

Jade Leader Corp.
Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)
Three and Six Months Ended March 31, 2020

(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)

As at March 31, 2020 and September 30, 2019

(Unaudited - prepared by management)

	March 31, 2020	September 30 2019
ASSETS		
Current Assets		
Cash (Note 5)	\$ 45,811	\$ 406,255
Accounts receivable (Note 6)	12,918	11,459
Prepaid expenses	15,413	19,949
	<u>74,142</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)	1,489,005	1,401,188
Equipment and software (Note 8)	25,100	1,779
	<u>1,518,462</u>	<u>1,407,324</u>
TOTAL ASSETS	\$ 1,592,604	\$ 1,844,987
EQUITY AND LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 9)	\$ 67,699	\$ 86,829
Deferred sublease revenue	913	913
	<u>68,612</u>	<u>87,742</u>
Non-current Liabilities		
Decommissioning obligation (Note 10)	12,750	12,750
TOTAL LIABILITIES	81,362	100,492
EQUITY		
Share capital (Note 11)	13,907,792	13,907,792
Reserves	3,161,504	3,110,524
Deficit	(15,558,054)	(15,273,821)
TOTAL EQUITY	1,511,242	1,744,495
TOTAL EQUITY AND LIABILITIES	\$ 1,592,604	\$ 1,844,987

Nature and continuance of operations (Note 1)

Contingent Liability (Note 24)

Approved by the Board

"Shane Ebert"

_____ Director

"Jean Pierre Jutras"

_____ Director

See accompanying notes to the financial statements.

Jade Leader Corp.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

For the three and six month periods ended March 31, 2020 and 2019

(Unaudited - prepared by management)

	Three months ended		Six months ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Expenses				
General and administrative (Note 13)	\$ 79,914	\$ 92,109	\$ 207,481	\$ 169,531
Reporting to shareholders	2,881	2,981	2,881	2,981
Professional fees	42,249	4,394	78,465	7,846
Stock exchange and transfer agent fees	2,234	2,531	5,004	4,524
Depreciation	796	113	1,592	227
	<u>128,074</u>	<u>102,128</u>	<u>295,423</u>	<u>185,109</u>
Loss before other items	(128,074)	(102,128)	(295,423)	(185,109)
Other items				
Sublease revenue	4,697	4,697	9,394	9,394
Interest and other	338	(17)	1,796	277
	<u>5,035</u>	<u>4,680</u>	<u>11,190</u>	<u>9,671</u>
Net loss and comprehensive loss	\$ (123,039)	\$ (97,448)	\$ (284,233)	\$ (175,438)
Basic and diluted loss per share (Note 15)	\$ 0.00	\$ 0.00	\$ (0.01)	\$ 0.00
Weighted average shares outstanding - basic and diluted (Note 15)	42,267,708	38,843,819	42,267,708	38,207,961

Nature and continuance of operations (Note 1)

See accompanying notes to the financial statements.

Jade Leader Corp.
Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

For the three and six month periods ended March 31, 2020 and 2019

(Unaudited - prepared by management)

	Three months ended		Six months ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Increase (decrease) in cash at bank				
Operating activities				
Cash received from sublease revenue	\$ 4,697	\$ 4,697	\$ 9,394	\$ 9,394
Cash paid to suppliers and contractors (Note 18)	(103,489)	(96,508)	(203,550)	(272,964)
Cash used in operating activities	(98,792)	(91,811)	(194,156)	(263,570)
Investing activities				
Interest and other income received	338	(17)	1,796	277
Cash expended on exploration and evaluation asset additions (Note 18)	179	(31,494)	(143,171)	(296,179)
Cash expended on equipment and software	-	-	(24,913)	-
Cash provided by (used in) investing activities	517	(31,511)	(166,288)	(295,902)
Financing Activities				
Share capital and warrant issue proceeds	-	325,000	-	1,473,954
Cash share issue costs	-	(65)	-	(44,439)
Cash provided by financing activities	-	324,935	-	1,429,515
Increase (decrease) in cash at bank	(98,275)	201,613	(360,444)	870,043
Cash at bank				
Beginning of period	144,086	695,434	406,255	27,004
End of period	\$ 45,811	\$ 897,047	\$ 45,811	\$ 897,047

Supplementary information:

Interest and taxes

During the three and six month periods ended March 31, 2020 and March 31, 2019, the Company did not expend cash on interest or taxes.

Non-cash transactions:

Six months ended March 31

During the six month period ended March 31, 2020 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, (six months ended March 31, 2019 - \$11,438). (Notes 13 and 14).

Three months ended March 31

During the three month periods ended March 31, 2020 and March 31, 2019 there were no non-cash transactions.

See accompanying notes to the financial statements.

Jade Leader Corp.

Condensed Interim Consolidated Statement of Changes in Equity

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

	Reserves						Total
	Common Share Capital	Equity- Settled share based payment	Warrants	Other	Total Reserves	Deficit	
	\$	\$	\$	\$	\$	\$	
Balance, September 30, 2018	12,854,098	413,553	195,325	1,822,107	2,430,985	(14,685,399)	599,684
Net and comprehensive loss	-	-	-	-	-	(175,438)	(175,438)
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)
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)
Balance, March 31, 2019	13,776,853	424,991	702,085	1,822,107	2,949,183	(14,860,837)	1,865,199
Net and comprehensive loss for period	-	-	-	-	-	(412,984)	(412,984)
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 and comprehensive loss	-	-	-	-	-	(284,233)	(284,233)
Options issued, November 2019	-	50,980	-	-	50,980	-	50,980
Balance, March 31, 2020	13,907,792	637,312	702,085	1,822,107	3,161,504	(15,558,054)	1,511,242

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

See accompanying notes to the financial statements.

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2020

1. Nature and continuance of operations

Jade Leader Corp. ("Jade Leader" or "the Company") is engaged in the business of mineral exploration and development in Canada and the United States. 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 \$284,233 (March 31, 2019 - \$175,438) during the six month period ended March 31, 2020. The Company has a deficit of \$15,558,054 at March 31, 2020, (September 30, 2019 - \$15,273,821), and a working capital surplus of \$5,530 (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 further exploration initiatives and/or complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company's ability to recover its costs through a disposition of its interests.

2. Basis of presentation

a) Basis of presentation

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

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

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2020

2. Basis of presentation (continued)

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 date control is obtained and are de-consolidated from the date control ceases. The functional currency of Jadex is the Canadian dollar.

3. Significant accounting policies

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

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2020

4. Significant accounting judgements and estimates (continued)

other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Significant estimates include:

- the carrying values of exploration and evaluation assets and property and equipment that are included in the Statements of Financial Position, including the assumptions that are incorporated into the impairment assessments, and the amount of depreciation and/or impairments that are included in the statement of loss; (refer to Note 1 - "Nature 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:

	March 31, 2020	September 30, 2019
Current bank accounts	\$ 44,387	\$ 400,755
Cash held in foreign currencies	1,424	5,500
	\$ 45,811	\$ 406,255

6. Accounts receivable

	March 31, 2020	September 30, 2019
Trade receivables	\$ 594	\$ 467
Related party receivables	8,768	5,991
Sales tax receivables	3,556	5,001
	\$ 12,918	\$ 11,459

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 March 31, 2020 are \$548,101 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

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2020

7. Exploration and evaluation assets (continued)

rights associated with those claims, subject to a 2% Net Smelter Royalty ("NSR"). The Company made a final payment of US\$65,000 (CDN\$ 87,131) on November 20, 2018, acquiring a 100% interest in the property, subject to the NSR, after having made option payments of US\$6,000 and US\$15,000 in fiscal 2017 and 2018 respectively, and having completed the minimum work commitment. The Company has the option to acquire one-half, (1%), of the Royalty for the sum of US\$500,000 in cash or equivalent value in Common shares of the Company. The Optionor also granted the Company the right, upon written notice, to acquire the remaining half, (1%), of the Royalty for the sum of US\$1,000,000 in cash or equivalent value in Common Shares of the Company, thereby extinguishing the Royalty of the Optionor.

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

Wyoming Jade Fields, Wyoming, USA

Wyoming Jade Fields is comprised of five 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 March 31, 2020 are \$489,487 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 mineral claims for this property expired 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 March 31, 2020 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)

Three and Six Months Ended March 31, 2020

7. Exploration and evaluation assets (continued)

A summary of exploration and evaluation expenditures by category for the six month period ended March 31, 2020 and the year ended September 30, 2019 appears below:

Six months ended March 31, 2020	Wyoming, USA		Washington, USA	Yukon
	Total	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	3,423	2,363	1,060	-
Equipment rental	28,495	28,495	-	-
Travel costs	11,801	11,928	(127)	-
Balance at March 31, 2020	1,091,887	338,997	408,861	344,029
Property acquisition costs:				
Balance at September 30, 2019	389,095	143,402	139,240	106,453
Acquisition costs incurred	8,023	7,088	-	935
Balance at March 31, 2020	397,118	150,490	139,240	107,388
Total exploration and evaluation assets March 31, 2020	1,489,005	489,487	548,101	451,417

Year ended September 30, 2019	Wyoming, USA		Washington, USA	British Columbia	Yukon
	Total	Wyoming Jade Fields	DJ Jade Project	Keithly Mountain	Tell
	\$	\$	\$	\$	\$
Balance at September 30, 2018	455,953	46,112	76,349	13,838	319,654
Geological consulting	182,918	79,971	94,247	-	8,700
Geophysical	211,775	94,376	117,399	-	-
Cutting	3,202	-	3,202	-	-
Helicopter	8,795	-	-	-	8,795
Field costs	18,584	4,024	13,145	-	1,415
Equipment rental	20,582	14,759	5,698	-	125
Travel costs	51,794	20,275	28,173	-	3,346
WCB	181	-	-	-	181
Geochemical analysis	71,355	1,269	68,923	-	1,163
Mining exploration tax credit	(450)	-	-	(450)	-
Decommissioning	792	-	792	-	-
Impairment	(13,388)	-	-	(13,388)	-
Balance at September 30, 2019	1,012,093	260,786	407,928	-	343,379
Property acquisition costs:					
Balance at 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 at 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

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2020

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 March 31, 2020, 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	-	(1,592)	(1,592)
Balance, March 31, 2020	\$ 32,375	\$ (7,275)	\$ 25,100

9. Accounts payable and accrued liabilities

	March 31, 2020	Sept 30, 2019
Trade payables	\$ 3,029	\$ 1,586
Due to related parties	50,063	19,126
Accrued liabilities	14,200	65,832
Sales tax payable	407	285
	\$ 67,699	\$ 86,829

10. Decommissioning obligation

There were no changes in the decommissioning obligation for the six months ended March 31, 2020 and year ended September 30, 2019.

Six months ended March 31, 2020:

	Yukon Tell
Balance at March 31, 2020 and September 30, 2019	\$ 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 0.42% (September 30, 2019 - 1.58 %) and an inflation rate of 2.28% (September 30, 2019 - 1.9 %) for the period ended March 31, 2020. 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

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2020

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 March 31, 2020	42,267,708	13,907,792

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 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)

Three and Six Months Ended March 31, 2020

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

Six months ended March 31, 2020 and subsequent period

During the six month period ended March 31, 2020 and during the period from March 31, 2020, to May 12, 2020, the date of these financial statements, there were no shares issued and none cancelled and returned to treasury.

c) Stock options outstanding

<u>Expiry</u>	<u>Number of shares</u>		<u>Exercise Price</u>
	<u>Mar 31, 2020</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, March 31, 2020	2,980,000	\$0.31

Refer to Note 14 - "Share-based payment transactions" for more information regarding the options issued during the six month period ended March 31, 2020.

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

Jade Leader Corp.

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Three and Six Months Ended March 31, 2020

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

d) Stock option transactions (continued)

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

Options granted generally 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 periods' 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.

Subsequent to March 31, 2020 and up to May 12, 2020, the date of these financial statements, no options were issued or exercised and none expired.

e) Warrant transactions and warrants outstanding

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

Six month period ended, March 31, 2020

Exercise price	Expiry	Balance Sept 30, 2019	Warrants Issued	Warrants Exercised	Warrants Expired	Balance Mar 31, 2020
\$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 March 31, 2020 and up to May 12, 2020, the date of these financial statements, no warrants were issued or exercised and none expired.

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(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2020

12. Financial instruments

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

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

The following summarizes the categories of the various financial instruments:

	March 31, 2020	September 30, 2019
	Carrying Value	
Financial assets measured at amortized cost:		
Cash	\$ 45,811	\$ 406,255
Accounts receivable	9,362	6,458
	<u>\$ 55,173</u>	<u>\$ 412,713</u>
Financial liabilities measured at amortized cost:		
Accounts payable and accrued liabilities	\$ 67,292	\$ 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 March 31, 2020, accounts payable and accrued liabilities include liabilities of US\$Nil (CDN\$Nil) 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\$Nil (September 30, 2019 – CDN\$4,083) to the amount payable.

13. General and administrative

	Three months ended		Six months ended	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Administrative consulting fees	\$ 36,132	\$ 27,828	\$ 69,297	\$ 44,816
Occupancy costs	13,886	13,445	27,772	26,643
Office, secretarial and supplies	12,878	18,055	25,220	34,730
Travel and promotion	11,990	26,555	20,460	39,159
Insurance	3,613	3,481	8,363	7,009
Computer network and website maintenance	(59)	1,298	1,120	2,229
Stock-based compensation (Note 14)	-	-	50,980	11,438
Miscellaneous	1,474	1,447	4,269	3,507
	<u>\$ 79,914</u>	<u>\$ 92,109</u>	<u>\$ 207,481</u>	<u>\$ 169,531</u>

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Three and Six Months Ended March 31, 2020

14. Share-based payment transactions

Six months ended March 31, 2020

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%.

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%.

15. Loss per share

	Three months ended		Six months ended	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Weighted average number of common shares	42,267,708	38,843,819	42,267,708	38,207,961
Loss per share				
Basic and diluted	\$ 0.00	\$ 0.00	\$ (0.01)	\$ 0.00

The dilutive effect of stock options and warrants is calculated using the treasury stock method. This method calculates the number of incremental shares by assuming the outstanding in-the-money stock options and warrants are exercised, and then reduced by the number of shares assumed to be repurchased from the issuance proceeds, using the average market price of the Company's common shares for the period. As the Company experienced losses for the three and six month periods ended March 31, 2020 and 2019, no dilution resulted.

Jade Leader Corp.

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Three and Six Months Ended March 31, 2020

16. Related party balances and transactions and key management remuneration

The Company is considered a related party to CANEX Metals Inc. ("CANEX Metals"), by virtue of common officers and directors. In addition, related parties include members of the Board of Directors, officers and their close family members. 635280 Alberta Ltd., a company controlled by Jean Pierre Jutras, an officer and director of Jade Leader; Lunacees Enterprises Ltd., a company controlled by Cornell McDowell, a director of Jade Leader; and Vector Resources Inc., a company controlled by Shane Ebert, a director of Jade Leader are also considered related parties.

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

Transactions:	Note	Three months ended March 31		Six months ended March 31	
		2020	2019	2020	2019
Key management remuneration:					
President and Director	a)	\$ (28,000)	\$ (19,656)	\$ (58,500)	\$ (52,156)
Corporate Secretary	b)	(9,338)	(15,300)	(18,765)	(28,249)
Chief Financial Officer	c)	(2,532)	(3,120)	(5,652)	(6,624)
Total Management Remuneration		\$ (39,870)	\$ (38,076)	\$ (82,917)	\$ (87,029)
Other related party transactions:					
CANEX Metals					
Sublease revenue	d)	\$ 4,697	\$ 4,697	\$ 9,394	\$ 9,394
General and administrative and secretarial costs	d)	\$ 3,452	\$ 1,374	\$ 6,111	\$ 3,946
General and administrative and secretarial costs	d)	\$ (869)	\$ (293)	\$ (1,722)	\$ (890)
Lunacees Enterprises Ltd					
Geological consulting services	e)	\$ -	\$ (900)	\$ (600)	\$ (900)

Management compensation payable to "key management personnel" during the period ended March 31, 2020 and 2019 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 and six month period ended March 31, 2020 and March 31, 2019. 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.

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2020

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

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

		March 31, 2020		September 30, 2019
Balances receivable (owing)				
Office rent and operating costs				
CANEX Metals	d) \$	4,932	\$	4,932
General and administrative and secretarial costs				
CANEX Metals	d) \$	3,625	\$	1,059
CANEX Metals	d) \$	(912)	\$	(450)
Corporate secretary	b) \$	(2,565)	\$	-
President and director	a) \$	-	\$	(7,023)
Consulting fees				
635280 Alberta Ltd.	a) \$	(46,375)	\$	(11,653)

a) Consulting fees for the President's services were billed by 635280 Alberta Ltd. Consulting services that relate directly to mineral property exploration are capitalized to exploration and evaluation assets; the remainder is expensed. During the six month period ended March 31, 2020, \$10,375 (2019 - \$26,656) was capitalized to exploration and evaluation assets and \$48,125 (2019 - \$25,500) 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 six month periods ending March 31, 2020 and 2019, the Company incurred certain administrative expenses on CANEX Metals' behalf that were subsequently billed to CANEX Metals on a quarterly basis. Further, CANEX Metals incurred certain administrative costs on behalf of the Company that were billed on a quarterly basis. Since January 2015, the Company has subleased office space to CANEX Metals. The Company renewed its sublease with CANEX Metals on May 1, 2018, terminating April 30, 2020. CANEX Metals and the Company share two common officers and two common directors.

e) During the six month periods ended March 31, 2020 and March 31, 2019, geological consulting services were provided by Lunacees Enterprise Ltd.

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

Jade Leader Corp.

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(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2020

17. Commitments

a) On May 1, 2018, the Company entered into a new leasing arrangement for office space. Pursuant to the agreement, the Company is committed to pay base lease costs plus additional rent, which includes its proportionate share of costs incurred in the operation, maintenance, management and supervision of the property as defined by the landlord's current lease for the premises. Additionally, Jade Leader entered into a sublease agreement with CANEX Metals terminating April 30, 2020. Subsequent to March 31, 2020, upon the termination of the lease on April 30, 2020, the Company has not yet entered into another office lease but is paying month to month at the same rate as the expired lease until a new lease is entered into.

As at March 31, 2020, the committed lease costs to the termination of the lease are as follows:

	April 1, 2020 to April 30, 2020
	\$
Base lease cost	1,765
Expected additional rents	2,864
Total expected lease commitment	4,629
Expected sublease revenue	(1,566)
Net future rent	3,063

18. Supplemental disclosure statement of cash flows

Reconciliation of cash used in operating activities to operating expenses:

	Three months ended March 31		Six months ended March 31	
	2020	2019	2020	2019
Loss before other items	\$ (128,074)	\$ (102,128)	\$ (295,423)	\$ (185,109)
Depreciation	796	113	1,592	227
Stock based compensation	-	-	50,980	11,438
Changes in assets and liabilities pertaining to operations:				
Accounts receivable	(4,551)	3,294	(3,960)	(3,721)
Prepaid expenses	(4,269)	8,280	4,536	(13,791)
Accounts payable and accrued liabilities	32,609	(6,067)	38,725	(82,008)
Cash paid to suppliers and contractors	\$ (103,489)	\$ (96,508)	\$ (203,550)	\$ (272,964)

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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Three and Six Months Ended March 31, 2020

18. Supplemental disclosure statement of cash flows (continued)

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

	Three months ended March 31		Six months ended March 31	
	2020	2019	2020	2019
Change in exploration and evaluation assets	\$ (2,116)	\$ (20,291)	\$ (87,817)	\$ (295,995)
Change in assets and liabilities pertaining to exploration and evaluation asset additions:				
Accounts receivable	4,897		2,501	-
Mining exploration tax credit receivable	-	-	-	4,838
Accounts payable and accrued liabilities	(2,602)	(11,203)	(57,855)	(5,022)
Cash paid to suppliers and contractors	\$ 179	\$ (31,494)	\$ (143,171)	\$ (296,179)

19. Segment disclosures

During the three and six month periods ended March 31, 2020 and March 31, 2019, 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 interest-bearing savings accounts, 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 March 31, 2020 and September 30, 2019, there

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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Three and Six Months Ended March 31, 2020

20. Capital (continued)

were no qualifying expenditures required pursuant to flow-through agreements; consequently there was no restricted cash at March 31, 2020 and September 30, 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 March 31, 2020 and September 30, 2019. The Company's cash is currently held with one financial institution.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to continue to obtain adequate financing or to commence profitable operations in the future. Based on current cash flow budgets, operating expenses beyond June, 2020, and increases in expenditures over budget for the three months ended June 30, 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 March 31, 2020 and September 30, 2019 are as follows:

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

c) Market risk

The Company's equity investments are subject to market price risk. These investments are received from time to time for the sale of mineral properties. The Company does not invest excess cash in equity investments as a general rule. Investment in common shares is recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. As at March 31, 2020 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 March 31, 2020, accounts payable and accrued liabilities include liabilities of US\$Nil (CDN\$Nil) (September 30, 2019 – US\$30,670, CDN\$40,832).

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

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Three and Six Months Ended March 31, 2020

21. Financial risk management (continued)

e) Foreign exchange risk (continued)

The effect of a foreign currency increase or decrease of 10% on this liability would result in an increase or decrease of CDN\$Nil (September 30, 2019 – CDN\$4,083) to the amount payable.

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 six month period ended March 31, 2019 have been revised to reflect these changes in estimates. The aggregate change to the March 31, 2019 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. Novel coronavirus pandemic

In early January 2020, a human infection originating in China was traced to a novel strain of coronavirus. The virus has subsequently spread to other parts of the world, including North America and Europe, and has caused unprecedented disruptions in the global economy as efforts to contain the spread of the virus have intensified. On March 11, 2020, the World Health Organization declared this outbreak of coronavirus (“COVID-19”) as a pandemic and it continues to spread throughout North America. The full extent and duration of the impact of COVID-19 on the Company’s operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic, its impact on capital and financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others. For the time being, the Company has postponed its planned exploration programs for the summer of 2020, which would have been conducted on its properties held in the United States (refer to Note 7 – “Exploration and evaluation assets”), due to imposed travel restrictions and reduced capital as a result of COVID-19.

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Six Months Ended March 31, 2020

24. 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 had been set for February 20, 2020; however, due to scheduling conflicts and subsequent travel restrictions due to COVID-19 (refer to Note 23 – "Novel coronavirus pandemic"), the hearing was adjourned and no date has been set to reschedule.

The Company believes that it has all records necessary to demonstrate that the samples came from the trenching program which they further 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. Regardless, the outcome of any legal action can be contrary to what the Company expects and may result in the requirement for the Company to pay compensation to the plaintiff. The Company has no way to estimate what, if any future liability it might have relating to this legal action.

**JADE LEADER CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2020**

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 and six months ended March 31, 2020. The information included in this MD&A, with an effective date of May 12, 2020, should be read in conjunction with the Condensed Interim Consolidated Financial Statements as at and for the three and six months ended March 31, 2020 ("Q2 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 and six months ended March 31, 2020 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. Further risk and uncertainty is associated with the Novel Corona Virus Pandemic discussed in 2 a) below. Actual exploration and administrative expenditures can differ from budget due to unforeseen circumstances, changes in the market place that will cause suppliers' prices to change, and additional findings that will dictate that the exploration plan be altered to result in more or less work than was originally planned.

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

1) Principal Business of the Company

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

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

2) Highlights - Three and six months ended March 31, 2020

a) Novel coronavirus pandemic

In early January 2020, a human infection originating in China was traced to a novel strain of coronavirus. The virus has subsequently spread to other parts of the world, including North America and Europe, and has caused unprecedented disruptions in the global economy as efforts to contain the spread of the virus have

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intensified. On March 11, 2020, the World Health Organization declared this outbreak of coronavirus ("COVID-19") as a pandemic and it continues to spread throughout North America. The full extent and duration of the impact of COVID-19 on the Company's operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic, its impact on capital and financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others. The Company has postponed its planned exploration programs for the summer of 2020, which would have been conducted on its' properties held in the United States (refer to Note 7 – "Exploration and evaluation assets" to the unaudited condensed interim consolidated financial statements for the three and six month periods ended March 31, 2020, which accompany this document and Section 3) Mineral properties), due to imposed travel restrictions and reduced access to capital as a result of COVID-19.

b) 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 travel restrictions to the United States have been lifted as a result of COVID-19 and suitable financing can be procured.

c) Corporate

During and following the three and six month periods ended, March 31, 2020, 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 the six month period ended March 31, 2020 are summarized in Note 7 "Exploration and evaluation assets" to the Unaudited Condensed Interim Consolidated Financial Statements for the three and six months ended March 31, 2020, which accompany this MD&A.

DJ Jade Project, Washington State, USA

On August 28, 2017, the Company announced its acquisition of the DJ Jade project, in Washington State, USA, through a combination of Option Agreement and staking. The gross costs and impairments recorded to the DJ Jade project at March 31, 2020 are \$548,101 and \$Nil, respectively (September 30, 2019 - \$547,168 and \$Nil, respectively).

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

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

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

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

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.

The gross costs and impairments recorded for the Wyoming Jade Fields project at March 31, 2020 are \$489,487 and \$Nil, respectively (September 30, 2019 - \$404,188 and \$Nil respectively).

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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 March 31, 2020 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 mineral claims for this property expired in February 2020.

4) Operating Results

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

	Three months ended March 31		Six months ended March 31	
	2020	2019	2020	2019
General and administrative expenses	\$ (79,914)	\$ (92,109)	\$ (207,481)	\$ (169,531)
Reporting to shareholders	(2,881)	(2,981)	(2,881)	(2,981)
Professional fees	(42,249)	(4,394)	(78,465)	(7,846)
Stock exchange and transfer agent fees	(2,234)	(2,531)	(5,004)	(4,524)
Depreciation	(796)	(113)	(1,592)	(227)
Sublease revenue	4,697	4,697	9,394	9,394
Interest and other	338	(17)	1,796	277
Net and comprehensive loss	\$ (123,039)	\$ (97,448)	\$ (284,233)	\$ (175,438)

The most significant results are discussed below:

- Variances relating to general and administrative expenses are addressed below in more detail.
- There is no significant variance between the current and comparative period expenditures for Reporting to shareholders. These costs include the dissemination of the annual audited financial statements for the years ended September 30, 2019 and 2018.
- Professional fees which consist of auditing fees, legal and other filing fees have increased by \$37,900 and \$70,600 in the current three and six month periods respectively from the comparative three and six month periods. This increase is primarily the result of legal fees of \$36,600 and \$70,000 incurred during the current three and six month periods respectively due to an ongoing lawsuit that was filed against the Company during Q1 2020 naming Jadex, Jade Leader Corp. and Jean Pierre Jutras as defendants. Refer to Section 15) Legal Dispute for further information regarding this matter. Audit and accounting fees incurred during Q2 2020 of \$2,400 were incurred on account of Jadex that relate to the preparation of US tax returns for Jadex for the year ended September 30, 2019. Q1 2019 included fees of \$1,560 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 fees relating to various business

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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. There is no significant variance between the current three and six month periods from the comparative three and six month periods.
- Depreciation expense for the six months ended March 31, 2020 is \$1,365 higher than the comparative period. The increase is a result of equipment purchases of \$25,000 in Jadex Corporation during Q1 2020. This equipment included storage containers for secure storage of Jade samples collected during recent field exploration programs and computer equipment 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 and six periods ended March 31, 2020 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 March 31		Six months ended March 31	
	2020	2019	2020	2019
Administrative consulting fees	\$ 36,132	\$ 27,828	\$ 69,297	\$ 44,816
Occupancy costs	13,886	13,445	27,772	26,643
Office, secretarial and supplies	12,878	18,055	25,220	34,730
Travel and promotion	11,990	26,555	20,460	39,159
Insurance	3,613	3,481	8,363	7,009
Computer network and website maintenance	(59)	1,298	1,120	2,229
Stock-based compensation	-	-	50,980	11,438
Miscellaneous	1,474	1,447	4,269	3,507
Total	\$ 79,914	\$ 92,109	\$ 207,481	\$ 169,531

- Administrative consulting fees, which consist primarily of fees for the contract controller, CFO and President, are up by approximately \$24,000 from the comparative six month period. Fees for the six months ended March 31, 2020 include fees of \$48,000 to the president, \$13,300 to the contract controller, \$5,700 to the CFO and \$2,300 to other consultants. The comparative 2019 fees include fees of \$25,500 to the president, \$11,300 to the contract controller, \$6,400 to the CFO and \$1,600 to other consultants. The three month increase of approximately \$8,000 is primarily attributable to the increase in consulting fees billed by the President that are associated with providing information for the legal dispute – see 15) Legal Dispute in this document. The six month increase in fees charged by the President is also primarily attributed to this Legal Dispute.
- Office and secretarial fees, which relate primarily to contract administrative services and office supplies, have decreased by \$9,500 from the six month comparative and approximately \$5,000 from the three month comparative. The decrease is consistent with a decrease in activity during fiscal 2020. Q1 2019, fees for the Corporate Secretary included arranging the private placement financing that took place during that period. The comparative period also included \$1,700 for one time expenditures relating to equipment upgrades.
- Travel and promotion expenditures have decreased by \$18,700 and \$14,600 from the six month and three month comparative periods respectively, largely due to expenditures incurred in the comparative periods for services provided by an on-line investing news agency for the purpose of company promotion and lead generation. No comparable expenditures were incurred in the current period. During the six month period ended March 31, 2020, travel and promotion expenditures included expenses related to the AME Roundup held annually in Vancouver, as well as registration fees and related travel expenses 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 investment opportunities in Canada. In addition 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

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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. During the six month period ended March 31, 2019, travel and promotion expenditures include travel to Tucson, Arizona to attend various gem and mineral shows for the purpose of networking and marketing, and attending the AMEBC Roundup held annually in Vancouver, British Columbia.

- Insurance expenditures have increased by \$1,350 from the comparative six month period. The 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 six month period.
- Computer network and website maintenance includes website hosting and maintenance and internet service expenditures. During the three and six month periods ended March 31, 2020, these expenditures have decreased by \$1,350 and \$1,100 from the respective comparative periods. The comparative periods include one-time expenditures related to computer equipment upgrades.
- 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 March 31, 2020 that accompany this document for more information regarding these transactions.
- Miscellaneous expenditures increased by \$800 from the six month comparative period reflecting increases in bank service charges and postage and courier charges.

5) Liquidity and Capital Resources

As of March 31, 2020, the Company had a working capital surplus of \$5,530 (September 30, 2019 – \$349,921), a net decrease of \$344,391. Changes to working capital in the current and comparative periods are discussed below:

- Operating expenditures during the six month period ended March 31, 2020 resulted in a cash outflow of \$194,000 (March 31, 2019 - \$264,000). Cash paid to suppliers and contractors decreased by \$69,400 in the current period from the comparative period and reflect the changes in accounts receivable, prepaid expenses and accounts payable. At March 31, 2020, the Company has limited cash available, and has reduced discretionary costs as much as possible. Effective, January 1, 2020, Mr. Jutras agreed to have his pay for work performed going forward deferred until the Company has raised money through an equity financing, resulting in an increase in accounts payable at the period end. Due to limited available cash at the end of the 2018 fiscal year, accounts payable increased dramatically. These payables were paid when the Company received a cash injection from the financings that occurred in Q1, 2019. Further, during Q1, 2019, the Company advanced \$36,000 to an on-line investing news agency for the purpose of company promotion and lead generation. The advance covered one year of services. Of the total, \$9,000 was expensed in each of Q1 and Q2 2019 and \$18,000 remained in prepaid expenses at March 31, 2019.
- The Company expended \$143,200 on exploration and evaluation assets during the current six month period compared to \$296,200 in the comparative period. Expenditures in the current period relate primarily to the Wyoming Jade Fields, in Wyoming, USA. Expenditures in the comparative period relate primarily to the DJ Jade project in Washington, USA. Refer to Section 3) "Mineral properties" and Note 7 - "Exploration and evaluation assets" to the Unaudited Condensed Interim Consolidated Financial Statements dated March 31, 2020, which accompany this document, for more information.
- During Q1 2020, the Company expended \$25,000 on equipment purchases 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 and six month periods ended March 31, 2020. During the three month period ended December 31, 2018, the Company closed a private placement financing for gross aggregate proceeds of \$1,148,954. During the three month period ended March 31, 2019, 3,250,000 warrants were exercised for gross aggregate proceeds of \$325,000. 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 three month period ended June 30, 2020. Operating expenses beyond June, 2020, increases in expenditures over budget for the three months ended June 30, 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

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cut back discretionary operating costs and will defer exploration programs until suitable financing can be procured.

6) Financing

Three and six months ended March 31, 2020

There were no financing activities during the three and six month periods ended March 31, 2020.

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 prolation 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 prolation 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 unaudited Condensed Interim Consolidated Financial Statements which accompany this document).

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As at March 31, 2020, the committed lease costs to the termination of the lease are as follows:

	April 1, 2020 to April 30, 2020
	\$
Base lease cost	1,765
Expected additional rents	2,864
Total expected lease commitment	4,629
Expected sublease revenue	(1,566)
Net future rent	3,063

The lease was not renewed on the termination date of April 30, 2020; rather the Company will pay month-to-month at the same rate before a new lease is entered into.

8) Exploration Expenditures

Refer to Note 7 "Exploration and evaluation assets" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document.

9) Selected Quarterly Financial Information

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

Three months ended:	Mar 31 2020 (Q2 2020)	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)
	\$	\$	\$	\$	\$	\$	\$	\$
Loss before impairment of exploration and evaluation assets and other items	(128,074)	(167,349)	(294,068)	(114,740)	(102,128)	(82,981)	(114,134)	(84,915)
Impairment	-	-	(17,654)	-	-	-	-	-
Loss before other items	(128,074)	(167,349)	(311,722)	(114,740)	(102,128)	(82,981)	(114,134)	(84,915)
Sub-lease revenue	4,697	4,697	4,698	4,697	4,697	4,697	4,697	4,632
Interest and other income	338	1,458	2,979	1,104	(17)	294	47	74
Net and comprehensive loss	(123,039)	(161,194)	(304,045)	(108,939)	(97,448)	(77,990)	(109,390)	(80,209)
Basic and diluted loss per share	0.00	0.00	(0.01)	0.00	0.00	0.00	0.00	0.00

Quarterly net losses are influenced by many factors from period to period and are significantly affected by the amount of activity in the junior mining sector, the Company's working capital position, the potential exploration opportunities as well as timing of certain expenditures including the timing of the AGM, held in 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 Q1 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. During Q1 and Q2 2020, the Company's working capital has been impacted by legal expenditures of \$70,000 resulting from a legal dispute as outlined in Section 15) "Legal dispute". As a result, the Company has reduced discretionary expenditures and field programs accordingly until money can be raised through equity financing. Effects of the Novel Corona Virus may also affect financing, expenditures, available cash and working capital – see 2 a) in this document.

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 *Director and President*
Shari Difley, *Chief Financial Officer*
Cornell McDowell *Director*

Barbara O'Neill *Corporate Secretary*
Shane Ebert *Director*
Peter Megaw *Director*

12) Related Party Transactions

Transactions for fiscal 2020 are disclosed and explained in Note 16 "Related party balances and transactions and key management remuneration" to the Unaudited Condensed Interim Consolidated Financial Statements for the three and six months ended March 31, 2020 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 and six months ended March 31, 2020 and the Unaudited Condensed Interim Consolidated Statement of Changes in Equity for common share capital, stock option and warrant transactions during the six months ended March 31, 2020 and balances as at that date.

During the period from April 1, 2020 to May 12, 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), short-term investments, and accounts payable and accrued liabilities (net of sales tax), approximate their fair value due to the short-term nature of the instruments.

It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The Company had nominal foreign currency denominated fund balances. The Company undertakes transactions denominated in US currency through its exploration in the US; consequently it is exposed to exchange rate fluctuations. At March 31, 2020, accounts payable and accrued liabilities include liabilities of US\$Nil (CDN\$Nil) 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\$Nil (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 had been set for February 20, 2020; however, due to scheduling conflicts and subsequent travel restrictions due to COVID-19 (refer to Section 21) – "Novel coronavirus pandemic"), the hearing was adjourned and no date has been set to reschedule.

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The Company believes that it has all records necessary to demonstrate that the samples came from the trenching program which they further 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. Regardless, the outcome of any legal action can be contrary to what the Company expects and may result in the requirement for the Company to pay compensation to the plaintiff. The Company has no way to estimate what, if any future liability it might have relating to this legal action.

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) and Bankers' Acceptances and Term Deposits. The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at March 31, 2020 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 three month period ended June 30, 2020. Operating expenses beyond June, 2020, increases in expenditures over budget for the three months ended June 30, 2020, future 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 and six month periods ended March 31, 2020).

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 March 31, 2020, accounts payable and accrued liabilities include liabilities of US\$Nil (CDN\$Nil). 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 March 31, 2020 and September 30, 2019.

17) Outlook

The Company has postponed its planned exploration programs for the summer of 2020, which would have been conducted on its' Wyoming and Washington properties held in the United States (refer to Section 3) "Mineral properties"), due to imposed travel restrictions as a result of COVID-19 and its current reduced capital position. See 21) "Novel Corona Virus Pandemic" below.

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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 and the lifting of travel restrictions, 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, which can be renewed annually, 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 31, 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 market response and potential sales, will evaluate how best to target the various types of jade in the continuation of its currently permitted trenching activities. 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 June, 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 fiscal 2019. During fiscal 2020, the Company has attended, 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

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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. Travel restrictions associated with the Novel Corona Virus Pandemic which is discussed below, have prevented Company personnel from travelling to the Company's properties in the United States to perform exploration and there is no certainty surrounding when these restrictions might be lifted.
- **Substantial capital requirements and liquidity**
Substantial additional funds to pursue the Company's potential mineral exploration beyond currently planned expenditures may be required should exploration results indicate that future work may be warranted on any one project, and should any such funding not be fully generated from operations. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operation and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.
- **Fluctuating mineral prices**
The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Company's properties. The Novel Corona Virus Pandemic discussed below may affect the price of the Company's minerals, particularly Jade as it has limited industrial uses.

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- **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. Additional funds will be required for the purposes of funding operations and further exploration and development. The Novel Corona Virus discussed below, will result in pressure on the capital markets due to investors being less willing to invest in companies given the uncertain situation and less available cash held by these investors, among other reasons. The overall decline in market prices for publicly listed companies may affect the price at which the Company can issue shares and consequently result in greater dilution than when its stock price is higher. 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 favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.

- **Title to properties**

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

- **Competition**

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

- **Reliance on management and dependence on key personnel**

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects. The Novel Corona Virus Pandemic discussed below, may result in one or more of the Company's employees and/or officers and directors

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becoming ill and unable to provide services for a period of time. This is at least partially mitigated by the fact that certain individuals have overlapping competencies and they do not reside or work together.

- **Environmental risks**

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

- **Conflicts of interest**

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

- **Uninsurable risks**

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

- **Litigation**

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

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 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.

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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.

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) Novel coronavirus pandemic

In early January 2020, a human infection originating in China was traced to a novel strain of coronavirus. The virus has subsequently spread to other parts of the world, including North America and Europe, and has caused unprecedented disruptions in the global economy as efforts to contain the spread of the virus have intensified. On March 11, 2020, the World Health Organization declared this outbreak of coronavirus ("COVID-19") as a pandemic and it continues to spread throughout North America. The full extent and duration of the impact of COVID-19 on the Company's operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic, its impact on capital and financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others. The Company has postponed its planned exploration programs for the summer of 2020, which would have been conducted on its properties held in the United States (refer to Note 7 – "Exploration and evaluation assets" to the Unaudited Condensed Consolidated Interim Financial Statements dated March 31, 2020 which accompany this document), due to imposed travel restrictions and limited access to capital as a result of COVID-19.

22) Other

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