

Jade Leader Corp.
Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)
December 31, 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 Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	<u>December 31</u> <u>2019</u>	<u>September 30</u> <u>2019</u>
ASSETS		
Current Assets		
Cash (Note 5)	\$ 144,086	\$ 406,255
Accounts receivable (Note 6)	13,264	11,459
Prepaid expenses	11,144	19,949
	<u>168,494</u>	<u>437,663</u>
Non-current Assets		
Exploration and evaluation asset advances and deposits (Note 7)	4,357	4,357
Exploration and evaluation assets (Note 7)	1,486,889	1,401,188
Equipment and software (Note 8)	25,896	1,779
	<u>1,517,142</u>	<u>1,407,324</u>
TOTAL ASSETS	\$ 1,685,636	\$ 1,844,987
EQUITY AND LIABILITIES		
Current Liabilities		
Deferred sublease revenue	\$ 913	\$ 913
Accounts payable and accrued liabilities (Note 9)	37,692	86,829
	<u>38,605</u>	<u>87,742</u>
Non-current Liabilities		
Decommissioning obligation (Note 10)	12,750	12,750
TOTAL LIABILITIES	51,355	100,492
EQUITY		
Share capital (Note 11)	13,907,792	13,907,792
Reserves	3,161,504	3,110,524
Deficit	(15,435,015)	(15,273,821)
TOTAL EQUITY	1,634,281	1,744,495
TOTAL EQUITY AND LIABILITIES	\$ 1,685,636	\$ 1,844,987

Nature and continuance of operations (Note 1)
Commitments (Note 17)
Subsequent events and contingent liability (Note 23)

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

	<u>2019</u>		<u>2018</u>
Expenses			
General and administrative (Note 13)	\$ 127,567	\$	77,422
Professional fees	36,216		3,452
Stock exchange and transfer agent fees	2,770		1,993
Depreciation	796		114
	<u>167,349</u>		<u>82,981</u>
Loss before other items	<u>(167,349)</u>		<u>(82,981)</u>
Other items			
Sublease revenue	4,697		4,697
Interest and other	1,458		294
	<u>6,155</u>		<u>4,991</u>
Net loss and comprehensive loss	\$ <u>(161,194)</u>	\$	<u>(77,990)</u>
Basic and diluted loss per share (Note 15)	\$ <u>0.00</u>	\$	<u>0.00</u>
Weighted average shares outstanding - basic and diluted (Note 15)	<u>42,267,708</u>		<u>37,585,926</u>

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

	<u>2019</u>	<u>2018</u>
Increase (decrease) in cash at bank		
Operating activities		
Cash received from sublease revenue	\$ 4,697	\$ 4,697
Cash paid to suppliers and contractors (Note 18)	<u>(100,061)</u>	<u>(176,456)</u>
Cash used in operating activities	<u>(95,364)</u>	<u>(171,759)</u>
Investing activities		
Interest and other income received	1,458	294
Cash expended on exploration and evaluation asset additions (Note 18)	<u>(143,350)</u>	<u>(264,685)</u>
Cash expended on equipment and software	<u>(24,913)</u>	-
Cash used in investing activities	<u>(166,805)</u>	<u>(264,391)</u>
Financing activities		
Share capital and warrant issue proceeds	-	1,148,954
Cash share issuance and transaction costs	<u>-</u>	<u>(44,374)</u>
Cash provided by financing activities	<u>-</u>	<u>1,104,580</u>
(Decrease) Increase in cash at bank	(262,169)	668,430
Cash at bank:		
Beginning of period	<u>406,255</u>	<u>27,004</u>
End of period	\$ 144,086	\$ 695,434

Supplementary information:

Interest and taxes

During the three month periods ended December 31, 2019 and December 31, 2018, the Company did not expend cash on interest or taxes.

Non-cash transactions:

Three months ended December 31, 2019

The Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments totalling \$50,980 that is included in general and administrative expenses (Note 13)

Three months ended December 31, 2018

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 (Note 13)

See accompanying notes to the consolidated financial statements.

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2019

	Reserves						Total \$
	Common share Capital \$	Equity- settled share based payment \$	Warrants \$	Other* \$	Total Reserves \$	Deficit \$	
Balance, December 31, 2018 (Note 22)	13,328,950	424,991	825,053	1,822,107	3,072,151	(14,763,389)	1,637,712
Net loss and comprehensive loss for the period	-	-	-	-	-	(510,432)	(510,432)
Warrants exercised, February 2019	36,618	-	(11,618)	-	(11,618)	-	25,000
Warrants exercised, March 2019	411,350	-	(111,350)	-	(111,350)	-	300,000
Share issuance costs	(65)	-	-	-	-	-	(65)
Options issued, May 2019	-	10,500	-	-	10,500	-	10,500
Options exercised, June 2019	49,280	(21,280)	-	-	(21,280)	-	28,000
Options exercised, July 2019	81,960	(30,460)	-	-	(30,460)	-	51,500
Options issued, August 2019	-	202,581	-	-	202,581	-	202,581
Share issuance costs	(301)	-	-	-	-	-	(301)
Balance, September 30, 2019	13,907,792	586,332	702,085	1,822,107	3,110,524	(15,273,821)	1,744,495
Net loss and comprehensive loss for the period	-	-	-	-	-	(161,194)	(161,194)
Options issued, November 2019	-	50,980	-	-	50,980	-	50,980
Balance, December 31, 2019	13,907,792	637,312	702,085	1,822,107	3,161,504	(15,435,015)	1,634,281

*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 Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2019

	Reserves						Total \$
	Common share Capital \$	Equity- settled share based payment \$	Warrants \$	Other* \$	Total Reserves \$	Deficit \$	
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	-	-	-	-	-	(625,417)	(625,417)
Private placement share and warrant issue	23,176	-	19,324	-	19,324	-	42,500
Share issuance costs	(2,862)	-	-	-	-	-	(2,862)
Options issued – January, 2018	-	223,872	-	-	223,872	-	223,872
Options issued – February, 2018	-	43,500	-	-	43,500	-	43,500
Options issued – March, 2018	-	78,316	-	-	78,316	-	78,316
Options exercised - April, 2018	40,480	(17,480)	-	-	(17,480)	-	23,000
Warrants exercised – June, 2018	13,696	-	(3,696)	-	(3,696)	-	10,000
Warrants exercised – July, 2018	61,631	-	(16,631)	-	(16,631)	-	45,000
Balance, September 30, 2018	12,854,098	413,553	195,325	1,822,107	2,430,985	(14,685,399)	599,684
Net loss and comprehensive loss for the period	-	-	-	-	-	(77,990)	(77,990)
Options issued – October, 2018	-	11,438	-	-	11,438	-	11,438
Private placement share and warrant issue October, 2018 (Note 22)	519,226	-	629,728	-	629,728	-	1,148,954
Share issuance costs	(44,374)	-	-	-	-	-	(44,374)
Balance, December 31, 2018	13,328,950	424,991	825,053	1,822,107	3,072,151	(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

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2019

1. Nature and continuance of operations

Jade Leader Corp. ("Jade Leader" or "the Company") is engaged in the business of mineral exploration and development in Canada. 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.

The Company incurred a net loss of \$161,194 (December 31, 2018 - \$77,990) during the three month period ended December 31, 2019. The Company has a deficit of \$15,435,015 at December 31, 2019, (September 30, 2019 - \$15,273,821), and a working capital surplus of \$129,889 (September 30, 2019 - \$349,921). The Company's ability to continue to explore and develop its mineral properties and to continue as a going concern is dependent upon its ability to raise additional equity financing. There is no assurance that the Company will be successful in achieving profitable operations given its early stage exploration, and no assurance that it will obtain financing. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not include any adjustments which could be significant should the Company be unable to continue as a going concern.

Mineral properties are recognized in these 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, 2019. 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 12 and decommissioning obligations described in Note 10. 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 7 - "Exploration and evaluation assets" for more information). All intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are fully consolidated from the

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2019

2. Basis of presentation (continued)

b) Principles of consolidation (continued)

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, 2019.

a) New accounting policies

IFRS 16 - Leases

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

The Company adopted IFRS 16 on October 1, 2019 using the modified retrospective approach and applying certain practical expedients available upon transition. The Company has applied a practical expedient that allows the Company to apply a recognition exemption for leases with remaining lease terms of less than 12 months and leases of low value on the transition date. The payments of these leases are disclosed in the notes to the financial statements.

There has been no significant impact on its financial reporting as the only leases the Company had entered into had remaining terms of less than 12 months.

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.

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2019

4. Significant accounting judgements and estimates (continued)

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 and continuance 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
- 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

Cash is comprised of:

	Dec 31, 2019	Sept 30, 2019
Current bank accounts	\$ 139,574	\$ 400,755
Cash held in foreign currencies	4,512	5,500
	<u>\$ 144,086</u>	<u>\$ 406,255</u>

6. Accounts receivable

	Dec 31, 2019	Sept 30, 2019
Trade receivables	\$ 594	\$ 467
Related party receivables	7,773	5,991
Sales tax receivables	4,897	5,001
	<u>\$ 13,264</u>	<u>\$ 11,459</u>

7. Exploration and evaluation assets

DJ Jade Project, Washington State, USA

On August 28, 2017, the Company announced its acquisition of the DJ Jade project, in Washington State, USA, through a combination of Option Agreement and staking. The gross costs and impairments recorded for the DJ Jade project at December 31, 2019 are \$547,041 and \$Nil, respectively (September 30, 2019 - \$547,168 and \$Nil, respectively).

The property, consisting of 18 existing and recently filed Lode Claims, covers an area of slightly more than 140 hectares. The portion of the claims under option required a total of US\$86,000 in property payments, and a staged work commitment of US\$80,000 over 4 years in order for the Company to earn 100% of the mineral rights associated with those claims, subject to a 2% Net Smelter Royalty ("NSR"). The Company made a final payment, of US\$65,000 (CDN\$87,131) on November 20, 2018, acquiring a 100% interest in the property, subject to the NSR, after having made option payments of US\$6,000 and US\$15,000 in fiscal 2017 and 2018 respectively, and having completed the minimum work commitment. The Company has the option to acquire

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2019

7. Exploration and evaluation assets (continued)

DJ Jade Project, Washington State, USA (continued)

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

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

Wyoming Jade Fields, Wyoming, USA

Wyoming Jade Fields is comprised of six properties. The Company has acquired, by staking, 89 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 subject to a 2% Net Smelter Royalty ("NSR"). During the three month period ended September 30, 2019, the Company made the final option payment of US\$27,000, acquiring a 100% interest in the property, subject to the NSR, after having made option payments of US\$8,000 in fiscal 2018. The Company has the option, upon written notice, to acquire one half (1%) of the NSR for US\$20,000 in cash. The Optionor also granted the Company the right, upon written notice, to acquire the remaining half (1%) of the NSR for US\$30,000 in cash, thereby extinguishing the NSR of the Optionor. The gross costs and impairments recorded for the Wyoming Jade Fields project at December 31, 2019 are \$488,431 and \$Nil, respectively (September 30, 2019 - \$404,188 and \$Nil respectively).

Keithly Mountain, British Columbia

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

Tell, Yukon

The Company acquired 100% of the expanded Tell mineral property through staking. The Company holds 193 claims covering slightly in excess of 4,000 hectares located approximately 140 kilometres east of Mayo, Yukon. The gross costs and impairments recorded to the Tell project at December 31, 2019 are \$451,417 and \$Nil, respectively (September 30, 2019 - \$449,832 and \$Nil, respectively).

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2019

7. Exploration and evaluation assets (continued)

A summary of exploration and evaluation expenditures by category for the three month period ended December 31, 2019 and the year ended September 30, 2019 appears below:

Three month period ended December 31, 2019	Total	Wyoming, USA	Washington, USA	Yukon
		Wyoming Jade Fields	DJ Jade Project	Tell
		\$	\$	\$
Balance at September 30, 2019	1,012,093	260,786	407,928	343,379
Geological consulting	35,800	35,425	-	375
Geophysical	275	-	-	275
Field costs	2,362	2,362	-	-
Equipment rental	27,440	27,440	-	-
Travel costs	11,801	11,928	(127)	-
Balance, December 31, 2019	1,089,771	337,941	407,801	344,029
Property acquisition costs:				
Balance September 30, 2019	389,095	143,402	139,240	106,453
Acquisition costs incurred	8,023	7,088	-	935
Balance, December 31, 2019	397,118	150,490	139,240	107,388
Total exploration and evaluation assets December 31, 2019	1,486,889	488,431	547,041	451,417

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

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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7. Exploration and evaluation assets (continued)

From time to time, the Company is required to advance amounts to service providers prior to their commencing exploration work on the mineral interest. The advance is applied to the invoiced services, generally through the final invoice. As these advances pertain to costs that form part of the long-term exploration and evaluation assets, they are classified as long-term. At December 31, 2019, the Company held \$4,357 in respect of Wyoming Jade Fields in exploration and evaluation asset advances and deposits (September 30, 2019 - \$4,357).

8. Equipment and software

	Equipment and software		
	Cost	Accumulated Depreciation	Net Book Value
Balance, September 30, 2018	\$ 7,462	\$ (5,230)	\$ 2,232
Depreciation	-	(453)	(453)
Balance, September 30, 2019	\$ 7,462	\$ (5,683)	\$ 1,779
Additions	\$ 24,913	-	24,913
Depreciation	-	(796)	(796)
Balance, December 31, 2019	\$ 32,375	\$ (6,479)	\$ 25,896

9. Accounts payable and accrued liabilities

	Dec 31, 2019	Sept 30, 2019
Trade payables	\$ 3,041	\$ 1,586
Due to related parties	18,396	19,126
Accrued liabilities	15,887	65,832
Sales tax payable	368	285
	\$ 37,692	\$ 86,829

10. Decommissioning obligation

Changes in the decommissioning obligation for the three months ended December 31, 2019 and year ended September 30, 2019 are as follows:

	Yukon Tell
Balance at December 31, 2019, September 30, 2019 and December 31, 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 1.69% (September 30, 2019 - 1.58 %) and an inflation rate of 1.95% (September 30, 2019 - 1.9 %) for the period ended December 31, 2019. The timing of future decommissioning costs is uncertain, as the costs will not be incurred until the Company gives up its legal right to explore the property or the current land use permits expire in October 2020, at which time the reclamation has to have been completed. No accretion expense has been recorded in both the current and comparative periods because the amount is considered to be immaterial.

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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11. Share capital, stock options and warrants

a) Authorized

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

b) Issued and outstanding common share capital

	Shares Number	Value \$
Balance, as at September 30, 2018	33,626,892	12,854,098
Private placement – October 2018	3,865,816	966,454
Value of warrants included in private placement	-	(539,281)
Share issuance costs	-	(37,031)
Private placement – October 2018	730,000	182,500
Value of warrants included in private placement	-	(90,447)
Share issuance costs	-	(7,343)
Warrants exercised – February 2019	250,000	36,618
Warrants exercised – March 2019	3,000,000	411,350
Share issuance costs	-	(65)
Options exercised – June 2019	280,000	49,280
Options exercised – July 2019	515,000	81,960
Share issuance costs	-	(301)
Balance, as at September 30, 2019 and December 31, 2019	42,267,708	13,907,792

2019

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

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

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2019

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

b) Issued and outstanding common share capital (continued)

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

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

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

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

Subsequent to December 31, 2019 and up to February 10, 2020, the date of these financial statements, there were no shares issued nor cancelled and returned to treasury.

c) Stock options outstanding

<u>Expiry</u>	<u>Number of shares</u>		<u>Exercise Price</u>
	<u>Dec 31, 2019</u>	<u>Sept 30, 2019</u>	
October 19, 2022	125,000	125,000	\$0.14
January 15, 2021	795,000	795,000	\$0.36
February 21, 2022	150,000	150,000	\$0.38
March 13, 2021	280,000	280,000	\$0.365
September 30, 2021	75,000	75,000	\$0.25
May 23, 2022	50,000	50,000	\$0.21
August 19, 2022	1,230,000	1,230,000	\$0.30
November 19, 2022	125,000	-	\$0.225
November 19, 2023	150,000	-	\$0.225
	<u>2,980,000</u>	<u>2,705,000</u>	

d) Stock option transactions

	<u>Number of shares</u>	<u>Weighted average exercise price</u>
Balance, September 30, 2019	2,705,000	\$0.32
Issued November 19, 2019	275,000	\$0.225
Balance, December 31, 2019	<u>2,980,000</u>	<u>\$0.31</u>

Refer to Note 14 - "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.

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2019

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

d) Stock option transactions (copied)

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 with the exception of 50,000 options issued May 23, 2019 of which 25,000 will vest May 23, 2020 and the remaining 25,000 will vest May 23, 2021.

e) Warrant transactions and warrants outstanding

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

Three month period ended, December 31, 2019

Exercise Price	Expiry	Balance Sept 30, 2019	Warrants Issued	Warrants Exercised	Warrants Expired	Balance Dec 31, 2019
\$0.40	October 12, 2020	3,865,816	-	-	-	3,865,816
\$0.40	October 23, 2020	730,000	-	-	-	730,000
\$0.30	December 28, 2021*	393,750	-	-	-	393,750
\$0.30	January 11, 2022*	106,250	-	-	-	106,250
Total		5,095,816	-	-	-	5,095,816

Year ended September 30, 2019

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

*On December 2, 2019, the Company extended the expiry dates for certain warrants by two years as follows; 1) 393,750 warrants expiring on December 28, 2019 will now expire on December 28, 2021 and 2) 106,250 warrants expiring January 11, 2020 will now expire on January 11, 2022.

Subsequent to December 31, 2019 and up to February 10, 2020, the date of these financial statements, no warrants were issued or exercised and none expired.

12. Financial instruments

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

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

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2019

12. Financial instruments (continued)

The following summarizes the categories of the various financial instruments:

	Dec 31, 2019	Sept 30, 2019
	Carrying Value	
Financial assets measured at amortized cost:		
Cash	\$ 144,086	\$ 406,255
Accounts receivable	8,367	6,458
	<u>\$ 152,453</u>	<u>\$ 412,713</u>
Financial liabilities measured at amortized cost:		
Accounts payable and accrued liabilities	\$ 37,324	\$ 86,544

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. The Company undertakes transactions denominated in US currency through its exploration in the US; consequently it is exposed to exchange rate fluctuations. At December 31, 2019, accounts payable and accrued liabilities include liabilities of US\$1,687 (CDN\$2,227) that must be settled in US funds, (September 30, 2019 – US\$30,670, CDN\$40,832). The effect of a foreign currency increase or decrease of 10% on this liability would result in an increase or decrease of CDN\$223 (September 30, 2019 – CDN\$4,083) to the amount payable.

13. General and administrative

Three months ended	Dec 31, 2019	Dec 31, 2018
Administrative consulting fees	\$ 33,165	\$ 16,989
Occupancy costs	13,886	13,198
Office, secretarial and supplies	12,293	16,675
Travel and promotion	8,470	12,604
Insurance	4,750	3,528
Computer network and website maintenance	1,179	930
Stock-option compensation (Note 14)	50,980	11,438
Miscellaneous	2,844	2,060
	<u>\$ 127,567</u>	<u>\$ 77,422</u>

14. Share-based payment transactions

Three months ended December 31, 2019

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

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2019

14. Share-based payment transactions (continued)

Year ended September 30, 2019

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

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

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

Subsequent to December 31, 2019 and up to February 10, 2020, the date of these financial statements, there were no options issued or exercised and none expired.

15. 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:	2019	2018
Basic and diluted	<u>42,267,708</u>	<u>37,585,926</u>
Loss per share:		
Basic and diluted	\$ <u>0.00</u>	\$ <u>0.00</u>

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, 2019 and 2018, no dilution resulted.

16. 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 period:

	Dec 31, 2019	Dec 31, 2018
Key management remuneration:		
President and Director	a \$ 30,500	\$ 32,500
Corporate Secretary	b 9,428	12,949
Chief Financial Officer	c 3,120	3,504
Total Management Remuneration	\$ <u>43,048</u>	\$ <u>48,953</u>

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

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

		Dec 31, 2019		Dec 31, 2018
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 \$	2,659	\$	2,572
General and administrative and secretarial costs paid	d \$	(853)		(597)
Lunacees Enterprise Ltd.				
Geological consulting services paid	e \$	(600)	\$	-

Management compensation payable to "key management personnel" during the period ended December 31, 2019 and 2018 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 14 - "Share-based payment transactions" for details relating to options issued during the three month period ended December 31, 2019 and December 31, 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.

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

		Dec 31, 2019		Sept 30, 2019
Balances receivable (payable)				
Office rent and operating costs				
CANEX Metals Inc.	d \$	4,932	\$	4,932
General and administrative and secretarial costs				
CANEX Metals Inc.	d \$	2,792	\$	1,059
CANEX Metals Inc.	d \$	(896)	\$	(450)
Corporate Secretary	b \$	49	\$	-
Jean Pierre Jutras	a \$	-	\$	(7,023)
Geological consulting fees				
635280 Alberta Ltd.	a \$	(17,500)	\$	(11,653)

- 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, 2019, \$10,375 (2018 - \$24,500) was capitalized to exploration and evaluation assets and \$20,125 (2018 - \$8,000) 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, 2019 and 2018, 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 17 - Commitments). CANEX Metals and the Company share two common officers and two common directors.

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

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December 31, 2019

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

- e) During the three month period ended December 31, 2019, geological consulting services were provided by Lunacees Enterprise Ltd., a company controlled by Cornell McDowell, a director to 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.

17. Commitments

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

As at December 31, 2019, the committed lease costs to the termination of the lease are as follows:

	January 1, 2020 to April 30, 2020
	\$
Base lease cost	7,060
Expected additional rents	11,455
Total expected lease commitment	18,515
Expected sublease revenue	(6,263)
Net future rent	12,252

18. Supplemental disclosure statement of cash flows

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

	Dec 31, 2019	Dec 31, 2018
Operating expenses	\$ (167,349)	\$ (82,981)
Depreciation	796	114
Stock option compensation (Notes 14)	50,980	11,438
Changes in assets and liabilities pertaining to operations:		
Accounts receivable	591	(7,015)
Prepaid expenses	8,805	(22,071)
Accounts payable and accrued liabilities	6,116	(75,941)
Cash paid to suppliers and contractors	\$ (100,061)	\$ (176,456)

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2019

18. Supplemental disclosure statement of cash flows (continued)

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

	Dec 31, 2019	Dec 31, 2018
Change in exploration and evaluation assets	\$ (85,701)	\$ (275,704)
Changes in assets and liabilities pertaining to exploration and evaluation asset additions:		
Accounts receivable	(2,396)	-
Mining exploration tax credit receivable	-	4,838
Accounts payable and accrued liabilities	(55,253)	6,181
Cash expended on exploration and evaluation asset additions	\$ (143,350)	\$ (264,685)

19. Segment disclosures

During the three months ended December 31, 2019 and December 31, 2018, the Company was engaged in mineral exploration and all exploration activities were undertaken in Canada and/or the United States. Activities undertaken in both countries were similar in nature. The non-current assets associated with United States operations are comprised of the exploration and evaluation assets located in Washington State, the DJ Jade project, and Wyoming, Wyoming Jade Fields. All remaining assets are associated with Canadian operations. Refer to Note 7 for details of the carrying amounts of these assets at the respective period ends.

20. Capital

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

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

The externally imposed capital requirement to which the Company can be exposed relates to flow-through shares. When the Company enters into flow-through agreements with flow-through share subscribers, the Company commits to use the full proceeds of these issuances to incur qualifying mineral exploration expenditures within a prescribed time frame. Should the Company not incur these expenditures, they are required to pay the flow-through subscribers an amount equal to the tax payable by the subscriber as a result of the Company's failure to incur the expenditures. At December 31, 2019 and September 30, 2019, there were no qualifying expenditures required pursuant to flow-through agreements; consequently there was no restricted cash at December 31, 2019 and September 30, 2019.

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2019

21. 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, 2019 and September 30, 2019. The Company's cash at bank is currently held at one financial institution.

b) Liquidity risk

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

The Company's significant remaining contractual maturities for financial liabilities as at December 31, 2019 and September 30, 2019 are as follows:

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

c) Market risk

The Company may receive equity investments from time to time for the sale of mineral properties; these investments are subject to market price risk. The Company does not invest excess cash in equity investments as a general rule. Investment in common shares is recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. As at December 31, 2019 and September 30, 2019, the Company has no equity investments.

d) Interest rate risk

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

e) Foreign exchange risk

The Company undertakes transactions denominated in US currency through its exploration in the US; consequently it is exposed to exchange rate fluctuations. At December 31, 2019, accounts payable and accrued liabilities include liabilities of US\$1,687 (CDN\$2,227) (September 30, 2019 – US\$30,670, CDN\$40,832). The effect of a foreign currency increase or decrease of 10% on this liability would result in an increase or decrease of CDN\$223 (September 30, 2019 – CDN\$4,083) to the amount payable.

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2019

22. Comparative figures

The three month period ended September 30, 2019 includes a change in estimate of the value of shares and warrants issued during the year ended September 30, 2019 and is reflected in the annual Audited Consolidated Financial Statements as at September 30, 2019. The change in value estimated was due to a change in the volatility calculation that used weekly stock prices instead of monthly 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, 2019 have been revised to reflect these changes in estimates. The aggregate change to the December 31, 2018 equity balances resulted in Common Share Capital increasing by \$114,869 and warrant reserves decreasing by \$114,869. The details of this adjustment are summarized below:

Date issued	Original valuation				Revised valuation			
	Common shares	Warrants	Total	Volatility	Common shares	Warrants	Total	Volatility
	\$	\$	\$	%	\$	\$	\$	%
October 12, 2018	327,789	638,665	966,454	162.75	427,173	539,281	966,454	135.80
October 23, 2018	76,568	105,932	182,500	158.41	92,053	90,447	182,500	135.38
Total	404,357	744,597	1,148,954		519,226	629,728	1,148,954	

23. Subsequent events and contingent liability

On October 24, 2019, Jadex Corporation was officially served documents naming Jadex, Jade Leader Corp., and Jean-Pierre Jutras as defendants in a lawsuit brought on by the plaintiff, a prospector, who seeks to claim ownership of some of the Jade samples collected during the 2019 trenching program in Wyoming. According to the plaintiff's lawsuit, the amount of damages exceeds US\$75,000, exclusive of interests and costs. The action has been brought by the plaintiff on the basis of his belief that the Company extracted samples that were part of the placer claims which he holds as opposed to the lode claims which the Company holds. The Company's legal counsel filed a motion to dismiss and a motion to stay.

On January 7, 2020, the Court held a hearing on the motion to dismiss and the motion to stay and on January 29, 2020, the motions were denied as the court believes that the characterization of the samples as either placer or lode, must be established before a decision can be made whether the matter can be moved to arbitration or whether the matter must be contested in the courts. A hearing for the preliminary injunction has been set for February 20, 2020.

The Company has all records necessary to demonstrate that the samples came from the trenching program which they believe confirms that they were obtained from the lode claims. Therefore it is the Company's position that this action is without support in fact and without merit.

**JADE LEADER CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2019**

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, 2019. The information included in this MD&A, with an effective date of February 10, 2020, should be read in conjunction with the Condensed Interim Consolidated Financial Statements as at and for the three months ended December 31, 2019 ("Q1 2020") and related notes thereto as well as the Audited Consolidated Financial Statements for the year ended September 30, 2019 and related notes thereto. Jade Leader's common shares trade on the TSX Venture Exchange under the symbol "JADE". The Company's most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed at www.sedar.com.

The Company's Condensed Interim Consolidated Financial Statements for the three months ended December 31, 2019 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, 2019. 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, 2019. 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.

**JADE LEADER CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2019**

2) Highlights - Three months ended December 31, 2019

a) Mineral Properties

Please refer to the Management Discussion and Analysis for the year ended September 30, 2019 for a detailed description of the Company's exploration activities during fiscal 2019.

The Company completed its fall 2019 exploration field program in October 2019 on the Wyoming Jade Fields property in Wyoming, USA, including staking 10 additional claims, and completing the reclamation required by the authorities for its trenching program. The next step is to determine the quality and marketability of the Jade found to date. The Company will continue to compile and evaluate the results of its exploration activities during fiscal 2019 and 2020, to design an appropriate exploration program and budget for fiscal 2020. Future exploration programs will be deferred until suitable financing can be procured.

b) Corporate

During and following the three month period ended December 31, 2019, the Company has continued to focus on Jade testing and evaluation from multiple properties and on promotional activities to expand opportunities for financing its planned mineral property exploration programs and to build a market for future jade sales when saleable product is available.

During this period, the Company appointed Mr. Andrew Shaw as an advisor. Mr. Shaw is exceptionally knowledgeable about the Jade community in China and abroad and is a master carver himself. In Mr. Shaw's advisory capacity he will be eligible for a commission on future sales of material to third parties who have been introduced to the Company by Mr. Shaw during the term of the Advisory Agreement.

In January, 2020, two of the Company's executives travelled to Vancouver, BC to attend the Global Chinese Financial Forum ("GCFF") and the Association for Mineral Exploration ("AME") Roundup which are held annually in Vancouver. The purpose of attending these two events was to showcase the Company's jade samples collected from its US mineral properties, to gain greater exposure to the investing community. The GCFF provides a greater audience of Chinese investors looking for investment opportunities in Canada.

The Company's President, Jean Pierre Jutras, was invited to participate in the American Gem Trade Association ("AGTA") GemFair Tucson 2020 seminar series; one of the largest assemblies of the colored gemstone industry in the world. The focus of Mr. Jutras's presentation at this February 2020 seminar was Jade, emphasizing Jade geology in the United States including a view of Jade Leader's US exploration activities, to familiarize the audience with what the United States' future potential as a producer in the Jade space might be.

3) Mineral Properties

Transactions for Q1 2020 are summarized in Note 7 "Exploration and evaluation assets" to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended December 31, 2019 which accompany this MD&A.

DJ Jade Project, Washington State, USA

On August 28, 2017, the Company announced its acquisition of the DJ Jade project, in Washington State, USA, through a combination of Option Agreement and staking. The gross costs and impairments recorded to the DJ Jade project at December 31, 2019 are \$547,041 and \$Nil, respectively (September 30, 2019 - \$547,168 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

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associated with those claims, subject to a 2% Net Smelter Royalty ("NSR"). Additional claims staked around the initial claims optioned fall within an area of mutual interest, and are considered part of the original Option Agreement.

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

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

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

Wyoming Jade Fields, Wyoming, USA

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

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

The Company conducted its spring 2019 exploration program, consisting of an airborne geophysical survey, followed by prospecting, detailed mapping, sampling of previously identified in-situ Jade occurrences, and mechanized trenching. The field program, which was completed during June 2019, was conducted to review the airborne geophysical data, conduct additional prospecting and outline the first mechanized trenching targets for further follow up, as permitting would allow. The field program resulted in additional nephrite jade discoveries at surface and led the Company to stake an additional 25 lode claims (209 hectares/516.5 acres), increasing the size of its current 4 claim blocks, and adding an entirely new block of claims to cover a new target. After receiving the required permitting, the Company completed a further exploration program involving mechanized trenching and sampling, during September and October 2019. Field evaluation of jade obtained from these trenches includes a full range of potential qualities from basic ornamental stones to carving and jewellery grade material. 282 individual jade samples (over 23.45 tonnes) were recovered from bedrock with heavy equipment and will be evaluated for their textures, colours and carveability. The next step for the Company will be to determine the quality and marketability of the jade found to date. Additionally, the field program included extensive alteration mapping and reconnaissance sampling along the geophysically well-defined alteration zones associated with jade formation identified in the spring program. More details can be found in Highlights, 2 b) of the Management Discussion and Analysis for the year ended September 30, 2019.

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The gross costs and impairments recorded for the Wyoming Jade Fields project at December 31, 2019 are \$488,431 and \$Nil, respectively (September 30, 2019 - \$404,188 and \$Nil respectively).

Tell, Yukon

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

Given the rising interest in the Rackla belt hosting the Tell property, subsequent to significant silver, lead and zinc discoveries regionally by Cantex Mine Development Corp, the Company conducted a one week fly in program of geological mapping and soil sampling during July 2019. The program provided all of the required expenditures to submit a certificate of work necessary to renew 187 of the existing claims constituting the Tell property for an additional year. The Tell property now consists of 193 contiguous claims, which have been extended to October 2020. Results of the summer 2019 program have not been released to date as the information gathered, is currently undergoing compilation and evaluation. The gross costs and impairments recorded to the Tell project at December 31, 2019 are \$451,417 and \$Nil, respectively (September 30, 2019 - \$449,832 and \$Nil, respectively).

Keithly Mountain, British Columbia

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

4) Operating Results

Three months ended December 31, 2019 compared to three months ended December 31, 2018

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

Three months ended December 31	2019	2018
General and administrative expenses	\$ (127,567)	\$ (77,422)
Professional fees	(36,216)	(3,452)
Stock exchange and transfer agent fees	(2,770)	(1,993)
Depreciation	(796)	(114)
Sublease revenue	4,697	4,697
Interest and other	1,458	294
Net and comprehensive loss	\$ (161,194)	\$ (77,990)

The most significant variances in results are discussed below:

- Variances relating to general and administrative expenses are addressed below in more detail.
- Professional fees which consist of auditing fees, legal and other filing fees have increased by \$32,800 from the comparative period. This increase is the result of legal fees of \$33,300 incurred due to an ongoing lawsuit that was filed against the Company during the current period naming Jadex, Jade Leader Corp. and Jean Pierre Jutras as defendants. Refer to Section 15) Legal Dispute for further information regarding this matter. There were no audit and accounting fees incurred during Q1 2020, while \$1,560 was incurred in Q1 2019 that relate to the preparation of US tax returns for Jadex for the year ended September 30, 2018 and other advice. The remaining expenditures include nominal legal

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fees relating to various business matters and filing fees primarily related to news releases issued during both the current and comparative periods.

- Stock exchange and transfer agent fees relate directly to the number of security exchange transactions during the periods. Q1 2020 includes a fee of \$750 for the extension of warrants that was granted by the stock exchange during the period. Refer to Note 11 e) "Share capital, stock options and warrants, warrant transactions and warrants outstanding" to the Unaudited Condensed Interim Consolidated Financial Statements for the three month period ended December 31, 2019 for more information regarding this transaction. There was no similar transaction during the comparative period.
- Q1 2020 depreciation expense is \$682 higher than the comparative period. The increase is a result of equipment purchases of \$25,000 in Jadex Corporation during the quarter, including storage containers for secure storage of Jade samples collected during recent field exploration programs and computer equipment that are being depreciated over 10 years and 3 years respectively.
- The Company subleases office space to a related corporation, CANEX Metals Inc. ("CANEX Metals") (see Note 16 – "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, 2019 which accompany this MD&A and Section 7) "Commitments). There has been no change between the current and comparative period.
- Interest and other income include interest from a high interest savings account, where the Company has invested higher outstanding cash balances commencing Q3 2019.

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

Three months ended December 31	2019	2018
Administrative consulting fees	\$ 33,165	\$ 16,989
Occupancy costs	13,886	13,198
Office, secretarial and supplies	12,293	16,675
Travel and promotion	8,470	12,604
Insurance	4,750	3,528
Computer network and website maintenance	1,179	930
Stock-option compensation	50,980	11,438
Miscellaneous	2,844	2,060
Total	\$ 127,567	\$ 77,422

- Administrative consulting, which consists of fees for the contract controller, CFO, President and other business consultants, has increased during the current period by \$16,100 from the comparative period. Q1 2020 fees include fees to the President of \$20,100, to the contract controller \$7,700, to the CFO \$3,100 and \$2,300 to other consultants. Q1 2019 fees include fees to the President of \$8,000, to the contract controller of \$5,600 and to the CFO of \$3,300.
- Occupancy costs are up nominally in Q1 2020 from Q1 2019. On May 1, 2018, the Company relocated to new premises, acquiring larger office space and entered into a new lease agreement, terminating April 30, 2020. As a result of the leasing arrangement, the Company has incurred higher occupancy costs during the three month period ended December 31, 2019. For further information relating to obligations for Occupancy costs refer to Section 7) "Commitments" of this document.
- Office and secretarial fees, which relate primarily to contract administrative services and office supplies, have decreased by \$4,400 during the current period. The decrease is consistent with the activity during the current period. During Q1 2019, fees for the Corporate Secretary included arranging the private placement financing that took place during that period. There was no similar activity during the current period.
- Travel and promotion expenditures have decreased by \$4,100 during the current period from the comparative period. During the three month period ended December 31, 2019, travel and promotion expenditures included expenses related to the AME Roundup held annually in Vancouver, as well as registration fees for two of the Company's executives to attend and exhibit the samples of the Company's Jade collections at the Global Chinese Financial Forum ("GCFF") also held in Vancouver. The purpose of attending the GCFF was to show case the Company's Jade samples collected from its mineral properties in the United States to a greater audience of Chinese investors looking for

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investment opportunities in Canada. During the three month period ended December 31, 2018, travel and promotion expenditures include expenses related to the AME Roundup. As well, expenditures of \$9,000 were incurred for services provided by an on-line investing news agency for the purpose of company promotion and lead generation.

- Insurance expenditures have increased by \$1,200 during the current three month period from the comparative period. This increase is primarily due to short term insurance coverage for heavy equipment rentals required to complete the fall 2019 exploration program conducted in the Wyoming Jade Fields. There were no similar expenditures in the comparative period.
- There has been no significant variance between current and comparative period computer network and website maintenance expenditures. These expenditures include website hosting and maintenance and internet service.
- During Q1 2020, the Company issued 275,000 options to consultants valued at \$50,980. During Q1 2019, the Company issued 75,000 stock options to a consultant valued at \$11,438. Refer to Note 14 – “Share-based payment transactions” of the Unaudited Condensed Interim Consolidated Financial Statements dated December 31, 2019 that accompany this document for more information regarding these transactions. Miscellaneous expenditures have increased by \$800 between the current and comparative periods, reflecting increases in bank service charges and postage and courier charges.

5) Liquidity and Capital Resources

As of December 31, 2019, the Company had working capital of \$129,889, (September 30, 2019 - \$349,921). Changes to working capital in the current and comparative periods are discussed below:

- Current period operating expenditures resulted in cash outflow of \$95,400 (Q1 2019 - \$172,000). Cash paid to suppliers and contractors has decreased by \$76,400 in the current period from the comparative period and reflects the changes in receivables, prepaid expenses 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 covered one year of services. Of the total, \$9,000 was expensed in Q1, 2019 and \$27,000 was included in prepaid expenses at December 31, 2018.
- The Company expended \$143,300 on exploration and evaluation assets during the current period compared to \$264,700 in the comparative period. Expenditures in the comparative period related to the Company's jade property in Washington State while current period expenditures related to the Company's properties in Wyoming, USA; (See Section 3) “Mineral properties” and Note 7 – “Exploration and evaluation assets” to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document for information.
- The Company expended \$25,000 on equipment purchases during the current period including storage containers for secure storage of Jade samples collected during recent field exploration programs and computer equipment. There were no similar expenditures in the comparative period.
- There were no financing activities during the three month period ended December 31, 2019. During the three month period ended December 31, 2018, the Company closed a private placement financing for gross aggregate proceeds of \$1,148,954. Refer to Note 11 - "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 three month period. Operating expenses beyond March, 2020, increases in expenditures over budget for the three months ended March 31, 2020, future exploration programs and new property acquisitions, will require additional financing. There can be no assurance that management will be successful in obtaining financing. Refer to Note 1 - "Nature and continuance of operations" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document. With limited capital resources the Company will prioritize non-discretionary operating costs, will cut back discretionary operating costs and will defer exploration programs until suitable financing can be procured.

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6) Financing

Three months ended December 31, 2019

There were no financing activities during the three month period ended December 31, 2019.

Year ended September 30, 2019

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

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

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

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

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

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

7) Commitments

On May 1, 2018, the Company entered into a new leasing arrangement for office space. Pursuant to the agreement, the Company is committed to pay base lease costs plus additional rent, which includes its proportionate share of costs incurred in the operation, maintenance, management and supervision of the property as defined by the landlord's current lease for the premises. Additionally, Jade Leader entered into a sublease agreement with CANEX Metals Inc. terminating April 30, 2020 (see Note 16 - "Related party balances and transactions and key management remuneration" to the Audited Consolidated Financial Statements which accompany this document).

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As at December 31, 2019, the committed lease costs to the termination of the lease are as follows:

	January 1, 2020 to April 30, 2020
	<u>\$</u>
Base lease cost	7,060
Expected additional rents	11,455
Total expected lease commitment	<u>18,515</u>
Expected sublease revenue	<u>(6,263)</u>
Net future rent	<u>12,252</u>

8) Exploration Expenditures

Refer to Note 7 "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 2019 (Q1 2020)	Sep 30 2019 (Q4 2019)	Jun 30 2019 (Q3 2019)	Mar 31 2019 (Q2 2019)	Dec 31 2018 (Q1 2019)	Sep 30 2018 (Q4 2018)	Jun 30 2018 (Q3 2018)	Mar 31 2018 (Q2 2018)
	\$	\$	\$	\$	\$	\$	\$	\$
Loss before impairment of exploration and evaluation assets and other items	(167,349)	(294,068)	(114,740)	(102,128)	(82,981)	(114,134)	(84,915)	(440,460)
Impairment	-	(17,654)	-	-	-	-	-	-
Loss before other items	(167,349)	(311,722)	(114,740)	(102,128)	(82,981)	(114,134)	(84,915)	(440,460)
Sub-lease revenue	4,697	4,698	4,697	4,697	4,697	4,697	4,632	4,501
Interest and other income	1,458	2,979	1,104	(17)	294	47	74	142
Loss from investments held for sale	-	-	-	-	-	-	-	(1)
Net and comprehensive loss	(161,194)	(304,045)	(108,939)	(97,448)	(77,990)	(109,390)	(80,209)	(435,818)
Basic and diluted loss per share	0.00	(0.01)	0.00	0.00	0.00	0.00	0.00	(0.02)

Quarterly net losses are influenced by many factors from period to period and are significantly affected by the amount of activity in the junior mining sector, the Company's working capital position, the potential exploration opportunities as well as timing of certain expenditures including the timing of the AGM, held in Q2 2018 and Q3 2019. The rebound of the junior mining sector in the latter part of fiscal 2017 and the Company's new focus on Jade exploration allowed the Company to improve its working capital position through financing, thus allowing the Company to expand its operations into fiscal 2018, 2019 and 2020. Additionally, Q1 2020, Q1 2019, Q3 2019, Q4 2019, Q1 2018 and Q2 2018 operations include stock-based compensation of \$50,980, \$11,438, \$10,500, \$202,581, \$16,125 and \$345,688 respectively which are non-cash charges that cause large fluctuations in earnings.

Interest and other income include foreign exchange gains and losses during those periods as well. And commencing Q3, 2019 include interest earned on the Company's high interest bank account.

10) Off-Balance Sheet Transactions

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

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11) Directors and Officers

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

12) Related Party Transactions

Related party transactions for Q1 2020 are disclosed and explained in Note 16 "Related party balances and transactions and key management remuneration" to the Condensed Interim Consolidated Financial Statements for the three months ended December 31, 2019 which accompany this MD&A.

13) Share capital, warrants, and stock options

Refer to Note 11 "Share capital, stock options and warrants" to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended December 31, 2019 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, 2019 and balances as at that date.

During the period from January 1, 2020 to February 10, 2020, the date of this report, there were no shares issued or cancelled and returned to treasury, and no changes to warrants or options issued, exercised or expired.

14) Financial Instruments

The carrying value of the Company's financial instruments, consisting of cash, accounts receivable (net of sales tax), 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. The Company undertakes transactions denominated in US currency through its exploration in the US; consequently it is exposed to exchange rate fluctuations. At December 31, 2019, accounts payable and accrued liabilities include liabilities of US\$1,687 (CDN\$2,227) that must be settled in US funds, (September 30, 2019 – US\$30,670, CDN\$40,832). The effect of a foreign currency increase or decrease of 10% on this liability would result in an increase or decrease of CDN\$223 (September 30, 2019 – CDN\$4,083) to the amount payable.

15) Legal Dispute

On October 24, 2019, Jadex Corporation was officially served documents naming Jadex, Jade Leader Corp., and Jean-Pierre Jutras as defendants in a lawsuit brought on by the plaintiff, a prospector, who seeks to claim ownership of some of the Jade samples collected during the 2019 trenching program in Wyoming. According to the plaintiff's lawsuit, the amount of damages exceeds US\$75,000, exclusive of interests and costs. The action has been brought by the plaintiff on the basis of his belief that the Company extracted samples that were part of the placer claims which he holds as opposed to the lode claims which the Company holds. The Company's legal counsel filed a motion to dismiss and a motion to stay.

On January 7, 2020, the Court held a hearing on the motion to dismiss and the motion to stay and on January 29, 2020, the motions were denied as the court believes that the characterization of the samples as either placer or lode, must be established before a decision can be made whether the matter can be moved to arbitration or whether the matter must be contested in the courts. A hearing for the preliminary injunction has been set for February 20, 2020.

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The Company has all records necessary to demonstrate that the samples came from the trenching program which they believe confirms that they were obtained from the lode claims. Therefore it is the Company's position that this action is without support in fact and without merit.

16) 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, 2019 and September 30, 2019.

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 three month period. Operating expenses beyond March, 2020, increases in expenditures over budget for the three months ended March 31, 2020, 2020 exploration programs and new property acquisitions will require additional financing. There can be no assurance that the Company will be successful in obtaining financing (refer to Note 1 - "Nature and Continuance of Operations" in the Unaudited Consolidated Condensed Interim Financial Statements for the three month period ended December 31, 2019).

c) Market risk

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

d) Interest rate risk

The Company has no debt facilities and has minimal amounts of interest income; it is not exposed to significant interest rate risk at this time.

e) Foreign exchange risk

The Company undertakes transactions denominated in US currency; consequently it is exposed to exchange rate fluctuations. At December 31, 2019, accounts payable and accrued liabilities include liabilities of US\$1,687 (CDN\$2,227). The effect of a foreign currency increase or decrease of 10% on this commitment and liability has been disclosed in Section 14) – "Financial instruments". The Company had nominal foreign currency denominated fund balances as at December 31, 2019 and September 30, 2019.

17) Outlook

The Company's only material exploration planned for 2020 will occur on the Wyoming and Washington properties; however, all future exploration programs will be deferred until financing can be procured.

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- The work conducted in 2019 on the DJ Washington property has drastically increased the exploration potential of the Lode 2 target which was initially drilled over 30 meters of strike length. The trenching and sampling program in Washington confirmed a new in-situ surface nephrite jade occurrence, the widest found on the property to date. The drilling program conducted in October/November 2018 confirmed consistent intersections of Jade that correlates well with mapped surficial Jade. The Company is excited by the discovery of large masses of Rhodonite during its summer 2019 Jade exploration program. If the large block which was shipped to a renowned stone sculptor is considered suitable for carving, and results in a marketable piece of art being created, the Company will be able to begin to establish a value for this Rhodonite. A positive reception from the lapidary/carving industry would lead to further Rhodonite extraction on site.
- The results of the trenching and sampling program in Washington are currently being compiled and evaluated. The next phase of work on the DJ property, which is contingent upon the receipt of sufficient financing, will likely consist of a one week to ten day mechanized bulk sample (backhoe) program, aiming to recover a sufficient amount of jade materials for evaluation and marketing from the road accessible Lode 2 target, where unique chatoyant materials have been found to date. Such a program would have a budget of approximately \$35,000-\$45,000. Permitting for this stage may be required if a notice level exemption cannot be obtained from Forest Services for this planned next phase of work.
- The Company conducted its fall exploration program during September and October 2019 on the Wyoming Jade Fields involving mechanized trenches and sampling. All Wyoming Jade Fields projects are still active, with permitting in place until September 2020 to continue trenching on the properties. Over 22.7 tonnes of samples were collected demonstrating a full range of potential qualities from basic ornamental stones to carving and jewelry grade material. During the three months ended December 30, 2019, a further 10 claims were staked to encompass all known showings and all geophysically indicated alteration zones around the Company's main claim block. The Company continues to compile and evaluate data collected during this field program. The Company will design an appropriate exploration plan for the 2020 fiscal year once all results have been evaluated and the execution of the plan will be contingent upon adequate financing being available. The Company's immediate focus will be to continue to evaluate materials recovered during the September/October 2019 trenching program on the Rabbit property within the Wyoming Jade Fields. The Company will test the market for the Jade recovered and with information gained through sales and market response, will evaluate how best to target the various types of jade in the continuation of its currently permitted trenching activities. A second phase of 2-3 weeks of focused trenching would be planned, contingent upon sufficient financing, with an estimated budget of from \$150,000 to \$200,000 assuming costs comparable to those incurred during the 2019 program. Refer also to 15) Legal Dispute as it pertains to claims made by the vendor of an optioned property within the Wyoming Jade Fields.
- During July 2019, the Company completed a one week fly in program of geological mapping and soil sampling on the Tell Property in the Yukon. The results of this program are currently being evaluated. There has been an increase in interest in the Rackla belt, which hosts the Tell property, as a result of significant silver, lead and zinc discoveries in the area. If the Company exploring in the same geological belt as Tell continues to have drilling success, there is good potential for the Tell property to attract third party financing or partners to take the property forward based on results obtained to date by the Company on this property. In order to move the property forward an exploration program including a helicopter property wide magnetic/electromagnetic geophysical survey, followed by a second round of diamond drilling would be planned with an estimated budget of \$660,000. However, such a program would only take place given sufficient financing and is currently considered a third exploration priority behind the Jade exploration properties in Wyoming and Washington, USA. The Company will continue to investigate opportunities to option out its Tell property in order to expand exploration on the project without additional financing being required.
- Financially the Company has sufficient funds to finance projected operating expenses through the end of March, 2020. The Company is planning to reduce discretionary costs as much as possible, and Mr. Jutras has agreed to have his pay for work performed going forward deferred until the Company has raised money through an equity financing. All further exploration programs will be on hold until financing is secured. Once financing is obtained, after accounting for operating requirements, the planned Wyoming exploration detailed above will be the first priority, followed by the DJ Washington program.
- The Company has worked on increasing visibility and exposure and conducting pre-marketing in International communities through attendance at various trade events in the USA and China during

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fiscal 2019. During fiscal 2020, the Company has attended, and will continue to attend, conferences in the US and Canada increasing its exposure to the international jade and investing community. Refer to Section 2) a) Corporate highlights for information regarding specific events.

- 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, 2019, the Company appointed Mr. Andrew Shaw as an advisor. Mr. Shaw is exceptionally knowledgeable about the Jade community in China and abroad and is a master carver himself. In Mr. Shaw's advisory capacity he will be eligible for a commission on future sales of material to third parties who have been introduced to the Company by Mr. Shaw during the term of the Advisory agreement.

18) 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

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determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Company's properties.

- **Regulatory, permit and license requirements**

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

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

- **Financing risks and dilution to shareholders**

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

- **Title to properties**

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

- **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.

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- **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 contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

- **Uninsurable risks**

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

- **Litigation**

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

19) 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

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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.

20) New Accounting Policies

IFRS 16 – Leases

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

The Company has adopted IFRS 16 on October 1, 2019 using the modified retrospective approach and applying certain practical expedients available upon transition. The Company has applied a practical expedient that allows the Company to apply a recognition exemption for leases with remaining lease terms of less than 12 months and leases of low value on the transition date. The payments of these leases are disclosed in the notes to the financial statements.

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

21) Other

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