

Jade Leader Corp.
Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)
Three and Nine Months Ended June 30, 2019

(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 Statements of Financial Position

(Expressed in Canadian Dollars)

As at June 30, 2019 and September 30, 2018

(Unaudited - prepared by management)

| | June 30, 2019 | September 30 2018 |
|--|---------------------|----------------------|
| ASSETS | | |
| Current Assets | | |
| Cash (Note 5) | \$ 616,586 | \$ 27,004 |
| Accounts receivable (Note 6) | 12,166 | 7,739 |
| Mining exploration tax credit receivable (Note 8) | 450 | 5,288 |
| Prepaid expenses | 22,421 | 14,498 |
| | <u>651,623</u> | <u>54,529</u> |
| Non-current Assets | | |
| Exploration and evaluation assets (Note 8) | 1,231,052 | 685,173 |
| Equipment and software (Note 9) | 1,892 | 2,232 |
| | <u>1,232,944</u> | <u>687,405</u> |
| TOTAL ASSETS | \$ 1,884,567 | \$ 741,934 |
| EQUITY AND LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities (Note 10) | \$ 76,144 | \$ 128,587 |
| Non-current Liabilities | | |
| Decommissioning obligation (Note 11) | 12,750 | 12,750 |
| Deferred sublease revenue | 913 | 913 |
| | <u>13,663</u> | <u>13,663</u> |
| TOTAL LIABILITIES | 89,807 | 142,250 |
| EQUITY | | |
| Share capital (Note 12) | 13,711,264 | 12,854,098 |
| Reserves | 3,053,272 | 2,430,985 |
| Deficit | (14,969,776) | (14,685,399) |
| TOTAL EQUITY | 1,794,760 | 599,684 |
| TOTAL EQUITY AND LIABILITIES | \$ 1,884,567 | \$ 741,934 |

Nature of operations (Note 1)

Commitments (Note 18)

Approved by the Board

"Jean Pierre Jutras"

Director

"Shane Ebert"

Director

See accompanying notes to the financial statements.

Jade Leader Corp.

Condensed Interim Statements of Net and Comprehensive Loss

(Expressed in Canadian Dollars)

For the three and nine month periods ended June 30, 2019 and 2018

(Unaudited - prepared by management)

| | Three months ended | | Nine months ended | |
|--|---------------------|--------------------|---------------------|---------------------|
| | June 30, 2019 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| Expenses | | | | |
| General and administrative (Notes 14 and 23) | \$ 96,317 | \$ 78,730 | \$ 265,847 | \$ 558,827 |
| Reporting to shareholders | 12,402 | (660) | 15,384 | 16,478 |
| Professional fees | 2,463 | 2,121 | 10,310 | 18,154 |
| Stock exchange and transfer agent fees | 3,445 | 4,580 | 7,969 | 11,368 |
| Depreciation | 113 | 144 | 340 | 431 |
| Pre-acquisition costs | - | - | - | 4,922 |
| | <u>114,740</u> | <u>84,915</u> | <u>299,850</u> | <u>610,180</u> |
| Loss before other items | <u>(114,740)</u> | <u>(84,915)</u> | <u>(299,850)</u> | <u>(610,180)</u> |
| Other items | | | | |
| Sublease revenue | 4,697 | 4,632 | 14,092 | 13,830 |
| Interest and other | 1,104 | 74 | 1,381 | 284 |
| Loss from short-term investments | - | - | - | (1) |
| | <u>5,801</u> | <u>4,706</u> | <u>15,473</u> | <u>14,113</u> |
| Net loss and comprehensive loss | \$ <u>(108,939)</u> | \$ <u>(80,209)</u> | \$ <u>(284,377)</u> | \$ <u>(596,067)</u> |
| Basic and diluted loss per share (Note 16) | \$ <u>0.00</u> | \$ <u>0.00</u> | \$ <u>(0.01)</u> | \$ <u>(0.02)</u> |
| Weighted average shares outstanding - basic and diluted (Note 16) | <u>41,512,708</u> | <u>33,063,595</u> | <u>39,309,543</u> | <u>32,585,885</u> |

Nature of operations (Note 1)

See accompanying notes to the financial statements.

Jade Leader Corp.

Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

For the three and nine month periods ended June 30, 2019 and 2018

(Unaudited - prepared by management)

| | Three months ended | | Nine months ended | |
|---|--------------------|------------------|-------------------|------------------|
| | June 30, 2019 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| Increase (decrease) in cash at bank | | | | |
| Operating activities | | | | |
| Cash received from sublease revenue (Note 19) | \$ 4,697 | (231) | \$ 14,092 | 8,967 |
| Cash paid to suppliers and contractors (Note 19) | (106,031) | (61,081) | (378,996) | (239,917) |
| Cash used in operating activities | (101,334) | (61,312) | (364,904) | (230,950) |
| Investing activities | | | | |
| Interest and other income received | 1,104 | 74 | 1,381 | 284 |
| Cash expended on exploration and evaluation asset additions (Note 19) | (208,231) | (63,667) | (504,410) | (118,233) |
| Cash received (used) in investing activities | (207,127) | (63,593) | (503,029) | (117,949) |
| Financing Activities | | | | |
| Private placement proceeds | - | - | 1,148,954 | 200,000 |
| Share issue costs | - | - | (44,439) | (8,513) |
| Options exercised | 28,000 | 23,000 | 28,000 | 23,000 |
| Warrants exercised | - | 10,000 | 325,000 | 10,000 |
| Cash provided by financing activities | 28,000 | 33,000 | 1,457,515 | 224,487 |
| Increase (decrease) in cash at bank | (280,461) | (91,905) | 589,582 | (124,412) |
| Cash at bank: | | | | |
| Beginning of period | 897,047 | 172,446 | 27,004 | 204,953 |
| End of period | \$ 616,586 | \$ 80,541 | \$ 616,586 | \$ 80,541 |

Supplementary information:

Interest and taxes

During the three and nine month periods ended June 30, 2019 and June 30, 2018 the Company did not expend cash on interest or taxes.

Non-cash transactions:

2019

During the three month and nine month periods ended June 30, 2019, the Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments totalling \$10,500 and \$21,938 respectively. The value of stock-based payments is included in general and administrative expenses (Notes 14 and 15).

2018

During the three and nine month periods ended June 30, 2018, the Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments in the amounts of \$Nil and \$361,813 respectively. The value of the stock-based payments is included in general and administrative expenses (Notes 14, 15 and Note 23).

See accompanying notes to the financial statements.

Jade Leader Corp.

Condensed Interim Statement of Changes in Equity

(Expressed in Canadian Dollars)
(Unaudited - prepared by management)

| | Reserves | | | | | | Total \$ |
|---|----------------------------------|--|----------------|------------------|-------------------------|---------------------|------------------|
| | Common share capital \$ | Equity-settled share based payment \$ | Warrants \$ | Other* \$ | Total Reserves \$ | Deficit \$ | |
| Balance, September 30, 2017 | 12,619,161 | 69,220 | 199,234 | 1,766,168 | 2,034,622 | (13,979,942) | 673,841 |
| Net and comprehensive loss for the period | - | - | - | - | - | (596,067) | (596,067) |
| 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) | 127,643 | - | 72,357 | - | 72,357 | - | 200,000 |
| Share issuance costs | (8,513) | - | - | - | - | - | (8,513) |
| 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 |
| Balance, June 30, 2018 | 12,792,467 | 413,553 | 211,956 | 1,822,107 | 2,447,616 | (14,576,009) | 664,074 |
| Net and comprehensive loss for the period | - | - | - | - | - | (109,390) | (109,390) |
| 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 and comprehensive loss for the period | - | - | - | - | - | (284,377) | (284,377) |
| Options issued, October 1, 2018 | - | 11,438 | - | - | 11,438 | - | 11,438 |
| Private placement share and warrant issue | 404,357 | - | 744,597 | - | 744,597 | - | 1,148,954 |
| Share issuance costs | (44,374) | - | - | - | - | - | (44,374) |
| Warrants exercised, February 2019 | 36,618 | - | (11,618) | - | (11,618) | - | 25,000 |
| Warrants exercised, March 2019 | 411,350 | - | (111,350) | - | (111,350) | - | 300,000 |
| Share issuance costs | (65) | - | - | - | - | - | (65) |
| Options issued, May 23, 2019 | - | 10,500 | - | - | 10,500 | - | 10,500 |
| Options exercised, June 2019 | 49,280 | (21,280) | - | - | (21,280) | - | 28,000 |
| Balance, June 30, 2019 | 13,711,264 | 414,211 | 816,954 | 1,822,107 | 3,053,272 | (14,969,776) | 1,794,760 |

*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.

Jade Leader Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited - prepared by management)
Three and Nine Months Ended June 30, 2019

1. Nature of operations

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

Since inception, the efforts of the Company have been devoted to the acquisition, exploration and development of mineral properties. To date the Company has not received any revenue from mining operations and has not determined whether 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 further exploration initiatives and/or complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company's ability to recover its costs through a disposition of its interests.

2. Basis of presentation

a) Basis of presentation

These condensed interim consolidated financial statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting", using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretation of the International Reporting Interpretations Committee ("IFRIC") and are presented in Canadian dollars.

These unaudited condensed interim consolidated financial statements have been prepared on an 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 disclosed in its most recently completed audited annual consolidated financial statements for the year ended September 30, 2018.

Jade Leader Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited - prepared by management)
Three and Nine Months Ended June 30, 2019

3. Significant accounting policies (continued)

a) New accounting policies

Jade Leader did not adopt any new accounting policies during the nine month period ended June 30, 2019.

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 consolidated 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 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

Jade Leader Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2019

4. Significant accounting judgements and estimates (continued)

- the collectible amount of government incentives which are subject to review by granting authorities, affecting the carrying value of receivables and exploration and evaluation assets.

5. Cash

| | <u>June 30, 2019</u> | <u>September 30, 2018</u> |
|---------------------------------|--------------------------|-------------------------------|
| Current bank accounts | \$ 579,787 | \$ 25,863 |
| Cash held in foreign currencies | 3,316 | 1,141 |
| Receipts held for deposit | 33,483 | - |
| | <u>\$ 616,586</u> | <u>\$ 27,004</u> |

6. Accounts receivable

| | <u>June 30, 2019</u> | <u>September 30, 2018</u> |
|---------------------------|--------------------------|-------------------------------|
| Trade receivables | 467 | - |
| Related party receivables | 6,438 | 1,588 |
| Sales tax receivables | 5,261 | 6,151 |
| | <u>\$ 12,166</u> | <u>\$ 7,739</u> |

7. Short-term investments

During the year ended September 30, 2013, the Company acquired shares in North Sur Resources Inc. through the sale of a mineral property option. During the year ended September 30, 2017, North Sur Resources Inc. shares were transferred from the TSX Venture Exchange to the NEX and on March 28, 2018, the shares were delisted. 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 June 30, 2019 are \$499,735 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.

Jade Leader Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2019

8. Exploration and evaluation assets (continued) **DJ Jade Project, Washington State, USA (continued)**

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

Wyoming Jade Fields, Wyoming, USA

The Wyoming Jade Fields are comprised of six properties. The Company has acquired, by staking more than 90 Mineral Lode Claims covering in excess of 1,800 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 required a total of US\$35,000 in property payments, and staged work commitments of US\$60,000. Subsequent to June 30, 2019, the Company made the final option payment of US\$27,000, acquiring a 100% interest in the property, subject to the NSR, after having made options payments of US\$8,000 in fiscal 2018. The Company has the option, upon written notice, to acquire one half, (1%), of the NSR for US\$20,000 in cash. The Optionor also granted the Company the right, upon written notice, to acquire the remaining half, (1%), of the NSR for US\$30,000 in cash, thereby extinguishing the NSR of the Optionor. For more information refer to Note 18 - "Commitments." The Company completed its spring 2019 exploration program in June 2019 and will continue to evaluate these properties for further exploration. The gross costs and impairments recorded for the Wyoming Jade Fields project at June 30, 2019 are \$287,592 and \$Nil, respectively (September 30, 2018 - \$117,046 and \$Nil respectively).

Keithly Mountain, British Columbia

During fiscal 2017, the Company acquired this prospective jade property in the Cariboo Goldfields of central British Columbia, by staking. Subsequent to a first pass program in 2017, the property was reduced to 1,486 hectares of lode claims. The gross costs and impairments recorded to the property as at June 30, 2019, are \$17,654 and \$Nil, respectively (September 30, 2018 - \$18,104 and \$Nil, respectively).

Tell, Yukon

The Company acquired 100% of the expanded Tell mineral property through staking. The Company holds 235 claims covering approximately 4,900 hectares located 140 kilometres east of Mayo, Yukon. The gross costs and impairments recorded to the Tell project at June 30, 2019 are \$426,071 and \$Nil, respectively (September 30, 2018 - \$426,107 and \$Nil, respectively).

In assessing whether an impairment loss should be recorded on the Tell property, management considered the four factors outlined in Note 3 f) to the Audited Consolidated Annual Financial Statements of the Company for the year ended September 30, 2018. Given recent activity in the area surrounding the Tell property, including significant investment by a non-related public company, and the fact that Management intends to extend core claims that will be expiring in the current year, Management believes that recognizing an impairment loss at this time is premature. A number of assumptions are required in making valuation assessments, including about mineral prices, continued exploration activity in the surrounding areas increasing the likelihood of being able to option out the property, and the availability of future financing to further develop the property failing the optioning out of the property. As the property is at the grassroots level it is impossible to even estimate potential mineral resources or reserves, making a valuation of the property difficult or impossible. There is a risk that the property could have little or no value if exploration activities in the surrounding area cease, mineral prices decrease significantly making any extraction, regardless of quantities, uneconomical or the Company is unable to acquire future financing to enable exploration before the claims expire.

Jade Leader Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2019

8. Exploration and evaluation assets (continued)

A summary of exploration and evaluation expenditures by category for the nine month period ended June 30, 2019 and the year ended September 30, 2018 appears below:

| Nine months ended June 30, 2019 | | Wyoming, USA | Washington, USA | British Columbia | Yukon |
|---|------------------|------------------------|--------------------|---------------------|---------|
| | Total | Wyoming Jade Fields | DJ Jade Project | Keithly Mountain | Tell |
| | \$ | \$ | \$ | \$ | \$ |
| Balance at September 30, 2018 | 455,953 | 46,112 | 76,349 | 13,838 | 319,654 |
| Geological consulting | 114,994 | 45,858 | 69,136 | - | - |
| Geophysical | 167,326 | 93,618 | 73,708 | - | - |
| Drilling | 117,399 | - | 117,399 | - | - |
| Field costs | 14,824 | 2,909 | 11,915 | - | - |
| Travel costs | 27,220 | 11,421 | 15,799 | - | - |
| WCB | (36) | - | - | - | (36) |
| Decommissioning | 792 | - | 792 | - | - |
| Mining exploration tax credit | (450) | - | - | (450) | - |
| Balance, June 30, 2019 | 898,022 | 199,918 | 365,098 | 13,388 | 319,618 |
| Property acquisition costs: | | | | | |
| Balance September 30, 2018 | 229,220 | 70,934 | 47,567 | 4,266 | 106,453 |
| Acquisition costs incurred | 103,810 | 16,740 | 87,070 | - | - |
| Balance, June 30, 2019 | 333,030 | 87,674 | 134,637 | 4,266 | 106,453 |
| Total exploration and evaluation assets June 30, 2019 | 1,231,052 | 287,592 | 499,735 | 17,654 | 426,071 |
| | | | | | |
| Year ended September 30, 2018 | | Wyoming, USA | Washington, USA | British Columbia | Yukon |
| | Total | Wyoming Jade Fields | DJ Jade Project | Keithly Mountain | Tell |
| | \$ | \$ | \$ | \$ | \$ |
| Balance at September 30, 2017 | 356,539 | - | 22,725 | 17,626 | 316,188 |
| Geological consulting | 50,061 | 29,263 | 19,298 | 1,500 | - |
| Geophysical | 24,025 | - | 24,025 | - | - |
| Helicopter | 3,078 | - | - | - | 3,078 |
| Field costs | 5,808 | 2,404 | 3,404 | - | - |
| Travel costs | 21,687 | 14,093 | 6,897 | - | 697 |
| WCB | (309) | - | - | - | (309) |
| Geochemical analysis | 352 | 352 | - | - | - |
| Mining exploration tax credit | (5,288) | - | - | (5,288) | - |
| Balance, September 30, 2018 | 455,953 | 46,112 | 76,349 | 13,838 | 319,654 |
| Property acquisition costs: | | | | | |
| Balance September 30, 2017 | 135,313 | - | 24,594 | 4,266 | 106,453 |
| Acquisition costs incurred | 93,907 | 70,934 | 22,973 | - | - |
| Balance, September 30, 2018 | 229,220 | 70,934 | 47,567 | 4,266 | 106,453 |
| Total exploration and evaluation assets September 30, 2018 | 685,173 | 117,046 | 123,916 | 18,104 | 426,107 |

Jade Leader Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2019

9. Equipment and software

| | Computer 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 | - | (340) | (340) |
| Balance, June 30, 2019 | \$ 7,462 | \$ (5,570) | \$ 1,892 |

10. Accounts payable and accrued liabilities

| | June 30, 2019 | September 30, 2018 |
|------------------------|------------------|-----------------------|
| Trade payables | \$ 33,017 | \$ 26,276 |
| Due to related parties | 32,695 | 80,001 |
| Accrued liabilities | 10,125 | 22,000 |
| Sales taxes payable | 307 | 310 |
| | \$ 76,144 | \$ 128,587 |

11. Decommissioning obligation

There were no changes in the decommissioning obligation for the nine month period ended June 30, 2019 and the year ended September 30, 2018.

| Nine months ended June 30, 2019: | Yukon Tell |
|--|---------------|
| Balance at September 30, 2018 and June 30, 2019 | \$ 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 1.40% (September 30, 2018 – 2.21%) and an inflation rate of 1.85% (September 30, 2018 – 2.35%) for the period ended June 30, 2019. The timing of future decommissioning costs is uncertain, as the costs will not be incurred until the Company gives up its legal right to explore the property or the current land use permits expire 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.

Jade Leader Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2019

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) |
| Warrants exercised – February 2019 | 250,000 | 36,618 |
| Warrants exercised – March 2019 | 3,000,000 | 411,350 |
| Share issuance costs | - | (65) |
| Options exercised – June 2019 | 280,000 | 49,280 |
| Balance, as at June 30, 2019 | 41,752,708 | 13,711,264 |

| | 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 |

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 have been included in the share issuance costs that are deducted from the proceeds of the financing that are credited to Common Share Capital.

Jade Leader Corp.

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(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2019

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

b) Issued and outstanding common share capital (continued)

2019 (continued)

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.

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

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

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

2018

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

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

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

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(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2019

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

b) Issued and outstanding common share capital (continued)

Subsequent to June 30, 2019 and prior to the date of these financial statements there were 515,000 common shares issued pursuant to the exercise of stock options discussed below. No shares were cancelled and returned to treasury.

Subsequent to June 30, 2019 and prior to the date of these financial statements 385,000 options exercisable at \$0.10 per share, expiring July 10, 2019 and 130,000 options exercisable at \$0.10 per share, expiring July 13, 2019, were exercised for total proceeds of \$51,500.

c) Stock options outstanding

| Expiry | Number of shares | | Exercise |
|--------------------|------------------|------------------|----------|
| | June 30, 2019 | Sept 30, 2018 | Price |
| July 10, 2019 | 385,000 | 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 |
| May 23, 2022 | 50,000 | - | \$0.21 |
| | <u>1,990,000</u> | <u>2,145,000</u> | |

d) Stock option transactions

| | Number of shares | Weighted average exercise price |
|------------------------------------|------------------|---------------------------------|
| Balance, September 30, 2018 | 2,145,000 | \$0.25 |
| Issued October 1, 2018 | 75,000 | \$0.25 |
| Issued May 23, 2019 | 50,000 | \$0.21 |
| Exercised, June 18, 2019 | (280,000) | \$0.10 |
| Balance, June 30, 2019 | <u>1,990,000</u> | <u>\$0.27</u> |

Refer to Note 15 - "Share-based payment transactions" for more information regarding the options issued during the three and nine month periods ended June 30, 2019.

The Company has an option plan (the Plan), under which up to 10% of the issued and outstanding common shares are reserved for issuance. Under the Plan, the options that have been granted expire at the earlier of five years from the grant date, the date at which the Directors determine, or 60 days from the date on which the optionee ceases to be a director, officer, employee or consultant. The exercise 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 ends have vested.

Jade Leader Corp.

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Three and Nine Months Ended June 30, 2019

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.

Nine months ended June 30, 2019

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

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 June 30, 2019 and prior to the approval date of these financial statements no warrants were issued and none expired nor were exercised.

13. Financial instruments

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

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

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

Jade Leader Corp.

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(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2019

13. Financial instruments (continued)

The following summarizes the categories of the various financial instruments:

| | June 30, 2019 | September 30, 2018 |
|--|-------------------|-----------------------|
| | Carrying Value | |
| Financial assets measured at amortized cost: | | |
| Cash | \$ 616,586 | \$ 27,004 |
| Accounts receivable | 6,905 | 1,588 |
| | <u>\$ 623,491</u> | <u>\$ 28,592</u> |
| Financial liabilities measured at amortized cost: | | |
| Accounts payable and accrued liabilities | \$ 75,837 | \$ 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 June 30, 2019, accounts payable and accrued liabilities include liabilities of US\$17,855 that must be settled in US funds, (September 30, 2018 – US\$ nil). At June 30, 2019, the CDN\$ value of this liability was \$23,367 and a 10% change to the exchange rate would result in an increase or decrease of CDN\$2,337 (September 30, 2018 – CDN\$ nil) to the amount payable.

14. General and administrative

| | Three months ended | | Nine months ended | |
|--|--------------------|------------------|-------------------|------------------|
| | June 30, 2019 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| Administrative consulting fees | \$ 13,813 | \$ 22,474 | \$ 58,629 | \$ 61,399 |
| Occupancy costs | 14,833 | 11,964 | 41,476 | 30,433 |
| Office, secretarial and supplies | 13,394 | 15,809 | 48,124 | 42,668 |
| Travel and promotion | 36,029 | 11,311 | 75,188 | 36,920 |
| Insurance | 3,505 | 3,008 | 10,514 | 9,023 |
| Computer network and website maintenance | 544 | 8,181 | 2,773 | 8,762 |
| Stock-based compensation (Note 23) | 10,500 | - | 21,938 | 361,813 |
| Salaries and benefits | 1,678 | 2,277 | 1,678 | 2,277 |
| Miscellaneous | 2,021 | 3,706 | 5,527 | 5,532 |
| | <u>96,317</u> | <u>78,730</u> | <u>265,847</u> | <u>558,827</u> |

Jade Leader Corp.

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Three and Nine Months Ended June 30, 2019

15. Share-based payment transactions

2019

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

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

2018

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

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%.

16. Loss per share

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

| | Three months ended | | Nine months ended | |
|---|--------------------|--------------|-------------------|--------------|
| | Jun 30, 2019 | Jun 30, 2018 | Jun 30, 2019 | Jun 30, 2018 |
| Weighted average number of common shares | 41,512,708 | 33,063,595 | 39,309,543 | 32,585,885 |
| Effect of dilutive securities: | | | | |
| Stock options | - | - | - | - |
| Warrants | - | - | - | - |
| Diluted | 41,512,708 | 33,063,595 | 39,309,543 | 32,585,885 |
| Loss per share | | | | |
| Basic and diluted | \$ 0.00 | \$ 0.00 | \$ (0.01) | \$ (0.02) |

The dilutive effect of stock options and warrants was calculated using the treasury stock method. This method calculated the number of incremental shares by assuming the outstanding in-the-money stock options and

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Three and Nine Months Ended June 30, 2019

16. Loss per share (continued)

warrants are exercised, and then reduced by the number of shares assumed to be repurchased from the issuance proceeds, using the average market price of the Company's common shares for the period. As the Company experienced losses for the three and nine month periods ended June 30, 2019 and 2018, 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 include members of the Board of Directors, officers and their close family members, 635280 Alberta Ltd., a company controlled by Jean Pierre Jutras, an officer and director of Jade Leader, Lunacees Enterprises Ltd., a company controlled by Cornell McDowell, a director of Jade Leader, and Vector Resources Inc., a company controlled by Shane Ebert, a director of Jade Leader, are also considered related parties.

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

| | | Three months ended | | Nine months ended | |
|-------------------------------------|------|--------------------|----------|-------------------|-----------|
| | | June 30, | | June 30, | |
| | | 2019 | 2018 | 2019 | 2018 |
| | | \$ | \$ | \$ | \$ |
| Key management remuneration: | Note | | | | |
| President and director | a) | (24,750) | (34,969) | (76,906) | (67,532) |
| Corporate secretary | b) | (10,283) | (12,173) | (38,531) | (34,481) |
| Chief financial officer | c) | (1,020) | (1,500) | (7,644) | (1,500) |
| Total management remuneration | | (36,053) | (48,642) | (123,081) | (103,513) |

Management compensation payable to "key management personnel" during the period ended June 30, 2019 and 2018 is reflected in the table above and consists of consulting fees paid or payable to 635280 Alberta Ltd., a company controlled by Jean Pierre Jutras, as well as to the Corporate Secretary and the Chief Financial Officer. Directors are not paid directors' fees. Officers and directors are compensated through the granting of options from time-to-time. Refer to Note 15 - "Share-based payment transactions" for details relating to options issued during the three and nine month periods ended June 30, 2019 and June 30, 2018. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company

| | | Three months ended | | Nine months ended | |
|---|----|--------------------|---------|-------------------|---------|
| | | June 30, | | June 30, | |
| | | 2019 | 2018 | 2019 | 2018 |
| | | \$ | \$ | \$ | \$ |
| Other related party transactions: | | | | | |
| CANEX Metals Inc. ("CANEX") | | | | | |
| Sublease revenue | d) | 4,697 | 4,632 | 14,092 | 13,830 |
| General and administrative and secretarial costs paid | d) | (1,460) | (624) | (2,380) | (2,639) |
| General and administrative and secretarial costs received | d) | 1,285 | 2,123 | 5,230 | 4,535 |
| Lunacees Enterprises Ltd. | | | | | |
| Geological consulting services | e) | - | (4,500) | (900) | (9,000) |
| Vector Resources Inc. | | | | | |
| Geological consulting services | f) | - | - | - | (1,250) |

Jade Leader Corp.

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Three and Nine Months Ended June 30, 2019

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

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

| | Note | | June 30, 2019 | | September 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) | \$ | 1,349 | \$ | 948 |
| CANEX Metals Inc. | d) | \$ | (1,533) | \$ | - |
| Corporate Secretary | b) | \$ | (2,958) | | (9,974) |
| President and director | a) | \$ | (2,060) | \$ | (1,789) |
| Chief financial officer | c) | \$ | - | \$ | (1,260) |
| Geological consulting services | | | | | |
| 635280 Alberta Ltd. | a) | \$ | (25,988) | \$ | (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 nine month period ended June 30, 2019, \$43,969 (2018 - \$21,500) was capitalized to exploration and evaluation assets, \$32,937 (2018 - \$46,032) 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 nine month periods ending June 30, 2019 and 2018, the Company incurred certain administrative expenses on CANEX's behalf that were subsequently billed to CANEX on a quarterly basis. Further, CANEX incurred certain administrative costs on behalf of the Company that were billed on a quarterly basis. Since January 2015, the Company has subleased office space to CANEX. The Company renewed its sublease with CANEX on May 1, 2018, terminating April 30, 2020. CANEX and the Company share two common officers and two common directors.

e) During the nine month period ended June 30, 2019 and June 30, 2018, geological consulting services were provided by Lunacees Enterprise Ltd.

f) During the nine months ended June 30, 2018, geological consulting services were provided by Vector Resources Inc.

Amounts receivable pertain to billings plus applicable sales taxes for which payment has not been received and amounts payable reflect billings plus applicable sales taxes that were 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.

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Three and Nine Months Ended June 30, 2019

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 June 30, 2019, the committed lease costs to the termination of the lease are as follows:

| | July 1, 2019 to September 30, 2019 | October 1, 2019 to April 30, 2020 |
|---------------------------------|--|---|
| | \$ | \$ |
| Base lease cost | 5,295 | 12,355 |
| Expected additional rents | 8,591 | 20,045 |
| Total expected lease commitment | 13,886 | 32,400 |
| Expected sublease revenue | (4,697) | (10,960) |
| Net future rent | 9,189 | 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 June 30, 2019, 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 |

On July 11, 2019, the Company gave notice to the underlying property owner and made an immediate payment of the remaining Option Payments totalling US\$27,000, (CDN\$35,300) to acquire 100% of the Property subject to an NSR.

19. Supplemental disclosure statement of cash flows

| | Three months ended June 30 | | Nine months ended June 30 | |
|--|-------------------------------|----------|------------------------------|-----------|
| | 2019 | 2018 | 2019 | 2018 |
| Sublease revenue | \$ 4,697 | \$ 4,632 | \$ 14,092 | \$ 13,830 |
| Changes in assets and liabilities pertaining to sublease revenue: | | | | |
| Accounts receivable | - | (4,863) | - | (4,863) |
| Sublease deposit | - | - | - | - |
| Cash received for sublease revenue | \$ 4,697 | \$ (231) | \$ 14,092 | \$ 8,967 |

Jade Leader Corp.

Notes to the Condensed Interim Financial Statements

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(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2019

19. Supplemental disclosure statement of cash flows (continued)

| | Three months ended June 30 | | Nine months ended June 30 | |
|---|-------------------------------|-------------|------------------------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| Operating expenses | \$ (114,740) | \$ (84,915) | \$ (299,850) | \$ (610,180) |
| Depreciation | 113 | 144 | 340 | 431 |
| Stock-based compensation | 10,500 | - | 21,938 | 361,813 |
| Changes in assets and liabilities pertaining to operations: | | | | |
| Accounts receivable | (706) | 7,043 | (4,427) | (2,011) |
| Prepaid expenses | 5,868 | (987) | (7,923) | 2,128 |
| Accounts payable and accrued liabilities | (7,066) | 17,634 | (89,074) | 7,902 |
| Cash paid to suppliers and contractors | \$ (106,031) | \$ (61,081) | \$ (378,996) | \$ (239,917) |
| | | | | |
| | Three months ended June 30 | | Nine months ended June 30 | |
| | 2019 | 2018 | 2019 | 2018 |
| Exploration and evaluation asset additions | \$ (249,884) | \$ (82,147) | \$ (545,879) | \$ (131,425) |
| Changes in assets and liabilities pertaining to exploration and evaluation asset additions: | | | | |
| Mining exploration tax credit receivable | - | - | 4,838 | (5,288) |
| Accounts payable and accrued liabilities | 41,653 | 18,480 | 36,631 | 18,480 |
| Cash expended on exploration and evaluation asset additions | \$ (208,231) | \$ (63,667) | \$ (504,410) | \$ (118,233) |

20. Segment disclosures

During the current period ended June 30, 2019 and the comparative period ended June 30, 2018 as well as during the year ended September 30, 2018, the Company was only 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.

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(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2019

21. Capital (continued)

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 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 June 30, 2019 and September 30, 2018, there were no qualifying expenditures required by flow-through agreements; consequently there was no restricted cash at June 30, 2019 and September 30, 2018.

22. Financial risk management

a) Credit risk

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

Jade Leader Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2019

22. Financial risk management (continued)

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 June 30, 2019, accounts payable and accrued liabilities include liabilities of US\$17,855. The effect of a foreign currency increase/decrease of 10% on this commitment and liability has been disclosed in Notes 18 and 13 respectively. The Company had nominal foreign currency denominated fund balances as at June 30, 2019 and September 30, 2018.

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 and nine month periods ended June 30, 2019 have been revised to reflect these changes in estimates, and are summarized below:

| Share and warrant issues, year ended September 30, 2018 | | | | | | | | | |
|---|--------------------|----------|---------|------------|-------------------|----------|---------|------------|-------------------------|
| Date issued | Original valuation | | | | Revised valuation | | | | Interim period affected |
| | Common shares | Warrants | Total | Volatility | Common shares | Warrants | Total | Volatility | |
| | \$ | \$ | \$ | % | \$ | \$ | \$ | % | |
| 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 | | | | | | |
|---|--------------------|------------|-------------------|------------|-------------------------------------|-------------------------|
| Date issued | Original valuation | | Revised valuation | | Change in Stock Option Compensation | Interim period affected |
| | Options | Volatility | Options | Volatility | | |
| | \$ | % | \$ | % | \$ | |
| 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 |

Jade Leader Corp.

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(Unaudited - prepared by management)

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24. Subsequent events

On July 11, 2019, the Company announced the early payment of the remaining option payments due on the Wyoming Jade Fields in Wyoming, USA, which resulted in the acquisition of 100% of the property subject to an NSR. Refer to Note 8 – “Exploration and evaluation assets and note 18 b) – “Commitments”) for further information.

During July, 2019, 515,000 options were exercised at \$0.10 per share for total proceeds of \$51,500. (refer to Note 12 b))