JADE”.

Since inception, the efforts of the Company have been devoted to the acquisition, exploration and development of mineral properties. To date the Company has not received any revenue from mining operations and has not determined whether 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, 2018. Accordingly, their carrying values represent costs incurred to date, net of recoveries, abandonments and impairments. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain necessary financing to complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company’s ability to recover its costs through a disposition of its interests.

2. Basis of presentation

a) Basis of presentation

These 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.

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.

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 as disclosed in its most recently completed Audited Annual Consolidated Financial Statements for the year ended September 30, 2018.

a) New accounting policies

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

3. Significant accounting policies (continued)

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 Jade Leader and have been excluded from below. Relevant new standards include the following:

i) IFRS 16 - Leases

IFRS 16 introduces a new definition for what qualifies as a lease. Once an arrangement is determined to meet the definition of a lease, an entity will then recognize a right-of-use asset and a lease liability in its Statements of Financial Position. The standard includes certain exemptions for items where the lease term is less than 12 months or for low value items. The effective date of this standard is for annual reporting periods beginning on or after January 1, 2019, with options for early adoption. The Company has not yet determined the impact of adopting IFRS 16 on the financial statements.

4. Significant accounting judgements and estimates

The preparation of these unaudited condensed interim financial statements requires 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 values of exploration and evaluation assets and property and equipment that are included in the Statements of Financial Position, including the assumptions that are incorporated into the impairment assessments, and the amount of depreciation and/or impairments that are included in the statement of loss; (refer to Note 1 - "Nature of operations")
- the estimate of the amount of decommissioning obligations and the inputs used in determining the net present value of the liabilities for decommissioning obligations included in the Statements of Financial Position;
- the value of share-based compensation expense in the Statements of Loss and Comprehensive Loss and the value of warrants that have been issued in connection with private placements and are included in the Statements of Financial Position, which are valued using valuation models and incorporate assumptions made by management of stock volatility, interest rates and exercise periods; and
- 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.

(Expressed in Canadian Dollars)

5. Cash

Cash is comprised of:

		Dec 31, 2018		Sept 30, 2018
Current bank accounts	**$**	**693,045**	$	25,863
Cash held in foreign currencies		**2,389**		1,141
	$	**695,434**	$	27,004

6. Accounts receivable

		Dec 31, 2018		Sept 30, 2018
Related party receivables	**$**	**7,733**	$	1,588
Sales tax receivables		**7,021**		6,151
	$	**14,754**	$	7,739

7. Short-term investments

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

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 December 31, 2018 are $400,070 and $Nil, respectively (September 30, 2018 - $123,916 and $Nil, respectively).

The property, consisting of existing and recently filed Lode Claims covers an area of slightly more than 140 hectares. The portion of the claims under option required a total of US$86,000 in property payments, and a staged work commitment of US$80,000 over 4 years in order for the Company to earn 100% of the mineral rights associated with those claims, subject to a 2% Net Smelter Royalty ("NSR"). The Company made a final payment of US$65,000 (CDN$ 87,131) on November 20, 2018, acquiring a 100% interest in the property, subject to the NSR, after having made option payments of US$6,000 and US$15,000 in fiscal 2017 and 2018 respectively, and having completed the minimum work commitment. Additional claims staked around the initial claims optioned fall within an area of mutual interest, and are considered part of the original Option 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.

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets (continued)

Wyoming Jade Fields, Wyoming, USA

The Wyoming Jade Fields are comprised of five properties. The Company has acquired, by staking more than 50 Mineral Lode Claims covering in excess of 1,035 acres. On July 15, 2018, Jadex entered into an Option Agreement to acquire a 100% interest in an existing Lode Claim (20.7 acres). The portion of the claims under option require a total of US$35,000 in property payments, (US$8,000 of which has been paid for the first year) and staged work commitments of US$60,000. For more information refer to Note 18 - "Commitments." The Company continues to evaluate these properties to form an appropriate exploration program for the spring of 2019. The gross costs and impairments recorded for the Wyoming Jade Fields project at December 31, 2018 are $117,046 and $Nil, respectively (September 30, 2018 - $117,046 and $Nil respectively).

Keithly Mountain, British Columbia

During the three month period ended March 31, 2017, the Company acquired by staking a 2,111 hectare prospective jade property in the Cariboo Goldfields, in central British Columbia called Keithly Mountain. The gross costs and impairments recorded to the Keithly Mountain property as at December 31, 2018, are $17,654 and $Nil, respectively (September 30, 2018 - $18,104 and $Nil, respectively). During the three month period ended, December 31, 2018, the Company applied for a mining credit of $450 for exploration expenditures related to the year ended September 30, 2018.

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 gross costs and impairments recorded to the Tell project at December 31, 2018 are $426,107 and $Nil, respectively (September 30, 2018 - $426,107 and $Nil, respectively).

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

Three months ended December 31, 2018		**Wyoming, USA**	**Washington, USA**	**British Columbia**	**Yukon**
	Total	**Wyoming Jade Fields**	**DJ Jade Project**	**Keithly Mountain**	**Tell**
	$	**$**	**$**	**$**	**$**
Balance at September 30, 2018	**455,953**	46,112	76,349	13,838	319,654
Geological consulting	**51,972**	-	51,972	-	-
Drilling	**117,077**	-	117,077	-	-
Field costs	**8,633**	-	8,633	-	-
Travel costs	**10,610**	-	10,610	-	-
Decommissioning	**792**	-	792	-	-
Mining exploration tax credit	**(450)**	-	-	(450)	-
Balance, December 31, 2018	**644,587**	46,112	265,433	13,388	319,654
Property acquisition costs:					
Balance September 30, 2018	**229,220**	70,934	47,567	4,266	106,453
Acquisition costs incurred	**87,070**	-	87,070	-	-
Balance, December 31, 2018	**316,290**	70,934	134,637	4,266	106,453
Total exploration and evaluation assets December 31, 2018	**960,877**	117,046	400,070	17,654	426,107

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets (continued)

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

9. Equipment and software

	Equipment and software Cost	Accumulated Depreciation	Net Book Value
Balance, September 30, 2017	**$ 7,462**	**$ (4,656)**	**$ 2,806**
Depreciation	-	(574)	(574)
Balance, September 30, 2018	**$ 7,462**	**$ (5,230)**	**$ 2,232**
Depreciation	**-**	**(114)**	**(114)**
Balance, December 31, 2018	**$ 7,462**	**$ (5,344)**	**$ 2,118**

10. Accounts payable and accrued liabilities

	Dec 31, 2018	Sept 30, 2018
Trade payables	**$ 20,480**	$ 26,276
Due to related parties	**15,979**	80,001
Accrued liabilities	**22,000**	22,000
Sales tax payable	**368**	310
	$ 58,827	$ 128,587

(Expressed in Canadian Dollars)

11. Decommissioning obligation

Changes in the decommissioning obligation for the three months ended December 31, 2018 and year ended September 30, 2018 are as follows:

Three months ended December 31, 2018:	**Yukon Tell**
Balance at September 30, 2018 and December 31, 2018	**$ 12,750**

Year ended September 30, 2018:	**Yukon Tell**
Balance at September 30, 2017 and September 30, 2018	**$ 12,750**

The above noted obligation represents costs to restore the mineral exploration properties, including the costs of filling trenches and revegetation 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 period end present value of the decommissioning obligation was determined using a risk-free rate of 1.86% (September 30, 2018 – 2.21%) and an inflation rate of 2.27% (September 30, 2018 – 2.35%) for the period ended December 31, 2018. The timing of future decommissioning costs is uncertain, as the costs will not be incurred until the Company gives up its legal right to explore the property or the current land use permits expire between October 2019 and May 2022, at which time the reclamation has to have been 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

b) Issued and outstanding common share capital

	Shares Number	**Value $**
Balance, as at September 30, 2018	**33,626,892**	**12,854,098**
Private placement – October 12, 2018	3,865,816	966,454
Value of warrants included in private placement	-	(638,665)
Share issuance costs	-	(37,031)
Private placement – October 23, 2018	730,000	182,500
Value of warrants included in private placement	-	(105,932)
Share issuance costs	-	(7,343)
Balance, as at December 31, 2018	**38,222,708**	**13,214,081**

(Expressed in Canadian Dollars)

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

b) Issued and outstanding common share capital

	Shares Number	Value $
Balance, as at September 30, 2017	**31,846,892**	**12,619,161**
Private placement - December 28, 2017	787,500	157,500
Value of warrants included in private placement	-	(53,033)
Share issuance costs	-	(5,651)
Private placement - January 11, 2018	212,500	42,500
Value of warrants included in private placement	-	(19,324)
Share issuance costs	-	(2,862)
Options exercised - April 18, 2018	230,000	40,480
Warrants exercised - June 4, 2018	100,000	13,696
Warrants exercised - July 17, 2018	450,000	61,631
Balance, as at September 30, 2018	**33,626,892**	**12,854,098**

On October 12, 2018, the Company closed the first tranche of the private placement share and warrant issue for 3,865,816 common units at $0.25 per unit comprised of 3,865,816 common shares and 3,865,816 common share purchase warrants for gross aggregate proceeds of $966,454. Each common unit was comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.40 per share until October 12, 2020. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes Pricing model assuming a volatility of 162.75%, a risk free rate of 2.27%, a 2 year warrant life and a 0% dividend rate. In connection with this financing, the Company paid finder's fees of $27,700 which have been included in the share issuance costs that are deducted from the proceeds of the financing that are credited to Common Share Capital.

On October 23, 2018, the Company closed the second tranche of the private placement share and warrant issue for 730,000 common units at $0.25 per unit comprised of 730,000 common shares and 730,000 common share purchase warrants for gross aggregate proceeds of $182,500. Each common unit was comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.40 per share until October 23, 2020. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes Pricing model assuming a volatility of 158.41%, a risk free rate of 2.27%, a 2 year warrant life and a 0% dividend rate. In connection with this financing, the Company paid finder's fees of $1,250 which have been included in the share issuance costs that are deducted from the proceeds of the financing that are credited to Common Share Capital.

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

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

(Expressed in Canadian Dollars)

12. Share capital, stock options and warrants (continued)
b) Issued and outstanding common share capital (continued)

On April 18, 2018, 230,000 stock options exercisable at $0.10 per share, expiring July 10, 2019 were exercised, for total proceeds of $23,000. As well, 100,000 warrants exercisable at $0.10 per share, expiring March 24, 2019 were exercised for total proceeds of $10,000.

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

Subsequent to December 31, 2018 and up to the date of these financial statements, 250,000 warrants with an expiry date of April 17, 2019 were exercised at $0.10 per share for total proceeds of $25,000.

c) Stock options outstanding

	Number of shares		Exercise
Expiry	**Dec 31, 2018**	**Sept 30, 2018**	**Price**
July 10, 2019	665,000	665,000	$0.10
July 13, 2019	130,000	130,000	$0.10
October 19, 2022	125,000	125,000	$0.14
January 15, 2012	795,000	795,000	$0.36
February 21, 2022	150,000	150,000	$0.38
March 13, 2021	280,000	280,000	$0.365
September 30, 2021	75,000	-	$0.25
	2,220,000	2,145,000	

d) Stock option transactions

	Number of shares	Weighted average exercise price
Balance, September 30, 2018	2,145,000	$0.25
Issued October 1, 2018	75,000	$0.25
Balance, December 31, 2018	**2,220,000**	**$0.25**

Refer to Note 15 - "Share based payment transactions" for more information regarding the options issued during the year.

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.

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’s ends have vested.

(Expressed in Canadian Dollars)

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

e) Warrant transactions and warrants outstanding

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

Three months ended December 31, 2018

Exercise Price	Expiry	Balance Sept 30, 2018	Warrants Issued	Warrants Expired	Balance Dec 31, 2018
$0.10	March 24, 2019	2,950,000	-	-	2,950,000
$0.10	April 17, 2019	300,000	-	-	300,000
$0.30	December 28, 2019	393,750	-	-	393,750
$0.30	January 11, 2020	106,250	-	-	106,250
$0.40	October 12, 2020	-	3,865,816	-	3,865,816
$0.40	October 23, 2020	-	730,000	-	730,000
	Total	**3,750,000**	**4,595,816**	**-**	**8,345,816**

Year ended September 30, 2018

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

Subsequent to December 31, 2018 and the approval date of these financial statements, warrants expiring on April 17, 2019 were exercised to acquire 250,000 common shares at $0.10 per share for total proceeds of $25,000.

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.

13. Financial instruments (continued)

The following summarizes the categories of the various financial instruments:

		Dec 31, 2018		Sept 30, 2018
		Carrying Value		
Financial assets measured at amortized cost:				
Cash	**$**	**695,434**	$	27,004
Accounts receivable		**7,733**		1,588
	$	**703,167**	$	28,592
Financial liabilities measured at amortized cost:				
Accounts payable and accrued liabilities	**$**	**58,459**	$	128,277

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 nominal foreign currency denominated fund balances. However, at December 31, 2018 accounts payable and accrued liabilities include a US$14,076 liability that must be settled in US funds, (September 30, 2018 – US$ nil). At December 31, 2018, the CDN $ value of this liability was $18,582 and a 10% change to the exchange rate would result in an increase or decrease of CDN$1,858 (September 30, 2018 – CDN$nil) to the amount payable.

14. General and administrative

Three months ended		**Dec 31, 2018**		**Dec 31, 2017**
Administrative consulting fees	**$**	**16,989**	$	17,783
Occupancy costs		**13,198**		9,394
Office, secretarial and supplies		**16,675**		12,111
Travel and promotion		**12,604**		14,992
Insurance		**3,528**		3,571
Computer network and website maintenance		**930**		291
Stock-option compensation (Note 15 and 23)		**11,438**		16,125
Miscellaneous		**2,060**		820
	$	**77,422**	$	75,087

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 $16,125 incorporating the Black-Scholes Option Pricing model assuming a 5 year term, volatility of 155.62% (refer to Note 23 – "Comparative figures"), a risk-free discount rate of 1.70% and a dividend rate of 0%.

On January 16, 2018, the Company granted 795,000 options that may be exercised at $0.36 per share to January 15, 2021. The options were valued at $223,872 incorporating the Black-Scholes Option Pricing model assuming a 3 year term, volatility of 140.62% (refer to Note 23 – "Comparative figures"), a risk free discount rate of 1.83% and a dividend rate of 0%.

On February 22, 2018, the Company granted 150,000 options that may be exercised at $0.38 per share to February 21, 2022. The options were valued at $43,500 incorporating the Black-Scholes Option Pricing model assuming a 4 year term, volatility of 151.23% (refer to Note 23 – "Comparative figures"), a risk free discount rate of 2.09% and a dividend rate of 0%.

(Expressed in Canadian Dollars)

15. Share-based payment transactions (continued)

On March 14, 2018, the Company granted 280,000 options that may be exercised at $0.365 per share to March 31, 2021. The options were valued at $78,316 incorporating the Black-Scholes Option Pricing model assuming a 3 year term, volatility of 135.71% (refer to Note 23 – "Comparative figures), a risk free discount rate of 1.88% and a dividend rate of 0%.

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

16. Loss per share

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

Weighted average number of common shares:		**2018**		**2017**
Basic		**37,585,926**		31,881,131
Effect of dilutive securities:				
Stock options		**-**		-
Warrants		**-**		-
Diluted		**37,585,926**		31,881,131
Loss per share:				
Basic and diluted	**$**	**(0.00)**	$	(0.00)

The dilutive effect of stock options and warrants was calculated using the treasury stock method. This method calculated the number of incremental shares by assuming the outstanding in-the-money stock options and warrants are exercised, and then reduced by the number of shares assumed to be repurchased from the issuance proceeds, using the average market price of the Company's common shares for the period. As the Company experienced a loss for the three month periods ended December 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"). In addition, related parties also include members of the Board of Directors, officers and their close family members, 635280 Alberta Ltd., a company controlled by Jean Pierre Jutras, an officer and director of Jade Leader, Lunacees Enterprises Ltd., a company controlled by Cornell McDowell, a director of Jade Leader, and Vector Resources Inc., a company controlled by Shane Ebert, a director of Jade Leader, are also considered related parties.

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

			Dec 31, 2018		**Dec 31, 2017**
Key management remuneration:					
President and Director	a	**$**	**32,500**	$	14,937
Corporate Secretary	b		**12,949**		10,654
Chief Financial Officer	c		**3,504**		-
Total Management Remuneration		**$**	**48,953**	$	25,591

(Expressed in Canadian Dollars)

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

			Dec 31, 2018		Dec 31, 2017
Other related party transactions:					
CANEX Metals Inc.					
Office rent and operating costs received	d	**$**	**4,697**	$	4,697
General and administrative and secretarial costs received	d	**$**	**2,572**	$	748
General and administrative and secretarial costs paid	d	**$**	**(597)**		(215)
Lunacees Enterprise Ltd.					
Geological consulting services paid	e	**$**	**-**	$	4,500

Management compensation payable to "key management personnel" during the period ended December 31, 2018 and 2017 is reflected in the table above and consists of consulting fees paid or payable to the President as well as the Corporate Secretary and Chief Financial Officer. Directors are not paid directors' fees. Officers and directors are compensated through the granting of options from time-to-time. Refer to Note 15 - "Share-based payment transactions" for details relating to options issued during the three month period ended December 31, 2018 and December 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 due to or receivable from related parties at the respective period ends:

			Dec 31, 2018		Sept 30, 2018
Balances receivable (owing)					
Office rent and operating costs					
CANEX Metals Inc.	d	**$**	**4,932**	$	-
General and administrative and secretarial costs					
CANEX Metals Inc.	d	**$**	**2,700**	$	948
CANEX Metals Inc.	d	**$**	**(627)**	$	-
Corporate Secretary	b	**$**	**(3,649)**	$	(9,974)
Jean-Pierre Jutras	a	**$**	**(4,929)**	$	(1,789)
Chief financial officer	c	**$**	**(504)**	$	(1,260)
Geological consulting fees					
635280 Alberta Ltd.	a	**$**	**(6,169)**	$	(64,838)
Vector Resources Inc.	f	**$**	**-**	$	(1,500)

a) Consulting fees for the President's services were billed by 635280 Alberta Ltd., a company controlled by Jean Pierre Jutras. Consulting services that relate directly to mineral property exploration are capitalized to exploration and evaluation assets; the remainder is expensed. During the three month period ended December 31, 2018, $24,500 (2017 - $5,000) was capitalized to exploration and evaluation assets and $8,000 (2017 - $9,937) was expensed through general and administrative expenses.

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

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

d) During the three month periods ending December 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, (see Note 18 - Commitments). CANEX Metals and the Company share two common officers and two common directors.

(Expressed in Canadian Dollars)

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

e) During the three month period ended December 31, 2017, geological consulting services were provided by Lunacees Enterprise Ltd., a company controlled by Cornell McDowell, a director to Jade Leader.

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

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 not yet paid by the Company 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 includes its proportionate share of costs incurred in the operation, maintenance, management and supervision of the property as defined by the landlord's current lease for the premises. Additionally, Jade Leader entered into a sublease agreement with CANEX Metals terminating April 30, 2020.

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

	January 1, 2019 to September 30, 2019	October 1, 2019 to April 30, 2020
	$	$
Base lease cost	15,297	12,355
Expected additional rents	25,773	20,045
Total expected lease commitment	41,070	32,400
Expected sublease revenue	(14,092)	(10,960)
Net future rent	26,978	21,440

b) Pursuant to an Option Agreement to acquire a 100% interest, subject to a 2% Net Smelter Royalty, in the Foundation property, an existing 20.7 acre Lode Claim in Wyoming, United States, the Company is committed to make staged payments and incur a minimum amount of property exploration expenditures each year (refer to Note 8 - "Exploration and evaluation assets" for more information). As at December 31, 2018, the terms of the remaining commitment are as follows:

	Option Payments	Exploration Expenditures
Due date:	US$	US$
July 15, 2019	12,000	10,000
July 15, 2020	15,000	50,000
Total	27,000	60,000

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

The committed option payments and exploration expenditures of US$27,000 and US$60,000 would equate to CDN$36,830 and CDN$81,850 respectively using the December 31, 2018 Bank of Canada exchange rate. An increase or decrease of 10% to the exchange rate would result in an increase or decrease in both required options payments and minimum exploration expenditures of $3,700 and $8,200 respectively.

(Expressed in Canadian Dollars)

19. Supplemental disclosure statement of cash flows

Reconciliation of cash paid to suppliers and contractors for the three months ended:

		Dec 31, 2018		Dec 31, 2017
Operating expenses	**$**	**(82,981)**	$	(84,805)
Depreciation		**114**		144
Stock option compensation (Notes 15 and Note 23)		**11,438**		16,125
Changes in assets and liabilities pertaining to operations:				
Accounts receivable		**(7,015)**		(4,328)
Prepaid expenses		**(22,071)**		4,871
Accounts payable and accrued liabilities		**(75,941)**		10,159
Cash paid to suppliers and contractors	**$**	**(176,456)**	$	(57,834)

Reconciliation of cash expended on exploration and evaluation assets for the three months ended:

		Dec 31, 2018		Dec 31, 2017
Change in exploration and evaluation assets	**$**	**(275,704)**	$	(29,291)
Changes in assets and liabilities pertaining to exploration and evaluation asset additions:				
Mining exploration tax credit receivable		**4,838**		-
Accounts payable and accrued liabilities		**6,181**		-
Cash expended on exploration and evaluation asset additions	**$**	**(264,685)**	$	(29,291)

20. Segment disclosures

During the three month periods ended December 31, 2018 and December 31, 2017, the Company was engaged in mineral exploration and all exploration activities were undertaken in Canada and/or the United States. Activities undertaken in both countries were similar in nature. The non-current assets associated with United States operations are comprised of the exploration and evaluation assets located in Washington State, the DJ Jade project, and Wyoming, Wyoming Jade Fields. All remaining non-current assets are associated with Canadian operations. Refer to Note 8 for details of the carrying amounts of these assets at the respective period ends.

21. Capital

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

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

The externally imposed capital requirement that the Company is 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

21. Capital (continued)

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 December 31, 2018 and September 30, 2018, there were no qualifying expenditures required by flow-through agreements; consequently there was no restricted cash at December 31, 2018 and September 30, 2018.

22. Financial risk management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of accounts receivable, (excluding sales tax). The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at December 31, 2018 and September 30, 2018. The Company's cash is currently held with one financial institution.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to continue to obtain adequate financing or to commence profitable operations in the future. The Company believes that it has sufficient working capital to finance its administrative and other operating expenses for the next 12 month period as well as its planned 2019 exploration program. However, increases in expenditures above and beyond 2019 planned programs including new property acquisitions may 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 are received from time to time for the sale of mineral properties. The Company does not invest excess cash in equity investments as a general rule. Investment in common shares is recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. As at September 30, 2018, 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. Consequently, the Company is not exposed to significant interest rate risk at this time.

e) Foreign exchange risk

The Company undertakes transactions denominated in US currency; consequently it is exposed to exchange rate fluctuations. The Company has disclosed US$ commitments pertaining to one option agreement in Note 18, "Commitments". Further, at December 31, 2018, accounts payable and accrued liabilities include a charge of US$14,076.The effect of a foreign currency increase/decrease of 10% on this commitment and liability have been disclosed in notes 18 and 13 respectively. The Company had nominal foreign currency denominated fund balances

(Expressed in Canadian Dollars)

23. Comparative figures

The three month period ended September 30, 2018 includes a change in estimate of the value of shares and warrants issued and stock options issued during the year ended September 30, 2018 and is reflected in the annual Audited Consolidated Financial Statements as at September 30, 2018. The change in value estimated was due to a change in the volatility calculation that used monthly stock prices instead of daily stock prices; an assumption that was considered to be more representative of the stock volatility.

The comparative figures in the unaudited condensed interim consolidated financial statements for the three month period ended December 31, 2018 have been revised to reflect these changes in estimates, and are summarized below:

Share and warrant issues, year ended September 30, 2018									
	Original valuation				**Revised valuation**				
Date issued	Common shares	Warrants	Total	Volatility	Common shares	Warrants	Total	Volatility	Interim period affected
	$	**$**	**$**	**%**	**$**	**$**	**$**	**%**	
December 28, 2017	77,496	80,004	157,500	229.92	104,467	53,033	157,500	129.07	Q1 2018
January 12, 2018	13,348	29,152	42,500	230.56	23,176	19,324	42,500	108.53	Q2 2018

Stock options issued, year ended September 30, 2018						
	Original valuation		**Revised valuation**			
Date issued	Options	Volatility	Options	Volatility	Change in Stock Option Compensation	Interim period affected
	$	**%**	**$**	**%**	**$**	
October 20, 2017	17,500	283.07	16,125	155.62	(1,375)	Q1 2018
January 16, 2018	277,200	247.25	223,872	140.62	(53,328)	Q2 2018
February 22, 2018	57,000	305.43	43,500	151.23	(13,500)	Q2 2018
March 14, 2018	95,500	294.09	78,316	135.71	(17,184)	Q2 2018
Total	**447,200**		**361,813**		**(85,387)**	**Q4 2018**

24. Subsequent event

Subsequent to December 31, 2018 and the date of this report, 250,000 warrants were exercised. Refer to Note 12 b) “Share Capital issued and outstanding” and e) ‘Warrant transactions and warrants outstanding” for more information

The following management discussion and analysis (MD&A) is management's assessment of the results and financial condition of Jade Leader Corp., ("Jade Leader" or "the Company"), for the three months ended December 31, 2018. The information included in this MD&A, with an effective date of February 27, 2019, should be read in conjunction with the Condensed Interim Consolidated Financial Statements as at and for the three months ended December 31, 2018 ("Q1 2019") and related notes thereto as well as the Audited Consolidated Financial Statements for the year ended September 30, 2018 and related notes thereto. Jade Leader's common shares trade on the TSX Venture Exchange under the symbol "JADE". The Company's most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed at www.sedar.com.

The Company's Condensed Interim Consolidated Financial Statements for the three months ended December 31, 2018 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and the IFRS accounting policies the Company adopted in the Annual Consolidated Financial Statements as at and for the year ended September 30, 2018. 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, 2018. All dollar amounts are in Canadian dollars, unless otherwise noted.

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

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

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

1) Principal Business of the Company

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

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

2) Highlights - Three months ended December 31, 2018

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

b) During the three month period ended December 31, 2018, the Company closed the first and second tranche private placement financings for gross aggregate proceeds of $1,148,954. For more information refer to Section 6) "Financing" of this document.

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

   Materials showing chatoyancy or cat's eye effect have also now been observed in most intersections as well, indicating that it may be much more extensively distributed through the Lode2 target than previously indicated by limited surface sample work. While this first pass work still represents a relatively small sample size of the system, Management of the Company is encouraged with results to date and will evaluate the best and most productive way to continue bringing the project forward over the coming year.

   Other samples from both drill core and surface are being analyzed to test workability, color, texture and translucency in preparation for display at exhibitions such as the Tucson Gem and Mineral Show in February and the Zi Gang Bey Jade carving competition and trade show this April in China.

d) Jade Leader Corp. is preparing 2019 exploration plans and advancing permit applications for additional work that will include further drill access and mechanized surface sampling on the DJ Jade property. Jade Leader Corp. will update its shareholders as milestones are achieved. In addition, follow up work on their Wyoming Jade properties is being evaluated with potential to continue in the Spring 2019. Refer to News Release 19-1 dated January 30, 2019 for more information.

3) Mineral Properties

Transactions for Q1 2019 are summarized in Note 8 "Exploration and evaluation assets" to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended December 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 December 31, 2018 are $400,070 and $Nil, respectively (September 30, 2018 - $123,916 and $Nil, respectively).

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

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

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

The drill program that was undertaken in November, 2018 and results are discussed in Highlights above in this document.

Wyoming Jade Fields, Wyoming, USA

The Company has acquired, by staking more than 50 Mineral Lode Claims covering in excess of 1,035 acres. The claims cover 4 contiguous blocks in areas where field work found geology favourable for jade formation. This includes abundant nephrite jade float, sub-crop and in-situ jade occurrences as well as numerous small-scale historical production pits. All of the new ground is on public lands administered by the Bureau of Land Management ("BLM"). None of this historically productive jade-bearing area has been previously evaluated using modern day jade-genesis concepts or exploration technologies. On July 15, 2018, Jadex entered into an Option Agreement to acquire a 100% interest in an existing Lode Claim (20.7 acres) with extensive nephrite jade exposed in hand dug pits and small trenches. The portion of the claims under option require a total of US$35,000 in property payments, (US$8,000 of which has been paid for the first year) and staged work commitment of US$60,000. For more information refer to Section 7) - "Commitments" regarding this transaction.

Follow up work is being evaluated to determine the appropriate exploration program for the spring of 2019. The gross costs and impairments recorded for the Wyoming Jade Fields project at December 31, 2018 are $117,046 and $Nil, respectively (September 30, 2018 - $117,046 and $Nil respectively).

Keithly Mountain, British Columbia

During the three month period ended March 31, 2017, the Company acquired by staking a 2,111 hectare 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 December 31, 2018, are $17,654 and $Nil, respectively (September 30, 2018 - $18,104 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.

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. Given recent activity and positive exploration results from nearby properties, the Company will investigate opportunities to option out this property to interested parties. The gross costs and impairments recorded to the Tell project at December 31, 2018 are $426,107 and $Nil, respectively (September 30, 2018 - $426,107 and $Nil, respectively).

4) Operating Results

Three months ended December 31, 2018 compared to three months ended December 31, 2017

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

Three months ended December 31		**2018**		**2017**
General and administrative expenses	**$**	**(77,422)**	$	(75,087)
Reporting to shareholders		**-**		(2,743)
Professional fees		**(3,452)**		(4,387)
Stock exchange and transfer agent fees		**(1,993)**		(2,444)
Depreciation		**(114)**		(144)
Sublease revenue		**4,697**		4,697
Interest and other		**294**		68
Net and comprehensive loss	**$**	**(77,990)**	$	(80,040)

In general, operational expenditures in the current period are consistent with the comparative period and with the fiscal 2019 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 relate to the dissemination of the annual audited financial statement for the years ended September 30, 2018 and 2017. The variance between current and comparative periods results because of the timing of the completion of the respective audited financial statements. The most recent audited financial statements were completed in Q2 2019 versus Q1 2018 for the comparative period.
- Professional fees which consist of auditing fees, legal and other filing fees have decreased by $935 from the comparative period. Audit and accounting fees of $1,560 were incurred in Q1 2019 and relate to the preparation of US tax returns for Jadex for the year ended September 30, 2018 and other advice. The remaining expenditures are legal and filing fees primarily related to news releases issued during the period. Q1 2018 audit fees include an under accrual of $2,000 for the year ended September 30, 2017, as well as preparation of US tax return for Jadex for the year ended September 30, 2017. Stock exchange and transfer agent fees relate directly to the number of security exchange transactions during the periods. There was no significant variance between the current and comparative periods.
- Effective April 1, 2017, the Company entered into a new leasing arrangement for its premises, which includes subleasing office space to one other corporation, CANEX Metals Inc. ("CANEX Metals") (see Note 17 – "Related party balances and transactions and key management remuneration" to the Unaudited Condensed Interim Consolidated Financial Statements for the three month period ended December 31, 2018 which accompany this MD&A and Section 7) "Commitments). There has been no change between the current and comparative period.

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

Three months ended December 31		**2018**		**2017**
Administrative consulting fees	$	**16,989**	$	17,783
Occupancy costs		**13,198**		9,394
Office, secretarial and supplies		**16,675**		12,111
Travel and promotion		**12,604**		14,992
Insurance		**3,528**		3,571
Computer network and website maintenance		**930**		291
Stock-option compensation		**11,438**		16,125
Miscellaneous		**2,060**		820
Total	$	**77,422**	$	75,087

- There is no significant change in administrative consulting fees, which consist of fees for the contract controller, CFO and geological consulting, between the current and comparative periods. Q1 2019 fees include fees of $5,600 to the contract controller, $3,300 for consulting services provided by the CFO and $8,000 for geological consulting services. Q1 2018 included contract controller fees of $5,600 and geological consulting fees of $12,250. There were no fees for the CFO during that period.
- Occupancy costs are up by approximately $3,800. On May 1, 2018, the Company relocated to new premises, acquiring larger office space and entered into a new lease agreement, terminating April 30, 2020. As a result of the new leasing arrangement, the Company has incurred higher occupancy costs during the three month period ended December 31, 2018. For further information relating to obligations for Occupancy costs refer to Section 7) "Commitments" of this document for further information.
- Office and secretarial fees are up by $4,600 and primarily relate to contract administrative services. The increase is consistent with the increase in activity in the Company in recent months.
- During the three month period ended December 31, 2018, travel and promotion expenditures include expenses related to the AMEBC Roundup held annually in Vancouver, British Columbia. As well, expenditures of $9,000 have been incurred for services provided by an on-line investing news agency for the purpose of company promotion and lead generation. During the three month period ended December 31, 2017, two of the Company's executives travelled to the 2017 Zi Gang Cup Jade and Stone Works Exhibition, held in Suzhou, Jiangsu province, China. The purpose of the travel was to present an initial suite of some of the DJ Jade project's samples, consult with some of the world's most recognized Jade carvers, including both Chinese and international artists, and conduct market research to evaluate current market trends including rough and final product prices. These expenditures are reflected in Q1 2018 travel and promotion.
- There is no significant variation for insurance expenditures between the current and comparative periods.
- Computer network and website maintenance expenditures have increased by $640 between the current and comparative periods. Expenditures include website hosting and maintenance and internet service. During Q4 2018, the Company changed website hosting service providers. Q1 2019 includes final billing fees from the previous provider of $350 and tax accounting software of $220. There were no similar fees incurred in the comparative period.
- On October 1, 2018, the Company issued 75,000 stock options to a consultant valued at $11,438. On October 23, 2017, the Company granted a stock option to a technical advisor consisting of 125,000 common shares valued at $16,125. Refer to Note 15 – "Share-based payment transactions" of the Unaudited Condensed Interim Consolidated Financial Statements dated December 31, 2018 that accompany this document for more information regarding these transactions. During the three month period ended September 30, 2018, the Company recognized a change in estimate of the stock option value due to a change in the volatility calculation that utilized monthly stock prices instead of daily stock prices, an assumption that was considered to be more representative of stock volatility. The comparative figures in the Unaudited Condensed Interim Consolidated Financial Statements for the three month period ended December 31, 2018 have been revised to reflect these changes in estimates. Refer to Note 23 – "Comparative figures" in the Unaudited Condensed Interim Consolidated Financial

Statements for the three month period ended December 31, 2018 for a summary of the resulting changes.

- Miscellaneous expenditures have increased by $1,200 between the current and comparative periods, a reflection of the increase in costs and activity in recent periods.

5) Liquidity and Capital Resources

As of December 31, 2018, the Company had working capital of $688,380, (September 30, 2018 - a working capital deficiency of $ 74,058). Changes to working capital in the current and comparative periods are discussed below:

- Current period operating expenditures resulted in cash outflow of $172,000 (Q1 2018 - $53,000). Cash paid to suppliers and contractors is up by $118,600 in the current period from the comparative period and reflects the changes in receivables, prepaids and payables. Due to limited available cash at the end of the 2018 fiscal year, payables increased dramatically. These payables were paid when the Company received a cash injection from the financings that occurred in Q1, 2019. Further, during Q1, 2019, the Company advanced $36,000 to an on-line investing news agency for the purpose of company promotion and lead generation. The advance covers one year's services. Of the total, $9,000 has been expensed in Q1, 2019 and $27,000 is included in prepaids at December 31, 2018.
- The Company expended $264,700 on exploration and evaluation assets during the current period compared to $29,300 in the comparative period. Expenditures in both the current period and comparative period relate to the Company's jade property in Washing State; (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 information.
- During the three month period ended December 31, 2018, the Company closed a private placement financing for gross aggregate proceeds of $1,148,954. During the three month period ended December 31, 2017, the Company partially closed a non-brokered private placement share and warrant issuance for aggregate gross proceeds of $157,500. Refer to Note 12 - "Share capital, stock options and warrants" of the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document and section 6) "Financing" for further information.

The Company believes that it has sufficient working capital to finance general and administrative and other operating expenses for the next 12 month period as well as its planned 2019 exploration program. However, increases in expenditures above and beyond 2019 planned programs including new property acquisitions may require additional financing. There can be 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 which accompany this document.

6) Financing

2019

On October 12, 2018, the Company closed the first tranche of the private placement share and warrant issue for 3,865,816 common units at $0.25 per unit comprised of 3,865,816 common shares and 3,865,816 common share purchase warrants for gross aggregate proceeds of $966,454. Each common unit was comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.40 per share until October 12, 2020. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes Pricing model assuming a volatility of 162.75%, a risk free rate of 2.27%, a 2 year warrant life and a 0% dividend rate. In connection with this financing, the Company paid finder's fees of $27,700 which are included in the share issuance costs that are deducted from the proceeds of the financing that are credited to Common Share Capital.

On October 23, 2018, the Company closed the second tranche of the private placement share and warrant issue for 730,000 common units at $0.25 per unit comprised of 730,000 common shares and 730,000 common share purchase warrants for gross aggregate proceeds of $182,500. Each common unit was comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.40 per share until October 23, 2020. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes Pricing model assuming a volatility of 158.41%, a risk free rate of 2.27%, a 2 year warrant life and a 0% dividend rate. In connection with this financing, the Company paid finder's fees of $1,250 which are included in the share issuance costs that are deducted from the proceeds of the financing that are credited to Common Share Capital.

2018

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

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

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

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

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.

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

	January 1, 2019 to September 30, 2019	**October 1, 2019 to April 30, 2020**
	$	**$**
Base lease cost	15,297	12,355
Expected additional rents	25,773	20,045
Total expected lease commitment	41,070	32,400
Expected sublease revenue	(14,092)	(10,960)
Net future rent	26,978	21,440

b) On July 15, 2018, Jadex signed an Option Agreement for a 100% interest in an existing Lode Claim (20.7 acres) in Wyoming, United States. To acquire a 100% interest, subject to a 2% Net Smelter Return royalty ("NSR"). The terms of the remaining commitment are as follows:

	Option Payments	Exploration Expenditures
Due date:	US$	US$
July 15, 2019	12,000	10,000
July 15, 2020	15,000	50,000
Total	27,000	60,000

The committed option payments and exploration expenditures of US$27,000 and US$60,000 would equate to CDN$36,830 and CDN$81,850 respectively using the December 31, 2018 Bank of Canada exchange rate. An increase or decrease of 10% to the exchange rate would result in an increase or decrease in both required options payments and minimum exploration expenditures of $3,700 and $8,200 respectively.

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

8) Exploration Expenditures

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

9) Selected Quarterly Financial Information

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

Three months ended:	Dec 31 2018 (Q1 2019)	Sep 30 2018 (Q4 2018)	Jun 30 2018 (Q3 2018)	Mar 31 2018 (Q2 2018)	Dec 31 2017 (Q1 2018)	Sep 30 2017 (Q4 2017)	Jun 30 2017 (Q3 2017)	Mar 31 2017 (Q2 2017)
		$	$	$	$	$	$	$
Loss before other items	(82,981)	(114,134)	(84,915)	(440,460)	(84,805)	(60,339)	(37,503)	(32,220)
Sub-lease revenue	4,697	4,697	4,632	4,501	4,697	4,708	4,686	6,001
Interest and other income	294	47	74	142	68	76	45	80
Loss from investments held for sale	-	-	-	(1)	-	-	-	-
Net and comprehensive loss	(77,990)	(109,390)	(80,209)	(435,818)	(80,040)	(55,555)	(32,772)	(26,139)
Basic and diluted loss per share	0.00	0.00	0.00	(0.02)	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 exploration opportunities as well as timing of certain expenditures including the timing of the AGM, held in Q2 2018. Operations during 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 four quarters of 2018 and the fourth quarter of 2017, the Company's expenditures have increased to reflect increased business activities. Additionally, Q1 2019, Q1 and Q2 2018 operations include stock-based compensation of $11,438, $16,125 and $345,688 respectively. During Q4, 2018 a change in estimate pertaining to the valuation of these options was recognized in the Audited Consolidated Financial Statements as described in the discussion of the comparative earnings and loss amounts in Section 4) "Operating results" above. The comparative figures in the Unaudited Condensed Interim Consolidated Financial Statements for the period ended December 31, 2018, as well as this document including the table above have been revised to reflect these changes in estimates. (Refer to Note 23 – "Comparative figures" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document).

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 was 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	*Director and President*	Barbara O'Neill	*Corporate Secretary*
Shari Difley	*Director, Chief Financial Officer**	Shane Ebert	*Director*
Cornell McDowell	*Director*	Peter Megaw	*Director***
Douglas Porter,	*Director, Chief Financial Officer* (former)*		

* 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

Related party transactions for Q1 2019 are disclosed and explained in Note 17 "Related party balances and transactions and key management remuneration" to the Condensed Interim Consolidated Financial Statements for the three months ended December 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 months ended December 31, 2018 and the Unaudited Condensed Interim Consolidated Statement of Changes in Equity for common share capital, stock option and warrant transactions during the three months ended December 31, 2018 and balances as at that date.

During the period from January 1, 2019 to February 27, 2019, the date of this report, warrants expiring April 17, 2019 were exercised to acquire 250,000 common shares at $0.10 per share for total proceeds of $25,000.

14) Financial Instruments

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

It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The Company had nominal foreign currency denominated fund balances. At December 31, 2018, accounts payable and accrued liabilities include a US$14,076 liability that must be settled in US funds, (September 30, 2018 – US$ nil). At December 31, 2018 the CDN $ value of this liability was $18,582 and a 10% change to the exchange rate would result in an increase or decrease of CDN$1,858 (September 30, 2018 CDN$ nil) to accounts payable.

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) 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 December 31, 2018 and September 30, 2018.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to continue to obtain adequate financing or to commence profitable operations in the future. The Company believes that it has sufficient working capital to finance general and administrative and other operating expenses for the next 12 month period as well as its planned 2019 exploration program. However, increases in expenditures above and beyond 2019 planned programs including new property acquisitions may require additional financing. There can be no assurance that the Company will be successful in obtaining financing (refer to Note 1 - "Nature of operations" of the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document).

c) Market risk

The Company's equity investments are subject to market price risk. Investment in common shares is recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. As at September 30, 2018, the Company has written 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 amounts of interest income; it is not exposed to significant interest rate risk at this time.

e) Foreign exchange risk

The Company undertakes transactions denominated in US currency; consequently it is exposed to exchange rate fluctuations. The Company has disclosed US$ commitments pertaining to one option agreement in Note 18, "Commitments" to the Unaudited Condensed Interim Consolidated Financial Statements. See 7) b) Commitments above for a discussion of the effect of foreign currency fluctuations on US$ - denominated commitments.

The Company had nominal foreign currency denominated fund balances. Refer to 14) Financial Instruments above for a discussion of foreign currency fluctuations on US$ accounts payable.

16) Outlook

- During the three month period ended December 31, 2018, the Company completed its first phase drill program on its DJ, Washington State, USA project. Refer to News Release 18-16 dated November 29, 2018. The promising results from the drill program led the Company to exercise its accelerated buy-out of the earn-in option on the property to result in 100% ownership subject to certain royalties. In fiscal 2019 the Company will conduct permitting discussions and complete the necessary documentation in order to secure permits from the Forestry Service that will allow the Company to extract mini bulk samples and conduct a second phase drill program.
- During fiscal 2019 the Company plans to conduct detailed mapping/sampling on its staked and optioned properties in Wyoming, USA with a view to bringing the more significant targets to the drill stage. Drilling will require securing the requisite permits.
- During fiscal 2019 the Company plans to investigate opportunities to option out its Tell Property in the Yukon in order to expand exploration on the project without additional financing being required.
- The Company plans to evaluate and interpret available historic exploration and new field data from the Keithly Mountain Property and evaluate continuation of work on a priority basis with regards to other ongoing opportunities.
- The Company plans to increase visibility and exposure and conduct pre-marketing in International communities through attendance at various trade events in the USA and China. The Company will also work to expand current and potential investors' awareness of the Company's activities through social media, including its website which hosts videos and other relevant information.
- During the three month period ended December 31, 2018, the Company closed the first and second tranche private placement financing for gross aggregate proceeds of $1,148,954. The exercise of warrants subsequent to December 31, 2018 has further bolstered the Company's financial position. The Company will continue to seek out financing so that it may expand exploration on current projects and evaluate and acquire new projects of merit.

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 mining operations will be required. No assurances can be given that the Company will be able to raise 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 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 it properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.

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

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

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

- **Environmental risks**
  The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells 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 contact 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 hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the company's shares.

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

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 require that certain assumptions be made. By their nature, these estimates are subject to measurement uncertainty.

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

The Company estimates the fair value of its short-term equity investments at each period end as they are carried at fair value 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 three month period ended December 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 16 – Leases

IFRS 16 introduces a new definition for what qualifies as a lease. Once an arrangement is determined to meet the definition of a lease, an entity will then recognize a right-of-use asset and a lease liability on its balance sheet. The standard includes certain exemptions for items where the lease term is less than 12 months or for low value items. The effective date of this standard is for annual reporting periods beginning on or after January 1, 2019, (the Company's fiscal year ended September 30, 2020), with options for early adoption. The Company has not yet determined the impact of adopting IFRS 16 on its consolidated financial statements.

20) Subsequent events

Subsequent to December 31, 2018 and the date of this report, 250,000 warrants were exercised. Refer to Section 13) "Share Capital, warrants and options" for more information

21) Other

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