

Jade Leader Corp.
Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)
December 31, 2021
(Unaudited)

Notice to Reader

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

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

	December 31 2021	September 30 2021
ASSETS		
Current Assets		
Cash (Note 4)	\$ 283,594	\$ 203,786
Accounts receivable (Note 5)	10,954	8,318
Prepaid expenses	15,333	22,706
Short-term investments (Note 6)	3,400	3,120
	<u>313,281</u>	<u>237,930</u>
Non-current Assets		
Exploration and evaluation asset advances and deposits (Note 7)	4,357	4,357
Exploration and evaluation assets (Note 7)	1,228,716	1,197,291
Equipment and software (Note 8)	24,566	25,548
	<u>1,257,639</u>	<u>1,227,196</u>
TOTAL ASSETS	\$ 1,570,920	\$ 1,465,126
EQUITY AND LIABILITIES		
Current Liabilities		
Deferred sublease revenue	\$ 913	\$ 913
Accounts payable and accrued liabilities (Note 9)	<u>77,491</u>	<u>121,372</u>
	<u>78,404</u>	<u>122,285</u>
Non-current Liabilities		
Decommissioning obligation	12,750	12,750
TOTAL LIABILITIES	91,154	135,035
EQUITY		
Share capital (Note 10)	14,518,096	14,384,351
Reserves	3,535,243	3,446,111
Deficit	<u>(16,573,573)</u>	<u>(16,500,371)</u>
TOTAL EQUITY	1,479,766	1,330,091
TOTAL EQUITY AND LIABILITIES	\$ 1,570,920	\$ 1,465,126

Nature and continuance of operations (Note 1)

Approved by the Board

"Shane Ebert"

Director

"Jean Pierre Jutras"

Director

See accompanying notes to the consolidated financial statements.

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

(Expressed in Canadian Dollars)
 (Unaudited - Prepared by Management)
 For The Three Months Ended December 31

	2021	2020
Expenses		
General and administrative (Note 12)	\$ 64,342	\$ 56,511
Reporting to shareholders	2,981	14,966
Professional fees	8,290	16,769
Stock exchange and transfer agent fees	1,945	2,004
Depreciation	982	1,068
	78,540	91,318
Loss before other items	(78,540)	(91,318)
Other items		
Sublease revenue	4,697	4,697
Interest and other	361	287
Gain from short-term investments	280	3,760
	5,338	8,744
Net loss and comprehensive loss	\$ (73,202)	\$ (82,574)
Basic and diluted loss per share	\$ 0.00	\$ 0.00
Weighted average shares outstanding - basic and diluted	58,060,213	51,267,708

See accompanying notes to the consolidated financial statements.

Jade Leader Corp.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

For The Three Months Ended December 31

	2021	2020
Increase (decrease) in cash at bank		
Operating activities		
Cash received from sublease revenue (Note 15)	\$ 4,697	\$ 4,469
Cash paid to suppliers and contractors (Note 15)	(67,071)	(95,218)
Cash used in operating activities	<hr/> (62,374)	<hr/> (90,749)
Investing activities		
Interest and other income received	361	287
Cash expended on exploration and evaluation asset additions (Note 15)	(81,056)	(7,383)
Cash expended on equipment and software	-	(809)
Cash used in investing activities	<hr/> (80,695)	<hr/> (7,905)
Financing activities		
Share capital and warrant issue proceeds	225,000	-
Share issuance costs	(2,123)	-
Cash provided by financing activities	<hr/> 222,877	<hr/> -
Increase (decrease) in cash	79,808	(98,654)
Cash:		
Beginning of period	203,786	271,127
End of period	<hr/> \$ 283,594	<hr/> \$ 172,473

Supplementary information:

Interest and taxes

During the three-month periods ended December 31, 2021 and December 31, 2020, the Company did not expend cash on interest or taxes.

Non-cash transactions:

Three months ended December 31, 2021

There were no non-cash transactions during the three-month period ended December 31, 2021.

Three months ended December 31, 2020

The Company received 4,000 common shares of Mindset Pharma Inc. in exchange for 200,000 common shares of North Sur Resources Inc. Refer to Note 6 – “Short-term investments” for further information.

See accompanying notes to the consolidated financial statements.

Jade Leader Corp.
Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	Reserves						
	Common share Capital \$	Equity- settled share based payment \$	Warrants \$	Other* \$	Total Reserves \$	Deficit \$	Total \$
Balance, September 30, 2020	14,234,128	637,312	815,107	1,822,107	3,274,526	(15,674,670)	1,833,984
Net loss and comprehensive loss for the period	-	-	-	-	-	(82,574)	(82,574)
Balance, December 31, 2020	14,234,128	637,312	815,107	1,822,107	3,274,526	(15,757,244)	1,751,410
Net loss and comprehensive loss for the period	-	-	-	-	-	(743,127)	(743,127)
Options expired, January 2021	-	(223,872)	-	223,872	-	-	-
Options expired, March 2021	-	(78,316)	-	78,316	-	-	-
Private placement share and warrant issue	153,862	-	107,153	-	107,153	-	261,015
Share issuance costs	(3,639)	-	-	-	-	-	(3,639)
Options issued, September 2021	-	64,432	-	-	64,432	-	64,432
Options expired, September 2021	-	(11,438)	-	11,438	-	-	-
Balance, September 30, 2021	14,384,351	388,118	922,260	2,135,733	3,446,111	(16,500,371)	1,330,091
Net loss and comprehensive loss for the period	-	-	-	-	-	(73,202)	(73,202)
Warrants expired, October 2021	-	-	(629,728)	629,728	-	-	-
Private placement share and warrant issue	135,868	-	89,132	-	89,132	-	225,000
Share issuance costs	(2,123)	-	-	-	-	-	(2,123)
Warrants expired, December 2021	-	-	(53,944)	53,944	-	-	-
Balance, December 31, 2021	14,518,096	388,118	327,720	2,819,405	3,535,243	(16,573,573)	1,479,766

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

See accompanying notes to the financial statements

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2021

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

Since inception, the efforts of the Company have been devoted to the acquisition, exploration and development of mineral properties. To date the Company has not received any revenue from mining operations and has not determined whether mineral properties contain ore reserves that are economically recoverable.

The Company incurred a net loss of \$73,202 during the three-month period ended December 31, 2021, (December 31, 2020 - \$82,574). The Company has a deficit of \$16,573,573 at December 31, 2021, (September 30, 2021 - \$16,500,371). 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 material 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.

2. 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").

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, 2021. No new accounting policies have been adopted during the three-month period ended December 31, 2021.

4. Cash

Cash is comprised of:

	Dec 31, 2021	Sept 30, 2021
Current bank accounts	\$ 282,426	\$ 183,057
Cash held in foreign currencies	1,168	20,729
	<hr/> \$ 283,594	<hr/> \$ 203,786

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2021

5. Accounts receivable

	Dec 31, 2021	Sept 30, 2021
Related party receivables	7,580	6,244
Sales tax receivables	3,374	2,074
\$	10,954	8,318

6. Short-term Investments

	Dec 31, 2021	Sept 30, 2021
Mindset Pharma Inc. Common shares	\$ 3,400	\$ 3,120

The 4,000 common shares of Mindset Pharma Inc. were valued at their fair value, based on their trading price, at December 31, 2021 and September 30, 2021 respectively.

7. Exploration and evaluation assets

Mineral properties are recognized in these financial statements in accordance with the accounting policies outlined in Note 3(e) "Exploration and evaluation assets" of the Audited Annual Consolidated Financial Statements for the year ended September 30, 2021. Accordingly, their carrying values represent costs incurred to date, net of recoveries, incidental revenue, abandonments and impairments. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain necessary financing to complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company's ability to recover its costs through a disposition of its interests.

DJ Jade Project, Washington State, USA

During fiscal 2017, the Company acquired the DJ Jade project, in Washington State, USA through a combination of Option Agreement and staking.

The property, consisting of 18 Lode Claims, covers an area of slightly more than 140 hectares. In fiscal 2019 the Company completed the acquisition of 100% of the optioned claims, subject to a 2% Net Smelter Royalty, ("NSR"), by having made a total of US \$86,000 in property payments, and having incurred exploration costs of US \$80,000 in accordance with the terms and timelines of the option agreement. The Company has the option to acquire one-half (1%), of the Royalty for the sum of US\$500,000 in cash or equivalent value in Common shares of the Company. The Optionor also granted the Company the right, upon written notice, to acquire the remaining half, (1%), of the Royalty for the sum of US\$1,000,000 in cash or equivalent value in Common Shares of the Company, thereby extinguishing the Royalty of the Optionor.

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

Wyoming Jade Fields, Wyoming, USA

Wyoming Jade Fields is comprised of five properties. The Company has acquired, by staking, 99 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 acquisition of the 100% interest, subject to a 2% NSR, was completed during fiscal 2019. During the year ended September 30, 2021, the 2% NSR was extinguished. Refer to Note 17 – "Legal settlement" for further information.

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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7. Exploration and evaluation assets (continued)

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. During the year ended September 30, 2021 the Company recognized an impairment equal to the full carrying value of the property as it determined that it did not have the resources available to continue exploration on the property and had not been successful in attracting a purchaser or option partner. During the three months ended December 31, 2021, the Company renewed the claims to allow for any option or sale opportunities that might arise in the coming year.

A summary of exploration and evaluation expenditures by category for the three-month period ended December 31, 2021 and the year ended September 30, 2021 appears below:

Three months ended December 31, 2021	Wyoming, USA		Washington, USA		Yukon
	Total	Wyoming Jade Fields	DJ Jade Project	Tell	
	\$	\$	\$	\$	
Balance at September 30, 2021	856,009	446,116	409,893	-	-
Geological consulting	13,208	13,208	-	-	-
Field costs	537	537	-	-	-
Equipment rental	1,965	1,965	-	-	-
Travel costs	4,459	4,459	-	-	-
Aerial survey	6,636	6,636	-	-	-
Balance at December 31, 2021	882,814	472,921	409,893	-	-
Property acquisition costs:					
Balance at September 30, 2021	341,282	194,177	147,105	-	-
Acquisition costs incurred	4,620	-	-	4,620	4,620
Balance at December 31, 2021	345,902	194,177	147,105	4,620	4,620
Total exploration and evaluation assets December 31, 2021	1,228,716	667,098	556,998	4,620	

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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December 31, 2021

7. Exploration and evaluation assets (continued)

Year ended September 30, 2021	Wyoming, USA		Washington, USA		Yukon
	Total	Wyoming Jade Fields	DJ Jade Project	Tell	
	\$	\$	\$	\$	
Balance at September 30, 2020	1,132,322	378,682	408,861	344,779	
Geological consulting	29,112	29,112	-	-	
Field costs	9,504	8,522	1,032	(50)	
Equipment rental	11,101	11,101	-	-	
Travel costs	10,955	10,955	-	-	
Aerial survey	6,634	6,634	-	-	
Site restoration	2,776	2,776	-	-	
Impairment	(344,729)	-	-	(344,729)	
Sample jade sales	(1,666)	(1,666)	-	-	
Balance at September 30, 2021	856,009	446,116	409,893	-	
Property acquisition costs:					
Balance at September 30, 2020	423,328	172,668	143,272	107,388	
Acquisition costs incurred	25,342	21,509	3,833	-	
Impairment	(107,388)	-	-	(107,388)	
Balance at September 30, 2021	341,282	194,177	147,105	-	
Total exploration and evaluation assets September 30, 2021	1,197,291	640,293	556,998	-	

From time to time, the Company is required to advance amounts to service providers prior to their commencing exploration work on the mineral interest. The advance is applied to the invoiced services, generally through the final invoice. As these advances pertain to costs that form part of the long-term exploration and evaluation assets, they are classified as long-term. At December 31, 2021, the Company held \$4,357 in respect of Wyoming Jade Fields in exploration and evaluation asset advances and deposits (September 30, 2021 - \$4,357).

8. Equipment and software

	Equipment and software		
	Cost	Accumulated Depreciation	Net Book Value
		\$	\$
Balance, September 30, 2020	\$ 38,453	\$ (9,442)	\$ 29,011
Additions	809	-	809
Depreciation	-	(4,272)	(4,272)
Balance, September 30, 2021	39,262	(13,714)	25,548
Depreciation	-	(982)	(982)
Balance, December 31, 2021	\$ 39,262	\$ (14,696)	\$ 24,566

9. Accounts payable and accrued liabilities

	Dec 31, 2021	Sept 30, 2021
Trade payables	\$ 3,838	\$ 29,980
Due to related parties	68,234	67,978
Accrued liabilities	5,058	23,117
Sales tax payable	361	297
	\$ 77,491	\$ 121,372

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2021

10. 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, 2021	56,488,008	14,384,351
Private placement – November 2021	3,214,285	225,000
Value of warrants included in private placement	-	(89,132)
Share issuance costs	-	(2,123)
Balance, as at December 31, 2021	59,702,293	14,518,096
<hr/>		
	Shares Number	Value \$
Balance, as at September 30, 2020	51,267,708	14,234,128
Private placement – August 2021	5,220,300	261,015
Value of warrants included in private placement	-	(107,153)
Share issuance costs	-	(3,639)
Balance, as at September 30, 2021	56,488,008	14,384,351

2022

On November 17, 2021, the Company closed a non-brokered private placement share and warrant issue for 3,214,285 common units at \$0.07 per unit comprised of 3,214,285 common shares and 1,607,142 common share purchase warrants for gross aggregate proceeds of \$225,000. Each common unit was comprised of one common share and one half of one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.14 per share until November 17, 2023. 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 142.23%, a risk free rate of 1.05%, a 2-year warrant life and a 0% dividend rate. The total value assigned to the warrants issued was \$89,132.

2021

On August 12, 2021, the Company closed a non-brokered private placement share and warrant issue for 5,220,300 common units at \$0.05 per unit comprised of 5,220,300 common shares and 2,610,150 common share purchase warrants for gross aggregate proceeds of \$261,015. Each common unit was comprised of one common share and one half of one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.10 per share until August 12, 2023. 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 132%, a risk free rate of 0.46%, a 2-year warrant life and a 0% dividend rate. Related parties, comprised of officers and directors, acquired 800,000 of the total units. The total value assigned to the warrants issued was \$107,153.

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2021

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

b) Issued and outstanding common share capital (continued)

During the subsequent period from January 1, 2022 to February 16, 2022, the date of these financial statements, no shares were issued, cancelled or returned to treasury.

c) Stock options

<u>Expiry</u>	<u>Number of shares</u>		<u>Exercise Price</u>
	<u>Dec 31, 2021</u>	<u>Sept 30, 2021</u>	
October 19, 2022	125,000	125,000	\$0.14
February 21, 2022	150,000	150,000	\$0.38
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	125,000	\$0.225
November 19, 2023	150,000	150,000	\$0.225
September 24, 2024	1,255,000	1,255,000	\$0.07
	<u>3,085,000</u>	<u>3,085,000</u>	

d) Stock option transactions

	<u>Number of shares</u>	<u>Weighted average exercise price</u>
Balance, September 30, 2021 and December 31, 2021	3,085,000	\$0.196

Refer to Note 13 - "Share-based payment transactions" for more information regarding the options issued during the year ended September 30, 2021. During the subsequent period from January 1, 2022 to February 16, 2022, 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.

<u>Three month period ended, December 31, 2021</u>					
<u>Exercise price</u>	<u>Expiry</u>	<u>Balance Sept 30, 2021</u>	<u>Warrants Issued</u>	<u>Warrants Exercised</u>	<u>Warrants Expired</u>
\$0.21**	October 12, 2021**	3,865,816	-	-	(3,865,816)
\$0.21**	October 23, 2021**	730,000	-	-	(730,000)
\$0.30	December 28, 2021*	393,750	-	-	(393,750)
\$0.30	January 11, 2022*	106,250	-	-	-
\$0.10	June 17, 2022	4,500,000	-	-	-
\$0.10	August 12, 2023	2,610,150	-	-	-
\$0.14	November 17, 2023	-	1,607,142	-	-
Total		12,205,966	1,607,142	-	(4,989,566)
					8,823,542

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

December 31, 2021

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

e) Warrant transactions and warrants outstanding (continued)

Year ended, September 30, 2021

Exercise price	Expiry	Balance Sept 30, 2020	Warrants Issued	Warrants Exercised	Warrants Expired	Balance Sept 30, 2021
\$0.21**	October 12, 2021**	3,865,816	-	-	-	3,865,816
\$0.21**	October 23, 2021**	730,000	-	-	-	730,000
\$0.30	December 28, 2021*	393,750	-	-	-	393,750
\$0.30	January 11, 2022*	106,250	-	-	-	106,250
\$0.10	June 17, 2022	4,500,000	-	-	-	4,500,000
\$0.10	August 12, 2023	-	2,610,150	-	-	2,610,150
Total		9,595,816	2,610,150	-	-	12,205,966

*On December 2, 2019, the Company extended the expiry dates for certain warrants by two years as follows: 1) 393,750 warrants from December 28, 2019 to December 28, 2021 and 2) 106,250 warrants from January 11, 2020 to January 11, 2022.

**During the year ended September 30, 2020 the Company extended the expiry dates and repriced these warrants as follows:

1) 3,865,816 warrants were repriced from \$0.40 per share to \$0.21 per share and the expiry date was extended to October 12, 2021 from October 12, 2020 and 2) 730,000 warrants were repriced from \$0.40 per share to \$0.21 per share and the expiry date was extended to October 23, 2021 from October 23, 2020.

During October 2021, 4,595,816 warrants, exercisable at \$0.21 per share, expired without exercise. On December 28, 2021, 393,750 warrants, exercisable at \$0.30 per share, expired without exercise.

During the subsequent period from January 1, 2022 to February 16, 2022, the date of these financial statements, 106,250 warrants, exercisable at \$0.30 per share, expired without exercise. No warrants were issued and none were exercised during this subsequent period.

11. Financial instruments

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

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

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

The following summarizes the categories of the various financial instruments:

	Dec 31, 2021	Sept 30, 2021		
	Carrying value			
Financial assets				
Financial assets measured at fair value:				
Short-term investments	\$ 3,400	\$ 3,120		
Financial assets measured at amortized cost:				
Cash	283,594	203,786		
Accounts receivable	7,580	6,244		
	291,174	210,030		
Financial liabilities				
Financial liabilities measured at amortized cost:				
Accounts payable and accrued liabilities	\$ 77,130	\$ 121,075		

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

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11. Financial instruments (continued)

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 undertakes transactions denominated in US currency through its exploration in the US; consequently, it is exposed to exchange rate fluctuations. The Company will acquire US funds from time to time to settle US\$ denominated liabilities. At December 31, 2021, the Company had US\$337 (CDN\$428) (September 30, 2021 – US\$15,688 (CDN\$19,988)) in a US denominated bank account. The effect of a foreign currency increase or decrease of 10% on this cash holding would result in an increase or decrease of CDN\$43 (September 30, 2021 – CDN\$1,999). Additionally, at December 31, 2021, accounts payable and accrued liabilities include liabilities of US\$Nil (CDN\$Nil) (September 30, 2021 - US\$28,931 (CDN\$36,861)) that must be settled in US\$. 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, 2021 – CDN\$3,686) to the amount payable.

12. General and administrative

Three months ended	Dec 31, 2021	Dec 31, 2020
Administrative consulting fees	\$ 16,789	\$ 25,626
Occupancy costs	10,286	10,248
Office, secretarial and supplies	9,693	10,785
Travel and promotion	2,400	693
Product development	16,449	1,157
Insurance	5,351	4,484
Computer network and website maintenance	2,183	1,369
Miscellaneous	1,191	2,149
	\$ 64,342	\$ 56,511

13. Share-based payment transactions

Three-month period ended December 31, 2021

There were no share-based payment transactions during the three-month period ended December 31, 2021.

Year ended September 30, 2021

On September 14, 2021, the Company issued 1,255,000 options that may be exercised at \$0.07 per share to September 14, 2024. The options were valued at \$64,432 incorporating the Black-Scholes Option Pricing model assuming a 3-year term, volatility of 127.73%, a risk-free discount rate of 0.52% and a dividend rate of 0%.

Jade Leader Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

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14. Related party balances and transactions and key management remuneration

The Company is considered a related party to CANEX Metals Inc. ("CANEX Metals") because of its common directors, officers and key management personnel that have some direct financial interest in both the Company and CANEX Metals. In addition, related parties 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 period:

	Dec 31, 2021	Dec 31, 2020
Key management remuneration:		
President and Director	a \$ (25,937)	\$ (14,406)
Corporate Secretary	b \$ (9,180)	(9,060)
Chief Financial Officer	c \$ (2,400)	(3,060)
Total Management Remuneration	<u>\$ (37,517)</u>	<u>\$ (26,526)</u>
 Other related party transactions:		
CANEX Metals Inc.		
Office rent and operating costs received	d \$ 4,697	\$ 4,697
General and administrative and secretarial costs received	d \$ 2,522	\$ 2,223
General and administrative and secretarial costs paid	d \$ (422)	(327)

Management compensation payable to "key management personnel" during the period ended December 31, 2021 and 2020 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, though none were granted to officers and directors during the three-month periods ended December 31, 2021 and December 31, 2020.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company.

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

	Dec 31, 2021	Sept 30, 2021
Balances receivable (payable)		
Office rent and operating costs		
CANEX Metals Inc.	d \$ 4,932	\$ 4,932
General and administrative and secretarial costs		
CANEX Metals Inc.	d \$ 2,648	\$ 1,312
CANEX Metals Inc.	d \$ (443)	\$ (237)
President	a \$ -	\$ (8,983)
Corporate secretary	b \$ (2,223)	-
 Consulting fees		
635280 Alberta Ltd.	a \$ (65,145)	\$ (58,758)
Chief financial officer	c \$ (63)	-
Corporate secretary	b \$ (360)	-

Jade Leader Corp.

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(Unaudited - Prepared by Management)

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

- a) Consulting fees for the President's services were billed by 635280 Alberta Ltd., a company controlled by Jean Pierre Jutras. Consulting services that relate directly to mineral property exploration are capitalized to exploration and evaluation assets; the remainder is expensed. During the three-month period ended December 31, 2021 \$8,000 (2020 - \$Nil) was capitalized to exploration and evaluation assets, \$4,656 (2020 - \$14,406) was expensed through general and administrative expenses and \$13,281 (2020 - \$Nil) was expensed through product promotion.
- b) The Corporate Secretary provides services to the Company on a contract basis.
- c) The Chief Financial Officer provides services to the Company on a contract basis.
- d) During the three-month periods ending December 31, 2021 and 2020, 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. The Company has subleased office space to CANEX Metals since January 2015.

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

15. Supplemental disclosure statement of cash flows

	Dec 31, 2021	Dec 31, 2020
Sublease revenue	\$ 4,697	\$ 4,697
Changes in assets and liabilities pertaining to sublease revenue:		
Accounts receivable	-	(228)
Cash received for sublease revenue	\$ 4,697	\$ 4,469
Operating expenses	Dec 31, 2021	Dec 31, 2020
Depreciation	\$ (78,540) 982	\$ (91,318) 1,068
Changes in assets and liabilities pertaining to operations:		
Accounts receivable	(1,985)	(3,389)
Prepaid expenses	7,373	6,867
Accounts payable and accrued liabilities	5,099	(8,446)
Cash paid to suppliers and contractors	\$ (67,071)	\$ (95,218)

Jade Leader Corp.

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15. Supplemental disclosure statement of cash flows (continued)

	Dec 31, 2021	Dec 31, 2020
Exploration and evaluation asset additions	\$ (31,425)	\$ (6,079)
Change in exploration and evaluation assets	(651)	1,295
Changes in assets and liabilities pertaining to exploration and evaluation asset additions:	(48,980)	(2,599)
Accounts receivable	(651)	1,295
Accounts payable and accrued liabilities	(48,980)	(2,599)
Cash expended on exploration and evaluation asset additions	\$ (81,056)	\$ (7,383)

16. Segment disclosures

During the current period ended December 31, 2021, the comparative period ended December 31, 2020 and the year ended September 30, 2021, 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. As at December 31, 2021, the total value of non-current assets associated with United States operations is \$1,251,174 (September 30, 2021 - \$1,225,220), including exploration and evaluation asset advances and deposits of \$4,357 (September 30, 2021 - \$4,357), exploration and evaluation assets of \$1,224,096 (September 30, 2021 - \$1,197,291) and equipment and software of \$22,721 (September 30, 2021 - \$23,572). All remaining non-current assets are associated with Canadian operations.

17. Legal Settlement

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 was seeking to claim ownership of some of the Jade samples collected during the 2019 trenching program in Wyoming.

During the year ended September 30, 2021, an agreement was reached between the parties, payments were advanced, and the case was dismissed. Pursuant to the mutually agreed upon dispute resolution, the plaintiff was paid a sum of money including a payment from the Company in the amount of US\$22,500 (CDN\$28,833). As part of the agreement, the plaintiff also transferred to the Company two placer claims, and relinquished his royalty interest in the lode claim previously sold to the Company (refer to Note 7 – “Exploration and evaluation assets”).

Jade Leader Corp.

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18. Novel coronavirus pandemic

In early January 2020, a human infection originating in China was traced to a novel strain of coronavirus. The virus subsequently spread to other parts of the world, including North America and Europe, and has caused unprecedented disruptions in the global economy. On March 11, 2020, the World Health Organization declared this outbreak of coronavirus ("COVID-19") as a pandemic and it continued 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 was able to conduct its planned exploration programs for fiscal 2021 and Q1 2022, on its properties held in the United States (refer to Note 7 – "Exploration and evaluation assets"), with minimal disruptions resulting from COVID-19. COVID-19 related work and travel restrictions are changing on a continuous basis. As the Company is an exploration stage company with no significant revenue sources, there is no significant impact on revenue from the coronavirus restrictions. The effect of the virus on the economy as a whole and the amount of discretionary income available to spend on Jade may have an impact on commodity prices, however the Company is not in a position to be producing and selling Jade on a commercial scale at this time.

JADE LEADER CORP.
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The following management discussion and analysis (MD&A) is management's assessment of the results and financial condition of Jade Leader Corp., ("Jade Leader" or "the Company"), as at, and for the three months ended December 31, 2021. The information included in this MD&A, with an effective date of February 16, 2022, should be read in conjunction with the Unaudited Condensed Interim Consolidated Financial Statements as at and for the three months ended December 31, 2021 ("Q1 2022") and related notes thereto as well as the Audited Consolidated Financial Statements for the year ended September 30, 2021 and related notes thereto. Jade Leader's common shares trade on the TSX Venture Exchange under the symbol "JADE." The Company's most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed at www.sedar.com.

The Company's Condensed Interim Consolidated Financial Statements for the three months ended December 31, 2021 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, 2021. The Company's accounting policies are provided in Note 3 - "Summary of significant accounting policies" to the September 30, 2021 Annual Consolidated Financial Statements. All dollar amounts are in Canadian dollars, unless otherwise noted.

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

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

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

1) Principal Business of the Company

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

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

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2) Highlights - Three months ended December 31, 2021

a) Mineral Properties

The Company's immediate focus will be to continue to evaluate materials recovered from the Wyoming Jade Fields properties and to test the market for the Jade recovered. With information gained through market response and potential sales, the Company will evaluate how best to target the various types of Jade in the continuation of its field activities.

During Q4, 2021, the Company had initial sales of 2.8 kg of Jade materials mined from its Wyoming properties, for gross proceeds of US\$1,350 with prices ranging between US\$0.25 per gram (US\$250 per kg) to US\$1.00 per gram (US\$1,000 per kg). These sample sales are important to the Company, as they allow the Company to begin to establish a market valuation for Jade recovered from its Wyoming properties.

A mechanized bulk sampling program was conducted in the Wyoming Sky Zone commencing September 2021 (Q4 2021), and was completed during October 2021 (Q1 2022). The program partially exposed the Sky Zone Jade[®] bearing structure over the currently mapped strike length, allowing for the systematic collection and assessment of potential Jade types, colours and typical Jade yields along the main system of that zone. Over 230 kg of Nephrite Jade, including 183 kg of gem quality Sky Jade[®] was recovered. The Sky Zone is currently the most advanced of multiple targets on 5 distinct, 100% owned properties on which jade bearing systems have been identified by the Company to date in the heart of the historical Wyoming Jade Fields.

Cleaning and preparation of various sized pieces has begun with the intent to begin test-marketing to the national and international Jade trade in order to continue establishing proper valuation parameters on the discovery. The Company believes that these materials can be priced for sale ranging between US\$500 and US\$4,000 per kg.

As at December 31, 2021 and going forward, the Company remains focused on marketing the Sky Jade[®] material collected from the fall 2021 bulk sampling program. During Q1 2022, 42 kilograms of materials collected during that program, were partially cut and polished, itemized and individually photographed. Materials preparation and documentation is key to properly communicating to potential customers the fine quality of this material particularly through online platforms.

b) Corporate

During Fiscal 2022, the Company will continue to focus on jade testing and evaluation from multiple properties, on promotional activities to expand opportunities for financing its planned mineral property exploration programs and to build a market for future jade sales. These efforts include the preparation of selective stone samples, thought to be representative of the Company's collection to date. The Company produced a number of promotional videos which were released in Q2 2021 and Q3 2021, presenting a history of Jade in the Wyoming region, rough samples of Jade collected in the Wyoming region through the various field programs conducted by the Company, and a demonstration of the size and quality of samples collected and polished to date. During Q1 2022, the Company initiated the construction of an e-commerce site to facilitate product sales, while continuing to focus its marketing activities within the national and international Jade community. Early sales will be used to establish value for the Jade which will ultimately be useful in valuing reserves and determining long-term commercial production feasibility.

On November 17, 2021, the Company closed a non-brokered private placement financing share and warrant issue for 3,214,285 units at a price of \$0.07 per unit for aggregate gross proceeds of \$225,000. Refer to Section 6) "Financing" for more information regarding this financing.

3) Mineral Properties

Transactions for Q1 2022 are summarized in Note 7 "Exploration and evaluation assets" to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended December 31, 2021 which accompany this MD&A.

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DJ Jade Project, Washington State, USA

During fiscal 2017, the Company completed its acquisition of the DJ Jade project, in Washington State, USA, through a combination of Option Agreement and staking. The gross costs and impairments recorded to the DJ Jade project at December 31, 2021 are \$556,998 and \$Nil, respectively (September 30, 2021 - \$556,998 and \$Nil, respectively).

The property, consisting of 18 Lode Claims covers an area of slightly more than 140 hectares, with 3 historical and numerous newly identified nephrite jade occurrences. 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 optioned claims 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.

The Company continues to evaluate both unique colour change nephrite Jade and chatoyant materials collected during previous exploration programs with the view to test for market acceptance of these samples.

Wyoming Jade Fields, Wyoming, USA

The Company has acquired, by staking 99 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 claims are located 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 acquisition of the 100% interest, subject to a 2% NSR, was completed during fiscal 2019. During the three-month period ended June 30, 2021, the 2% NSR was extinguished, (refer to Section 14) "Legal settlement" for more information).

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. 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

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and will be evaluated for their textures, colours and carvability. Additionally, the field program included extensive alteration mapping and reconnaissance sampling along the geophysically well-defined alteration zones associated with jade formation that were identified in the spring program.

During July 2020, the Company conducted a three-week field program which included stone testing for assessing quality and marketability of samples collected to date as well as prospecting. The summer 2020 program included testing 38 samples of the 52 samples recovered from trench T1C in September 2019 as these samples were thought to be representative of the breccia-hosted Jades of the T1 target area. 95% of the tested samples by weight passed the testing and workability evaluation. Thin slices of T1 target Jade collected south and west of trench T1C during the program were also cut to evaluate the stone's suitability as ornamental or architectural stone. The stone testing to date has been encouraging; consequently, the Company has commenced a product development program based on this material to generate marketable finished product examples for test marketing in local and international markets.

An additional target northwest of the T1 target, called the Sky Jade Zone[®], was hand sampled and generated over 110 pounds (49.9 Kg) of fine grained, texturally uniform, medium green jades which were cleaned, tested and prepared for marketing to the jewellery market. This zone has been recognized at surface over some 15 meters of strike length, with nephrite jade occurring both within a sheared intrusive contact, and extending into host country rock. The zone remains open in all directions at this time.

During Q4 2021 and Q1 2022, the Company conducted a four-week mechanized bulk sampling program in the Sky Jade Zone[®]. Work focused on geologic mapping of the occurrences plus the first pilot-scale bulk sampling of Sky Jades[®]. Over 230 kilograms (kg) of Nephrite Jade, including 183 kg of gem quality Sky Jade[®], were recovered. From this, cleaning and preparation of an initial 88 kg of various sized pieces has begun. Once prepared, Jade Leader will begin test-marketing to the national and international Jade trade in order to continue establishing proper valuation parameters on this discovery. Prices are expected to vary from US\$500 to US\$4,000 per kg, depending on stone sizes, color, texture, and translucency. In addition, the total includes 20.7 kg of exceptional specimen stones where the Jade encloses large quartz crystals.

In order to generate an accurate determination of the volume of material extracted and provide the basis for measuring the recovered yields of gem Jade materials per unit volume or tonne, a high-resolution drone survey was conducted before and after field activities by a US based independent third-party mining consultancy firm to accurately measure the area tested by comparative photogrammetry. Based on this high resolution survey, Burgex Mining Consultants of Salt Lake City has reported to the Company a total modeled excavation volume of 7.57 cubic meters. Using a host rock specific gravity of 2.85, (as measured by the Company on a representative sample of the host quartz-epidote Jade host), this corresponds to the excavation and testing of 21.6 metric tonnes of material. From this, an overall 230 kg of Jade, (including 47 kg of weathered near-surface Jade), yielded 183 kg of gem-quality Sky Jade. This results in a measured yield of 10.6 kg of Jade per tonne for this program from which an actual 8.47 kg per tonne of usable gem-grade Jade material was recovered.

The gross costs and impairments recorded for the Wyoming Jade Fields project at December 31, 2021 are \$667,098 and \$Nil, respectively (September 30, 2021 - \$640,293 and \$Nil respectively).

Tell, Yukon

Due to limited resources, the Company had not been able to fund exploration programs during recent years; however, it continued to investigate opportunities to option out the Tell property in order to expand exploration on the project without additional financing being required. The Company has not been successful in attracting a purchaser or option partner for the property after continued efforts; therefore, during Q4 2021, the Company recognized an impairment equal to the full amount of the expenditures incurred on the property to September 30, 2021. During Q1 2022, the Company renewed existing claims for \$4,620, which will expire in October 2022, thus allowing the Company to continue to investigate opportunities to option the Tell property out. The gross costs and impairments to the Tell project at December 31, 2021 are \$456,737 and \$452,117, respectively (September 30, 2021 - \$452,117 and \$452,117 respectively).

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4) Operating Results

Three months ended December 31, 2021 compared to three months ended December 31, 2020

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

Three months ended December 31	2021	2020
General and administrative expenses	\$ (64,342)	\$ (56,511)
Reporting to shareholders	(2,981)	(14,966)
Professional fees	(8,290)	(16,769)
Stock exchange and transfer agent fees	(1,945)	(2,004)
Depreciation	(982)	(1,068)
Sublease revenue	4,697	4,697
Interest and other	361	287
Gain from short-term investments	280	3,760
Net and comprehensive loss	\$ (73,202)	\$ (82,574)

Significant variances in results are discussed below:

- Variances relating to general and administrative expenses are addressed below in more detail.
- Reporting to shareholders' expenditures during the three-month period ended December 31, 2021 include fees for filing the fiscal 2021 annual audited financial statements. Reporting to shareholders' expenditures during the three-month period ended December 31, 2020 include fees for filing the fiscal 2020 annual audited financial statements as well as expenditures for the Annual General Meeting ("AGM") relating to the fiscal 2019 financial statements, both of which were incurred during Q1 2021. The Company did not have an AGM during the first quarter of fiscal 2022.
- Professional fees consist of audit fees, legal and other filing fees. Combined, Q1 2022 fees have decreased by \$8,500 from the comparative period and include audit and tax related services of \$4,038 (Q1 2021 - \$2,503), filing fees of \$1,375 (Q1 2021 - \$1,375) and miscellaneous legal fees of \$2,877 (Q1 2021 - \$177). Q1 2021 also includes fees, in the amount of \$12,714, relating to a lawsuit, which was settled during Q3 2021, (refer to Section 14) Legal settlement for further information regarding this matter.
- Stock exchange and transfer agent fees relate directly to the number of security exchange transactions during the periods. There was no significant variance between the current and comparative period.
- The gain from short-term investments during the current and comparative three-month periods pertains to 4,000 Mindset Pharma Inc. ("Mindset Pharma") common shares which were received in exchange for 200,000 common shares of North Sur Resources Inc. The North Sur shares had previously been written-off. Mindset Pharma did not begin trading on the Canadian Securities Exchange ("CSE") until December 23, 2020. At the respective period ends, the shares were valued at fair value, based on the trading prices at that date.

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

Three months ended December 31	2021	2020
Administrative consulting fees	\$ 16,789	\$ 25,626
Occupancy costs	10,286	10,248
Office, secretarial and supplies	9,693	10,785
Travel and promotion	2,400	693
Product development	16,449	1,157
Insurance	5,351	4,484
Computer network and website maintenance	2,183	1,369
Miscellaneous	1,191	2,149
Total	\$ 64,342	\$ 56,511

- Administrative consulting, which consists of fees for the contract controller, CFO, President and other business consultants, has decreased during the current period by \$8,800 from the comparative period.

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Q1 2022 fees include fees to the President of \$4,700 (Q1 2021 - \$14,400), to the contract controller of \$9,700 (Q1 2021 - \$8,160), to the CFO of \$2,400 (Q1 2021- \$3,060). The majority of the decrease has resulted because a portion of the President's consulting fees have been allocated to product promotion to reflect his time spent on marketing and product development.

- There is no change in occupancy costs during the current and comparative three-month period. On August 1, 2020, the Company entered into a new lease agreement, expiring on August 31, 2021. Subsequent to the lease agreement expiring, the Company has continued to pay rent on a month-to-month basis at the same rate as incurred under the lease.
- Office and secretarial fees, which relate primarily to contract administrative services and office supplies, have decreased by \$1,100, during the current period from the comparative period and are consistent with the current year budget.
- Travel and promotional expenditures have increased by \$1,700 between the current and comparative three-month period. Current period expenditures include travel expenses related to engaging a consultant to provide advice with respect to marketing and promotion of the Company's Sky Jade© products as well as miscellaneous expenditures for meals and entertainment. Q1 2021 includes nominal amounts for meals and entertainment.
- During fiscal 2020, the Company began the process of stone testing to assess quality and marketability of samples collected during previous field programs (refer to Section 3) "Mineral properties"). Results of the stone testing have been encouraging; consequently, the Company began a product development program using these materials to generate marketable finished product examples for test marketing in local and international markets. The costs of product development are recorded in product promotion costs during fiscal 2021 and fiscal 2022. Q1 2022 expenditures include \$13,300 for the President's consulting time with respect to product promotion and sample preparation. During fiscal 2021, the Company produced a number of promotional videos which were released in Q2 2021 and Q3 2021, presenting a history of Jade in the Wyoming region, rough samples of Jade collected in the Wyoming region through the various field programs conducted by the Company, and a demonstration of the size and quality of samples collected and polished to date. The costs of these videos are included in product promotion costs during fiscal 2021.
- Insurance expenses have increased during the current three-month period from the comparative three month-period reflecting an increase in insurance rates that occurred upon renewal of insurance policies in Q3 and Q4 2021.
- Computer network and website maintenance expenditures, which include internet service, website hosting and other information system expenditures, have increased by \$800 during the three-month period ended December 31, 2021, from the comparative three-month period. The increase primarily relates to the set-up of a new computer. There were no similar fees incurred in fiscal 2021.
- Miscellaneous expenditures which consist of postage and courier costs, telephone and interest and bank charges, have decreased by \$1,000 during the current three-month period ended December 31, 2021 from the comparative period. The majority of the decrease is the result of a decline in postage and courier charges. Q1 2021 included postage charges relating the AGM held in Q1 2021. No similar expenditures were incurred in the current period.

5) Liquidity and Capital Resources

As of December 31, 2021, the Company had working capital of \$234,877, (September 30, 2021 - \$115,645). Changes to working capital/cash flow in the current and comparative periods are discussed below:

- Current period operating expenditures resulted in cash outflow of \$62,400 (Q1 2021 - \$90,700). Cash paid to suppliers and contractors is lower by \$28,100 than the comparative period. Approximately \$65,000 of working capital is attributable to Mr. Jutras agreeing to allow the Company to defer payment of his billings for administrative consulting fees dating back to January, 2021 until sufficient financing has been received. Overall, the results are consistent with activity levels during the current period and are related to factors discussed above in 4) "Operating results."
- The Company expended \$81,000 on exploration and evaluation assets during the current period compared to \$7,400 in the comparative period. The majority of the expenditures in the current and comparative period related to the Company's properties in Wyoming, USA. Q1 2022 expenditures also

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include \$4,600 on account of the Tell property for claim renewals. See Section 3) "Mineral properties" and Note 7 – "Exploration and evaluation assets" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document for further information.

- The Company expended \$800 on computer equipment purchases during the comparative period. There were no similar capitalized expenditures incurred during the current period.
- During the three-month period ended December 31, 2021, the Company closed a private placement financing for aggregate gross proceeds of \$225,000, (net \$222,877 after share issuance costs). There were no financing activities during the three-month period ended December 31, 2020. Refer to Note 10 - "Share capital, stock options and warrants" of the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document and section 6) "Financing" for further information.

The Company believes that it has sufficient working capital to finance general and administrative and other operating expenses for the next nine-month period, ending September 30, 2022. Operating expenses beyond September 2022, increases in expenditures over budget for the nine months ended September 30, 2022, future exploration programs and new property acquisitions, will require additional financing, or possibly be positively influenced by materials sales. There can be no assurance that management will be successful in obtaining financing, or that material sales will occur during the period. Refer to Note 1 - "Nature and continuance of operations" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document. With limited capital resources the Company will prioritize non-discretionary operating costs, will cut back discretionary operating costs and will defer exploration programs until suitable financing can be procured.

6) Financing

Three months ended December 31, 2021

On November 17, 2021, the Company closed a non-brokered private placement share and warrant issue for 3,214,285 units at a price of \$0.07 per unit comprised of 3,214,285 common shares and 1,607,142 common share purchase warrants for gross aggregate proceeds of \$225,000. Each common unit was comprised of one common share and one half of one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.14 per share until November 17, 2023. 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 142.23%, a risk free rate of 1.05%, a 2-year warrant life and a 0% dividend rate. The total value assigned to the warrants issued was \$89,132.

Year ended September 30, 2021

On August 12, 2021, the Company closed a non-brokered private placement share and warrant issue for 5,220,300 common units at \$0.05 per unit comprised of 5,220,300 common shares and 2,610,150 common share purchase warrants for gross aggregate proceeds of \$261,015. Each common unit was comprised of one common share and one half of one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.10 per share until August 12, 2023. 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 132%, a risk free rate of 0.46%, a 2-year warrant life and a 0% dividend rate. Related parties, comprised of officers and directors, acquired 800,000 of the total units. The total value assigned to the warrants issued was \$107,153.

7) Exploration expenditures

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

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8) Selected Quarterly Financial Information

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

Three months ended:	Dec 31, 2021 (Q1 2022)	Sep 30, 2021 (Q4 2021)	Jun 30 2021 (Q3 2021)	Mar 31, 2021 (Q2 2021)	Dec 31, 2020 (Q1 2021)	Sep 30, 2020 (Q4 2020)	Jun 30 2020 (Q3 2020)	Mar 31 2020 (Q2 2020)
	\$	\$	\$	\$	\$	\$	\$	\$
Loss before impairment of exploration and evaluation assets and other items	(78,540)	(141,975)	(62,944)	(70,074)	(91,318)	(76,942)	(46,189)	(128,074)
Impairment	-	(452,117)	-	-	-	-	-	-
Loss before other items	(78,540)	(594,092)	(62,944)	(70,074)	(91,318)	(76,942)	(46,189)	(128,074)
Sublease revenue	4,697	4,698	4,697	4,697	4,697	4,257	4,697	4,697
Interest and other income (loss)	361	(141)	(132)	(363)	287	(2,552)	113	338
Gain (loss) from investments held for sale	280	1,320	(840)	(1,120)	3,760	-	-	-
Legal settlement	-	-	-	(28,833)	-	-	-	-
Net and comprehensive loss	(73,202)	(588,215)	(59,219)	(95,693)	(82,574)	(75,237)	(41,379)	(123,039)
Basic and diluted loss per share	0.00	(0.02)	0.00	0.00	0.00	0.00	0.00	0.00

Quarterly net losses are influenced by many factors from period to period and are significantly affected by the amount of activity in the junior mining sector, the Company's working capital position, the potential exploration opportunities as well as timing of certain expenditures including the timing of the AGM. The Q4 2021 loss includes stock-based compensation of \$64,432 which is a non-cash charge that causes large fluctuations in earnings. During fiscal 2020 and 2021, the Company's earnings were impacted by legal expenditures of \$78,200 and \$14,400 respectively, and a cash settlement payment of \$28,833 (US\$22,500) made during Q2 2021, resulting from a legal dispute as outlined in Section 14) "Legal settlement." The Company reduced field programs during Q2 and Q3 2020 and discretionary expenditures during fiscal 2020 and 2021 due to reduced cash balances and limitations put in place by the Novel Coronavirus Pandemic – see Section 21 below. During Q3 2020 the Company completed a private placement financing providing working capital for planned field programs and general administration and operations going forward into fiscal 2021. During Q4 2021 the Company completed a private placement financing providing working capital for the Fall 2021 field program and general administration and operations going forward into fiscal 2022. During Q1 2022 the Company completed a private placement financing providing addition working capital for general administration and operations for fiscal 2022.

During Q4 2021, the Company recognized an impairment of \$452,117, 100% of the expenditures incurred to September 30, 2021 for its Tell property, as the Company had not been successful in attracting a purchaser or option partner for the property after continued efforts, resulting in a significant fluctuation in quarterly earnings. Refer to Section 3) Mineral properties, Tell, Yukon, for more information.

Interest and other income included interest earned on the Company's high interest bank account and foreign exchange gains and losses incurred during those periods. Q4 2020 includes a foreign exchange loss of \$2,600.

9) Off-Balance Sheet Transactions

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

10) 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*

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11) Related Party Transactions

Related party transactions for Q1 2022 are disclosed and explained in Note 14 "Related party balances and transactions and key management remuneration" to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended December 31, 2021 which accompany this MD&A.

12) Share capital, warrants, and stock options

Refer to Note 10 "Share capital, stock options and warrants" to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended December 31, 2021 and the Unaudited Condensed Interim Consolidated Statement of Changes in Equity for common share capital, stock option and warrant transactions during the three months ended December 31, 2021 and balances as at that date.

During the subsequent period from January 1, 2022 to February 16, 2022, the date of this report, there were no shares issued or cancelled and returned to treasury, and no changes to options issued, exercised or expired. However, 106,250 warrants, exercisable at \$0.30 per share expired without exercise during this subsequent period; there were no warrants issued and none were exercised during this subsequent period.

13) Financial Instruments

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 undertakes transactions denominated in US currency through its exploration in the US; consequently, it is exposed to exchange rate fluctuations. The Company will acquire US funds from time to time to settle US\$ denominated liabilities. At December 31, 2021, the Company had US\$337 (CDN\$428) (September 30, 2021 – US\$15,688 (CDN\$19,988)) in a US denominated bank account. The effect of a foreign currency increase or decrease of 10% on this cash holding would result in an increase or decrease of CDN\$43 (September 30, 2021 – CDN\$1,999). Additionally, at December 31, 2021, accounts payable and accrued liabilities include liabilities of US\$Nil (CDN\$Nil) (September 30, 2021 – US\$28,931 (CDN\$36,861)) that must be settled in US\$. 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, 2021 – CDN\$3,686)) to the amount payable.

14) Legal settlement

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 was seeking to claim ownership of some of the Jade samples collected during the 2019 trenching program in Wyoming.

During the period ended March 31 2021, a preliminary agreement, subject to final approvals and dismissals, was reached between the parties and payments were advanced. During the three-month period ended June 30, 2021, the lawsuit was dismissed and the parties signed the final agreement to resolve the dispute. Pursuant to the mutually agreed upon dispute resolution, the plaintiff has been paid a sum of money including a payment from Jade Leader in the amount of US\$22,500 (CDN\$28,833). As part of the agreement, the plaintiff also transferred to the Company two placer claims, and relinquished his royalty interest in a lode claim previously sold to the Company.

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15) Financial Risk Management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of accounts receivable, (excluding sales tax). The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at December 31, 2021 and September 30, 2021.

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 several factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to continue to obtain adequate financing or to commence profitable operations in the future. The Company believes that it has sufficient working capital to finance general and administrative and other operating expenses for the next nine-month period September 30, 2022. Operating expenses beyond September, 2022, increases in expenditures above and beyond budgeted expenditures for the nine-month period ended September 30, 2022, including new property acquisitions and exploration programs will require additional financing or possibly be positively influenced by materials sales. There can be no assurance that the Company will be successful in obtaining financing or that materials sales will occur in the current fiscal year (refer to Note 1 - "Nature and continuation of operations" of the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document).

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. During the three-month period ended December 31, 2021, the market price fluctuation on the investments held resulted in a net gain of \$280 (year ended September 30, 2021 - \$3,120). In 2022, a 10% change in the fair value of the Company's marketable investments would result in an increase or decrease of \$340 (September 30, 2021 - \$312) to the Company's earnings.

d) Interest rate risk

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

e) Foreign exchange risk

The Company undertakes transactions denominated in US currency, consequently it is exposed to exchange rate fluctuations. The effect of a foreign currency increase or decrease of 10% on the US denominated cash balance and liabilities has been disclosed in Section 13) – “Financial instruments.”

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16) Outlook

- Injections of working capital from the August, 2021 and November, 2021 financings referred to in Section 6) “Financing” above, will finance operations for a year while the Company works on preparing samples for sale to establish values for the Jade in its discoveries. Future operations and exploration programs will be dependent upon additional successful financing and market acceptance of the Company’s sample products produced for future product sales. When further financing is obtained, after accounting for operating requirements, and given market acceptance of the Company’s sample products, Wyoming exploration will be the first priority, followed by the DJ Washington program.
- The Company 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 attended conferences in the US and Canada increasing its exposure to the international jade and investing community. During fiscal 2021, while continuing efforts to increase exposure to the international jade and investing community, the Company has also turned its attention to sample product development. These efforts include the preparation of selective stone samples, thought to be representative of the Company’s collection to date. In addition, the Company produced a number of promotional videos which were released in Q2 and Q3 2021, presenting a history of Jade in the Wyoming region, rough samples of Jade collected in the Wyoming region through the various field programs conducted by the Company, and a demonstration of the size and quality of samples collected and polished to date. The objective of these videos is to solidify market acceptance of the Company’s products. During Q4, 2021, the Company had initial sales of 2.8 kg of Jade materials mined from its Wyoming properties, for gross proceeds of US\$1,350 with prices ranging between US\$0.25 per gram (US\$250 per kg) to US\$1.00 per gram (US\$1,000 per kg). These sales are important to the Company, as they allow the Company to begin to establish a market valuation for Jade recovered from its Wyoming properties. During Q1 2022, the Company initiated the construction of an e-commerce site to facilitate product sales, while continuing to focus its marketing activities within the national and international Jade community.
- All Wyoming Jade Fields projects are still active. During Q4 2021 and Q1 2022 the Company completed a mechanized bulk sampling program in the Wyoming Sky Zone. The Company’s immediate focus will be to continue to evaluate materials recovered and to test the market for the Jade recovered. With information gained through market response and potential sales, the Company will evaluate how best to target the various types of jade in the continuation of its field activities.

Refer also to 14) “Legal settlement” as it pertains to claims made by the vendor of an optioned property within the Wyoming Jade Fields.

- The work conducted in 2019 on the DJ Washington property has 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 next phase of work on the DJ property, which is contingent upon the receipt of sufficient financing, would 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 is currently

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evaluating chatoyant and colour change materials collected during previous exploration programs with the view to test for market acceptance of these samples.

- In recent years, there had 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. Jade Leader was optimistic that if the company that was exploring in the same geological belt as Tell continued to have drilling success, there was good potential for the Tell property to attract third party financing or partners to take the property forward based on those results. However, the Company had not been successful in attracting a purchaser or option partner for the property after continued efforts; therefore, during Q4 2021, the Company recognized an impairment equal to the full amount of the expenditures incurred on the property to September 30, 2021. Jade Leader continues to hold core claims which will expire in October 2022, thus allowing the Company to continue to investigate opportunities to option out the Tell property.
- 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.

17) Risks

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operation (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

The Company is a natural resource company engaged in the acquisition, exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of exploration, the following risk factors, among others, should be considered:

- **Exploration, development and operating risks**
The Company is in the process of exploring its properties and has not yet determined whether its properties contain economically recoverable reserves and, therefore, does not generate revenues from commercial production. The recovery of expenditures on mineral properties and the related deferred exploration expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its properties, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.
- **Substantial capital requirements and liquidity**
Substantial additional funds 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 funds that may be required for such activities, should such funds 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

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of its operation and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

• **Fluctuating mineral prices**

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Company's properties.

• **Regulatory, permit and license requirements**

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

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

• **Financing risks and dilution to shareholders**

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

• **Title to properties**

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

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- **Competition**
The mineral exploration and development industry is highly competitive. The Company will have to compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of mineral claims, leases and other mineral interest as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.
- **Reliance on management and dependence on key personnel**
The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.
- **Environmental risks**
The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that drill sites and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increase capital expenditures and operating costs.
- **Conflicts of interest**
Certain of the Directors and Officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of the Company may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.
- **Uninsurable risks**
Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the company's shares.
- **Litigation**
The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

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18) Critical Accounting Estimates

The most significant accounting estimate for the Company relates to the carrying value of its exploration and evaluation assets. Exploration and evaluation assets consist of the capitalized costs of exploration on, and acquisition of, mining concessions. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sales or abandonments. The estimated values of exploration and evaluation assets are evaluated by management on a regular basis to determine whether facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Reference is made to project economics, including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others, financing, the extent to which optionees have committed, or are expected to commit, to exploration on the property and the imminent expiry of right to explore, among other factors. When it becomes apparent that the carrying value of a specific property will not be realized an impairment provision is made for the estimated decline in value.

The Company's estimate for decommissioning obligations is based on existing laws, contracts or other policies. The value of the obligation is based on estimated future costs for abandonments and reclamations which require that certain assumptions be made. By their nature, these estimates are subject to measurement uncertainty.

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

The Company estimates the fair value of its short-term equity investments at each period end as they are carried at fair value on the Statement of Financial Position. The Company uses the closing price of the common shares on the period-end date and uses the Black-Scholes Option Pricing Model discussed above to estimate the value of its investment in warrants. The price at which these instruments can ultimately be sold will vary from these estimates due to the timing of their sale, the volume of trading in securities at any given time and changes in the market over time, among other factors.

19) New Accounting Policies

Jade Leader did not adopt any new accounting policies during the three-month period ended December 31, 2021.

20) Novel coronavirus pandemic

In early January 2020, a human infection originating in China was traced to a novel strain of coronavirus. The virus subsequently spread to other parts of the world, including North America and Europe, and has caused unprecedented disruptions in the global economy. On March 11, 2020, the World Health Organization declared this outbreak of coronavirus ("COVID-19") as a pandemic and it continued 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 was able to conduct its planned exploration programs for fiscal 2021 and Q1 2022, on its properties held in the United States (refer to Note 7 – "Exploration and evaluation assets"), with minimal disruptions resulting from COVID-19. COVID-19 related work and travel restrictions are changing on a continuous basis. As the Company is an exploration stage company with no significant revenue sources, there is no significant impact on revenue from the coronavirus restrictions. The effect of the virus on the economy as a whole and the amount of discretionary income available to spend on Jade may have an

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impact on commodity prices, however the Company is not in a position to be producing and selling Jade on a commercial scale at this time.

21) Other

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