

JADE LEADER CORP.

Annual Report

President's Message to Shareholders

Dear fellow Jade Leader shareholders and friends;

We enter 2023 with optimism thanks to a number of highly positive changes within the world-wide gem and mineral trade.

The COVID-related disruptions of the international commercial gem and mineral industry have now largely ended after almost 3 years. Numerous industry outlets report that sector activity has surged, with years of pent-up demand returning to the market. This includes traditional trade shows and auctions as well as hugely expanded internet activity.

Industry reports also note that disruptions in supply for many of the world's gem producing regions have triggered a large decrease of available materials inventory and commensurate increased prices across the industry, especially in colored stones, gem rough and mineral specimens.

Despite the challenges, over the past 3 years, we have advanced our projects into pilot-scale production of Jade and by-product Rhodonite, giving us a test-marketing stockpile as markets are gradually reopening.

Pilot-scale production and processing of our gem Sky Jade[®] from Wyoming has allowed us to post product, with asking prices in excess of US\$140,000 in aggregate, on our virtual gallery at **Jadeleader.shop**. To date, over US\$14,000 of Sky Jade[®] has been sold to customers in Canada, the US, Europe, New Zealand and China at prices averaging US\$1.58 per gram, or \$1,580 per kilogram, ("kilo"), in line with our expectations. As sales data mount, in-ground valuations will become easier to make in systems such as our Sky Zone, which returned an average of 8.3 kilos per tonne of gem Sky Jade[®] materials during our initial test of the much larger Jade-bearing alteration zone.

In late 2022, pilot scale production testing of our DJ project in Washington returned over 250 kilos of a mottled white/green nephrite Jade from which an initial 33 kilos were posted on our website. The first 5 kilos have been sold at a realized price of US\$200 per kilo.

The highlight of our recent efforts has come from the DJ project where we found a unique nephrite Jade exhibiting a subtle to strong color-shift optical phenomenon. Properly cut stones show bands of shifting colors as the stone's orientation is changed. This phenomenon has never been described previously in the Jade world, and quickly attracted attention in the trade, most notably from the Canadian and British Gemmological Associations.

In April 2023, Jade Leader proudly announced two significant publications on materials from our DJ project in the *Journal of Gemmology*, the gem publication arm of GEM-A, the Gemmological Association of Great Britain. The *Journal of Gemmology* is the world's leading Gem scientific research publication, delivered quarterly worldwide to over 2,000 professional members and institutions in the gem trade. We expect that this will be an important milestone in promoting our recent gemstone discoveries and increase the visibility of the Company's products in the trade.

Most important was a detailed, peer-reviewed scientific paper by the Company written in conjunction with independent international gemstone experts, which outlined rigorous laboratory studies of our phenomenal color-shifting Jade. In addition to the scientific value of the paper, it demonstrates that Jade Leader is committed to adherence to industry quality and characterization standards as well as transparency regarding source pedigree and extraction methods, all of which are increasingly important worldwide.

Separately, a "Gem Note" on our Washington State Rhodonite was also included in the publication to properly introduce this Rhodonite to the trade. The Company has over 2,200 kilos of this fine, pink material in inventory and we look forward to marketing it more formally now that there is greater market awareness of it.

The Company will continue to pursue such high-level publishing opportunities, as well as increase its own outreach through listings of available products on our virtual site. Increased product awareness should result in increased sales volumes and demand for our unique Jades, which should put us in an excellent position to expand our pilot-scale production efforts for our entire portfolio of properties in Wyoming and Washington States.

With the return of buyers in the trade, and our projects which have demonstrated the capacity to deliver product, the Company is also now in a position to pursue potentially both larger volume and longer-term supply agreements with gem industry participants seeking safe supplies of our ethically produced materials.

We look forward to bringing you further updates as your Company continues to achieve new milestones.

Sincerely;



Jean-Pierre Jutras, Bsc. Hons, P.Geol
President, Director

Jade Leader Corp.
Consolidated Financial Statements
(Expressed in Canadian Dollars)
September 30, 2022

CONTENTS

	Page
Independent Auditor's Report	1
Consolidated Statements of Financial Position	4
Consolidated Statements of Loss and Comprehensive Loss	5
Consolidated Statements of Cash Flows	6
Consolidated Statements of Changes in Equity	7
Notes to the Consolidated Financial Statements	8



Tel: 403 266 5608
Fax: 403 233 7833
www.bdo.ca

BDO Canada LLP
903 - 8th Avenue SW, Suite 620
Calgary AB T2P 0P7
Canada

Independent Auditor's Report

To the Shareholders of Jade Leader Corp.:

Opinion

We have audited the consolidated financial statements of Jade Leader Corp. and its subsidiary (the Group), which comprise the consolidated statements of financial position as at September 30, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Group incurred a net loss of \$282,195 during the year ended September 30, 2022 and, as of that date, has a deficit of \$16,782,566. These conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is John Leavitt.

Chartered Professional Accountants

Calgary, Alberta
December 19, 2022

Jade Leader Corp.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As of September 30

	2022	2021
ASSETS		
Current Assets		
Cash (Note 5)	\$ 132,118	\$ 203,786
Accounts receivable (Note 6)	7,701	8,318
Prepaid expenses	23,633	22,706
Short-term investments (Note 7)	2,080	3,120
	<u>165,532</u>	<u>237,930</u>
Non-current Assets		
Exploration and evaluation asset advances and deposits (Note 8)	4,357	4,357
Exploration and evaluation assets (Note 8)	1,246,480	1,197,291
Property and equipment (Note 9)	21,621	25,548
	<u>1,272,458</u>	<u>1,227,196</u>
TOTAL ASSETS	\$ 1,437,990	\$ 1,465,126
EQUITY AND LIABILITIES		
Current Liabilities		
Deferred sublease revenue	\$ 913	\$ 913
Accounts payable and accrued liabilities (Note 10)	154,943	121,372
	<u>155,856</u>	<u>122,285</u>
Non-current Liabilities		
Decommissioning obligation (Note 11)	12,750	12,750
TOTAL LIABILITIES	168,606	135,035
EQUITY		
Share capital (Note 12)	14,516,707	14,384,351
Reserves	3,535,243	3,446,111
Deficit	(16,782,566)	(16,500,371)
TOTAL EQUITY	1,269,384	1,330,091
TOTAL EQUITY AND LIABILITIES	\$ 1,437,990	\$ 1,465,126

Nature and continuance of operations (Note 1)

Subsequent events (Note 24)

Approved by the Board

“Jean-Pierre Jutras”

Director

“Shane Ebert”

Director

See accompanying notes to the consolidated financial statements.

Jade Leader Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
For the years ended September 30

	<u>2022</u>	<u>2021</u>
Expenses		
General and administrative (Notes 14 and 18)	\$ 222,201	\$ 286,316
Reporting to shareholders	15,653	15,265
Professional fees	40,942	49,781
Stock exchange and transfer agent fees	9,972	10,677
Depreciation	3,927	4,272
Mineral production tax	5,005	-
Pre-acquisition expenses	3,179	-
Impairment (Note 8)	-	452,117
	<u>300,879</u>	<u>818,428</u>
Loss before other items	<u>(300,879)</u>	<u>(818,428)</u>
Other Items		
Sublease revenue (Note 18)	18,789	18,789
Interest and other	935	(349)
(Loss) gain from short-term investments	(1,040)	3,120
Legal settlement (Note 23)	-	(28,833)
	<u>18,684</u>	<u>(7,273)</u>
Net loss and comprehensive loss for the year	<u>\$ (282,195)</u>	<u>\$ (825,701)</u>
Loss per share:		
Basic and diluted (Note 16)	<u>\$ 0.00</u>	<u>\$ (0.02)</u>
Weighted average number of shares outstanding:		
Basic and diluted (Note 16)	<u>59,288,399</u>	<u>51,982,818</u>

See accompanying notes to the consolidated financial statements.

Jade Leader Corp.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

For the years ended September 30

	<u>2022</u>	<u>2021</u>
Increase (decrease) in cash		
Operating activities		
Cash received from sublease revenue (Note 19)	\$ 18,789	\$ 18,326
Cash paid to suppliers and contractors (Note 19)	(220,622)	(265,934)
Cash expended on legal settlement (Note 23)	-	(28,833)
Cash used in operating activities	<u>(201,833)</u>	<u>(276,441)</u>
Investing activities		
Interest and other income (loss)	935	(349)
Cash expended on exploration and evaluation asset additions (Note 19)	(92,258)	(47,118)
Cash expended on property and equipment	-	(809)
Cash used in investing activities	<u>(91,323)</u>	<u>(48,276)</u>
Financing activities		
Share capital and warrant issue proceeds	225,000	261,015
Share issue costs	(3,512)	(3,639)
Cash provided by financing activities	<u>221,488</u>	<u>257,376</u>
Decrease in cash	(71,668)	(67,341)
Cash,		
Beginning of year	203,786	271,127
End of year	<u>\$ 132,118</u>	<u>\$ 203,786</u>

Supplementary Information: Interest and taxes

During the years ended September 30, 2022 and September 30, 2021, the Company did not expend cash on interest. During the year ended September 30, 2022, the Company expended \$5,005 (\$3,954 USD) on mineral production taxes (September 30, 2021 - \$Nil).

Non-cash transactions

Year ended September 30, 2022

During the year ended September 30, 2022, there were no non-cash transactions.

Year ended September 30, 2021

During the year ended September 30, 2021, the Company granted stock options to officers, directors and consultants recording a non-cash charge for stock-based payments totalling \$64,432 that is included in general and administrative expenses. (Note 15 – “Share-based payment transactions”). Further the Company received 4,000 common shares of Mindset Pharma Inc. in exchange for 200,000 common shares of North Sur Resources Inc., (Note 7).

See accompanying notes to the consolidated financial statements.

Jade Leader Corp.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Reserves						Total
	Common share capital	Equity-settled share based payment	Warrants	Other*	Total Reserves	Deficit	
Balance, September 30, 2020	14,234,128	637,312	815,107	1,822,107	3,274,526	(15,674,670)	1,833,984
Net and comprehensive loss for the year	-	-	-	-	-	(825,701)	(825,701)
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 and comprehensive loss for the year	-	-	-	-	-	(282,195)	(282,195)
Warrants expired, October 2021	-	-	(629,728)	629,728	-	-	-
Private placement share and warrant issue	135,868	-	89,132	-	89,132	-	225,000
Warrants expired, December 2021	-	-	(53,944)	53,944	-	-	-
Warrants expired, January 2022	-	-	(18,413)	18,413	-	-	-
Options expired, February 2022	-	(43,500)	-	43,500	-	-	-
Options expired, May 2022	-	(10,500)	-	10,500	-	-	-
Options expired, August 2022	-	(202,581)	-	202,581	-	-	-
Share issuance costs	(3,512)	-	-	-	-	-	(3,512)
Balance, September 30, 2022	14,516,707	131,537	309,307	3,094,399	3,535,243	(16,782,566)	1,269,384

*Other reserves are comprised of the value of options and warrants that expired without exercise or were forfeited. These values were relieved from the share based payment reserve and warrants reserve respectively upon the cancellation/expiry of the equity instrument.

See also Note 24, Subsequent Events for details of stock options that expired subsequent to year end.

See accompanying notes to the consolidated financial statements.

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended September 30, 2022

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 significant revenue from mining operations and has not determined whether its mineral properties contain ore reserves that are economically recoverable.

The Company incurred a net loss of \$282,195 (September 30, 2021 - \$825,701) during the year ended September 30, 2022. The Company has a deficit of \$16,782,566 at September 30, 2022, (\$16,500,371 – September 30, 2021) and a working capital surplus of \$9,676 (September 30, 2021 - \$115,645). The Company's ability to continue to explore and develop its mineral properties and to continue as a going concern is dependant 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

a) Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the year ended September 30, 2022 using the significant accounting policies outlined in Note 3. The statements were authorized for issue by the board of directors on December 19, 2022.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments described in Note 13. In addition, these statements have been prepared using the accrual basis of accounting except for cash flow information.

The presentation and functional currency of the Company is the Canadian dollar.

b) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned US subsidiary, Jadex Corporation ("Jadex"). Jadex was incorporated by the Company on July 7, 2017, in Washington State, USA, to conduct its exploration and development business in the United States (refer to Note 8 - "Exploration and evaluation assets" for more information). All intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are those entities that the Company controls through its power to govern the financial and operating policies of the subsidiary. Subsidiaries are fully consolidated from the date control is obtained and are de-consolidated from the date control ceases. The functional currency of Jadex is the Canadian dollar.

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)
For the year ended September 30, 2022

3. Summary of significant accounting policies

a) New accounting policies

The Company did not adopt any new accounting policies during the year ended September 30, 2022.

b) Financial Instruments

The Company's financial instruments consist of the following:

Financial Assets	Classification
Cash	Financial asset measured at amortized cost
Accounts receivable	Financial asset measured at amortized cost
Short-term investments	Financial asset measured at fair value

Financial Liabilities	Classification
Accounts payable and accrued liabilities	Financial liabilities measured at amortized cost

The Company initially records financial assets at fair value and subsequently measures these financial assets at either amortized cost or fair value on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost if both of the following conditions are met:

- 1) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and,
- 2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If the financial asset is not measured at amortized cost as per the above, the financial asset is measured at fair value.

Financial asset measured at fair value

Financial assets measured at fair value are carried at fair value at each period end, with the related gains and losses recognized in profit or loss.

Financial assets measured at amortized cost

Financial assets measured at amortized cost are recorded at fair value upon initial recognition, plus any applicable transaction costs that are directly attributable to the acquisition of the financial asset, and subsequently carried at amortized cost, using the effective interest method. A gain or loss on a financial asset that is measured at amortized cost is recognized in profit or loss when the financial asset is derecognized, impaired, or reclassified.

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are recorded at fair value upon initial recognition, less any applicable transaction costs that are directly attributable to the acquisition of the financial liability, and are subsequently measured at amortized cost using the effective interest method. A gain or loss on a financial liability that is measured at amortized cost is recognized in profit or loss when the financial liability is derecognized.

Cash

Cash includes cash and highly liquid Canadian dollar denominated investments in bankers' acceptances or term deposits with terms to maturity of 90 days or less when acquired as well as foreign denominated current accounts held by the Company. The counter-parties are financial institutions.

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)
For the year ended September 30, 2022

3. Summary of significant accounting policies (continued)

b) Financial Instruments (continued)

Impairment of financial assets

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

The carrying amount of financial assets is reduced by any impairment loss directly, except in the case of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of accounts receivable previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined had no impairment loss been recognized in prior years.

c) Provisions

Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation discounted using the pre-tax, risk-free rate, updated at each reporting date.

d) Decommissioning obligation

Decommissioning obligations include obligations related to future removal of property and equipment, and site restoration costs. A liability, for the fair value of environmental and site restoration obligations, is recorded in accordance with the broader policy described in "c) Provisions" above. Provisions for restoration costs do not include any additional obligations that are expected to arise from future disturbance. The amortization or unwinding of the discount applied in establishing the net present value of provisions is charged to earnings in a systematic manner. Other movements in the provision, including those from new disturbance, updated cost estimates, changes to the lives of operations and revisions to discount rates are capitalized to exploration and evaluation assets. The amounts included in capitalized costs are depleted using the unit-of-production method at such point that the mineral property achieves commercial production, or the costs will be written-off at such time that management considers that the value of the related property has been impaired.

e) Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral properties. The Company expenses costs incurred prior to acquiring the right to explore an area as pre-acquisition and exploration costs. The Company capitalizes costs directly related to the acquisition, exploration and evaluation of mineral properties. Such costs include, but are not restricted to, geological, geophysical, drilling, trenching and sampling

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended September 30, 2022

3. Summary of significant accounting policies (continued)

e) Exploration and evaluation assets (continued)

costs including the support costs and supplies required in relation thereto. These assets are recorded at cost and adjusted for impairments in value. Impairment is assessed when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. In assessing impairment, exploration and evaluation assets are grouped into areas of interest. Management combines contiguous mineral claims, which are specific to a geographic area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property. Each named mineral property is considered an area of interest.

Incidental revenue and cost recoveries relating to exploration and evaluation assets are recorded first as a reduction of the specific exploration and evaluation assets to which the fees and payments relate, and any excess as other revenue on the statement of loss and comprehensive loss.

Exploration and evaluation assets are reviewed for impairment if there is an indication that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of "value in use" (being the net present value of expected future cash flows of the relevant cash generating unit ("CGU")), or "fair value less costs to sell." Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the Company could receive for the assets in an arm's length transaction.

The discount rate applied in calculating net present value of expected future cash flows, is based upon pre-tax discount rates that reflect current market assessments of the time value of money and the risks associated with the relevant cash flows, to the extent that such risks are not reflected in the forecasted cash flows.

If the carrying amount of the asset exceeds its recoverable amount, the asset impairment loss is charged to profit or loss and reduces the carrying amount of the asset. A previously recognized impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally precipitated the impairment. This reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in prior years.

One or more of the following facts and circumstances indicate that a specific area of interest should be tested for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of potentially commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

Where the Company's exploration commitments for an area of interest are performed under option agreements with a third party, the proceeds of any option payments under such agreements are applied to the area of interest to the extent of costs incurred. The excess, if any, is credited to operations. Option payments made by the Company are recorded as exploration and evaluation assets. Options are exercisable entirely at the discretion of the optionee and accordingly, are recorded as exploration and evaluation assets or recoveries when the payments are made or received. The proceeds on the sale of exploration and evaluation assets are applied to the area of interest to the extent of costs incurred and the excess, if any, is credited to operations. In some circumstances option payments received by or made by the Company are made in whole or in part through the issuance of common shares. The value of these share-based payments is calculated using the closing price of the shares on the date of issue as determined by the public exchange upon which they are listed as this is the most readily determinable value.

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended September 30, 2022

3. Summary of significant accounting policies (continued)

e) Exploration and evaluation assets (continued)

When the Company enters the development stage for an area of interest, the exploration and evaluation costs are transferred into mine development costs and all subsequent expenditures on the construction, installation or completion of infrastructure is capitalized. Upon commencement of commercial production, all mine development assets for the relevant area of interest are transferred to producing mine assets at which point the costs will commence being charged to profit or loss on a unit-of-production basis.

f) Property and equipment

On initial recognition, property and equipment assets are valued at cost, being the purchase price plus the directly attributable costs of acquisition to bring the assets to the location and condition necessary for the assets to be put into use. Subsequent to acquisition, these assets are recorded at cost less accumulated depreciation. Depreciation methods and rates by significant categories of property and equipment that are calculated to write off the cost of the assets, less estimated residual values, over their useful lives, are as follows:

	Depreciation method	Depreciation rate
Computer equipment and software	Declining balance	30% - 50%
Equipment	Declining balance	20%
Shipping containers	Declining balance	10%

Residual values and useful lives are reviewed, and adjusted if appropriate, at each consolidated statement of financial position date. Changes to estimated residual values or useful lives are accounted for prospectively as a change in estimate.

Property and equipment are reviewed for impairment if there is an indication that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of "value in use" (being the net present value of expected future cash flows of the relevant cash generating unit ("CGU")), or "fair value less costs to sell." Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the Company could receive for the assets in an arm's length transaction.

The discount rate applied in calculating net present value of expected future cash flows, is based upon pre-tax discount rates that reflect current market assessments of the time value of money and the risks associated with the relevant cash flows, to the extent that such risks are not reflected in the forecasted cash flows.

If the carrying amount of the asset exceeds its recoverable amount, the asset impairment loss is charged to profit or loss and reduces the carrying amount of the asset. A previously recognized impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally precipitated the impairment. This reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in prior years.

Gains or losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included in other gains and losses in the statements of loss.

g) Share-based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period or in the period the options were granted if they are vesting immediately with a corresponding increase in the equity-settled share based payment reserve in equity. Employees, for the purpose of this calculation, also include individuals who provide services similar to those performed by a direct employee, including directors and consultants of the Company. The fair values of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted.

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended September 30, 2022

3. Summary of significant accounting policies (continued)

g) Share-based payment transactions (continued)

Consideration received on the exercise of stock options is recorded as share capital and the related equity-settled share based payment amount is transferred to share capital. If options expire without exercise, the value associated therewith is transferred from equity-settled share based payment reserve to other reserves.

h) Loss per share

Basic loss per common share is calculated by dividing the net loss attributable to common shareholders by the weighted average number of common shares outstanding for the year. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. Only "in-the-money" dilutive instruments impact the dilution calculations and potentially dilutive instruments shall only be treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share. Refer to Note 12 for a summary of options and warrants outstanding that could potentially dilute basic earnings per share in the future, but were excluded from the calculation in the periods disclosed because their effect was anti-dilutive.

i) Income taxes

Income tax on net profit or loss for the years presented is comprised of current and deferred tax as applicable. Income tax pertaining to profit or loss is recognized in earnings or loss; income taxes pertaining to items recognized directly in equity are recorded through equity. Current tax is the tax expected to be payable on the taxable income for the year calculated using rates that have been enacted or substantively enacted by the balance sheet date. It includes adjustments for tax expected to be payable or recoverable in respect of previous periods.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets are only recognized to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary difference can be utilized.

j) Government incentives

Through its exploration, the Company has benefited from government grants. These incentives are not repayable provided that the Company meets the requirements of the agreement, the most significant of which is that the incentives apply to qualifying expenditures. Qualifying expenditures are defined broadly within the agreement as all reasonable expenses for contracted services, machinery rental, transportation of machinery, personnel and supplies or other approved costs in connection with specific exploration programs. The Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions of the grant and the grants will be received. The incentives reduce the mineral property costs to which they pertain in the period that the qualifying exploration expenditures are incurred or when collectability is reasonably assured if this is later. These Government incentives are subject to review by the relevant granting authorities, and by their nature are subject to measurement uncertainty. Adjustments, if any, resulting from such a review are recorded in the period during which the final grant payment amount is assessed by the governing agency.

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)
For the year ended September 30, 2022

3. Summary of significant accounting policies (continued)

k) Foreign currencies

Both the presentation currency and functional currency of the Company is the Canadian dollar. The functional currency of its wholly owned US subsidiary is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. At each financial statement reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items that are carried at fair value and were measured in a foreign currency are translated at the rate prevailing at the date when the fair value was determined. Foreign exchange gains and losses on the foregoing transactions are recorded in profit or loss.

l) Leases

The Company recognizes its sublease for occupancy space as an operating lease. Operating lease income is recognized on a straight-line basis from the commencement date over the term of the lease.

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (a) the Company has elected not to recognize right-of-use assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (b) for leases of low value. The payments for such leases are recognized in the consolidated statement of loss and comprehensive loss on a straight-line basis over the lease term. The Company leases office space pursuant to a lease agreement that meets the exception criteria noted above and therefore the lease obligations are recognized as an expense on a straight-line basis over the term of the lease.

4. Critical accounting estimates and judgements

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. Circumstances could arise over the years that would require material revisions to these estimates. Changes in assumptions could have a material effect on the fair value of estimates.

These consolidated financial statements include judgments and estimates that, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods, if the revision affects both current and future periods. These judgments and estimates are based on historical experience, current economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are discussed below:

- Exploration and evaluation assets

The carrying values of exploration and evaluation assets and property and equipment that are included in the Consolidated Statements of Financial Position, include the assumptions that are incorporated into the impairment assessments, and the amount of depreciation and/or impairments that are included in the Consolidated Statements of Loss and Comprehensive Loss.

In assessing whether an impairment loss should be recorded on Exploration and Evaluation Assets, management considers the four factors outlined in Note 3 e) to the consolidated financial statements. A number

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)
For the year ended September 30, 2022

4. Critical accounting estimates and judgements (continued)

of assumptions are required in making valuation assessments, including about mineral prices, continued exploration activity in the surrounding areas increasing the likelihood of being able to option out the property, and the availability of future financing to further develop the property failing the optioning out of the property. As the properties of the Company are at the exploration and evaluation level, they are not yet at the stage where there are assessments of possible or probable reserves. Consequently any estimates of value of the properties will be difficult. There is a risk that: 1) the properties could have little or no value if exploration activities on the property and in the surrounding areas cease, 2) prices will not be high enough to make extraction, regardless of quantities, economical or, 3) the Company will be unable to acquire future financing to enable exploration before the claims expire.

- Decommissioning obligations

The amount of decommissioning obligations and the inputs used in determining the net present value of the liabilities for decommissioning obligations included in the Consolidated Statements of Financial Position are estimated and incorporate assumptions made by management of interest rates and future inflation rates.

- Share-based compensation and warrants

The value of share-based compensation expense in the Consolidated Statements of Loss and Comprehensive Loss and the value of warrants that have been issued in connection with private placements included in the Consolidated Statements of Financial Position, are valued using valuation models and incorporate assumptions made by management of stock volatility, interest rates and exercise periods.

- Functional currency

Management has assessed the functional currency to be the Canadian dollar when recording the transactions of its wholly owned subsidiary. In accordance with IAS 21, a number of factors are considered in determining the functional currency of an entity. When indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

5. Cash

Cash is comprised of:

	<u>Sept 30, 2022</u>	<u>Sept 30, 2021</u>
Current bank accounts	\$ 116,323	\$ 183,057
Cash held in foreign currencies	15,795	20,729
	<u>\$ 132,118</u>	<u>\$ 203,786</u>

6. Accounts receivable

	<u>Sept 30, 2022</u>	<u>Sept 30, 2021</u>
Trade receivables	\$ 525	\$ -
Related party receivables	5,885	6,244
Commodity tax receivables	1,291	2,074
	<u>\$ 7,701</u>	<u>\$ 8,318</u>

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)
For the year ended September 30, 2022

7. Short-term Investments

	Sept 30, 2022	Sept 30, 2021
Mindset Pharma Inc. Common shares	\$ <u>2,080</u>	\$ <u>3,120</u>

The 4,000 common shares of Mindset Pharma Inc. were valued at their fair value, based on their trading price, at September 30, 2022 and September 30, 2021, respectively.

8. Exploration and evaluation assets

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

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 gross costs and impairments recorded for the DJ Jade project at September 30, 2022 are \$565,745 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. 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 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 in 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.

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 23 – "Legal settlement" for further information. The gross costs and impairments recorded for the Wyoming Jade Fields project at September 30, 2022 are \$676,115 and \$Nil respectively (September 30, 2021 - \$640,293 and \$Nil respectively).

Tell, Yukon

The Company acquired 100% of the expanded Tell mineral property through staking. The Company holds 44 claims covering 920 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 amount of the expenditures incurred on the property as it determined that it did not have the resources available to continue exploration on

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended September 30, 2022

8. Exploration and evaluation assets (continued)

Tell, Yukon (continued)

the Tell property and had not been successful with attracting a purchaser or option partner for the property after continued efforts. During the year ended September 30, 2022, the Company renewed the claims to allow for any option or sale opportunities that might arise during the year. The gross costs and impairments recorded to the Tell project at September 30, 2022 are \$456,737 and \$452,117, respectively (September 30, 2021 - \$452,117 and \$452,117, respectively).

A summary of exploration and evaluation expenditures by category for the years ended September 30, 2022 and September 30, 2021 appears below:

Year ended September 30, 2022	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	18,083	14,333	3,750	-
Field costs	1,595	537	1,058	-
Equipment rental	3,114	3,114	-	-
Travel costs	4,459	4,459	-	-
Aerial survey	6,636	6,636	-	-
Sample jade sales	(15,386)	(15,386)	-	-
Balance at September 30, 2022	874,510	459,809	414,701	-
Property acquisition costs:				
Balance at September 30, 2021	341,282	194,177	147,105	-
Acquisition costs incurred	30,688	22,129	3,939	4,620
Balance at September 30, 2022	371,970	216,306	151,044	4,620
Total exploration and evaluation assets September 30, 2022	1,246,480	676,115	565,745	4,620

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended September 30, 2022

8. 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 advance's pertain to costs that form part of the long-term exploration and evaluation assets, they are classified as long-term. At September 30, 2022, the Company held \$4,357 in respect of Wyoming Jade Fields in exploration and evaluation asset advances and deposits (2021 - \$4,357).

9. Property and equipment

	Property and equipment		
	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	-	(3,927)	(3,927)
Balance, September 30, 2022	\$ 39,262	\$ (17,641)	\$ 21,621

10. Accounts payable and accrued liabilities

	Sept 30, 2022	Sept 30, 2021
Trade payables	\$ -	\$ 29,980
Due to related parties (Note 18)	129,632	67,978
Accrued liabilities	25,000	23,117
Sales tax payable	311	297
	\$ 154,943	\$ 121,372

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)
For the year ended September 30, 2022

11. Decommissioning obligation

	Yukon Tell
	<hr/>
Balance at September 30, 2022 and September 30, 2021	\$ 12,750

The above noted obligation represents costs to restore the mineral exploration properties, including the costs of filling trenches and re-vegetation if applicable. Management believes that there are no other significant legal and constructive obligations as at the respective year ends for current and future decommissioning obligations and restoration costs. The year-end present value of the decommissioning obligation was determined using a risk-free rate of 3.79% (2021 – 0.53%) and an inflation rate of 6.84% (2021 – 2.95%) for the year ended September 30, 2022. The timing of future decommissioning costs is uncertain, as the costs will not be incurred until the Company gives up its legal right to explore the property or the current land use permits expire in October 2023 at which time the reclamation has to have been completed. No accretion expense has been recorded in both the current and comparative years because the amount is considered to be immaterial.

12. Share capital, stock options and warrants

a) Authorized

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

b) Issued and outstanding common share capital

	Shares Number	Value \$
Balance, as at September 30, 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	-	(3,512)
Balance, as at September 30, 2022	59,702,293	14,516,707

	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.

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended September 30, 2022

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

b) Issued and outstanding common share capital (continued)

During the subsequent period from October 1, 2022 and prior to December 19, 2022, the date of these financial statements, no shares were issued or cancelled and returned to treasury.

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. The total value assigned to the warrants was \$107,153. Related parties, comprised of officers and directors, acquired 800,000 of the total units.

c) Stock options

<u>Expiry</u>	<u>Number of shares</u>		<u>Exercise Price</u>
	<u>Sept 30, 2022</u>	<u>Sept 30, 2021</u>	
February 21, 2022	-	150,000	\$0.38
May 23, 2022	-	50,000	\$0.21
August 19, 2022	-	1,230,000	\$0.30
October 19, 2022*	125,000	125,000	\$0.14
November 19, 2022*	125,000	125,000	\$0.225
November 19, 2023	150,000	150,000	\$0.225
September 14, 2024	1,255,000	1,255,000	\$0.07
	1,655,000	3,085,000	

*Subsequent to September 30, 2022 and before December 19, 2022, these options expired without exercise – see Note 24 Subsequent Events.

d) Stock option transactions

	<u>Number of shares</u>	<u>Weighted average exercise price</u>
Balance, September 30, 2020	2,980,000	\$0.31
Expired January 15, 2021	(795,000)	\$0.36
Expired March 13, 2021	(280,000)	\$0.365
Issued September 14, 2021	1,255,000	\$0.07
Expired September 30, 2021	(75,000)	\$0.25
Balance, September 30, 2021	3,085,000	\$0.20
Expired February 21, 2022	(150,000)	\$0.38
Expired May 23, 2022	(50,000)	\$0.21
Expired August 19, 2022	(1,230,000)	\$0.30
Balance, September 30, 2022	1,655,000	\$0.10

Refer to Note 15 - "Share-based payment transactions" for more information regarding the options issued during the years ended September 30, 2022 and September 30, 2021. All of the options outstanding at the respective year ends have vested.

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended September 30, 2022

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

d) Stock option transactions (continued)

The Company has an option plan ("the Plan"), under which up to 10% of the issued and outstanding common shares are reserved for issuance. Under the Plan, the options that have been granted expire at the earlier of: five years from the grant date, the date at which the Directors determine, or 60 days from the date on which the optionee ceases to be a director, officer, employee or consultant. The exercise prices of the options granted comply with the rules of the stock exchange or exchanges on which the shares are then listed, which prices reflect trading values at that time.

Options granted vest immediately to optionees, however, vesting limitations may be imposed at the discretion of the board of directors. All of the options outstanding at the respective year ends have vested.

During the subsequent period from October 1, 2022 to December 19, 2022, the date of these financial statements, no options were exercised; however, 125,000 options exercisable at \$0.14 per share and 125,000 options exercisable at \$0.225 per share, expired without exercise during this subsequent period. In addition, 2,250,000 options exercisable at \$0.05 per share were issued during this subsequent period. Refer to Note 24, Subsequent Events.

e) Warrant transactions and warrants outstanding

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

Year ended, September 30, 2022						
Exercise price	Expiry	Balance Sept 30, 2021	Warrants Issued	Warrants Exercised	Warrants Expired	Balance Sept 30, 2022
\$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	August 12, 2023	2,610,150	-	-	-	2,610,150
\$0.14	November 17, 2023	-	1,607,142	-	-	1,607,142
\$0.10	June 17, 2024**	4,500,000	-	-	-	4,500,000
Total		12,205,966	1,607,142	-	(5,095,816)	8,717,292

** On May 26, 2022, the Company extended the expiry date for 4,500,000 warrants from June 17, 2022 to June 17, 2024.

There was no change in the exercise price. Related parties comprised of officers and directors, hold 630,000 of the warrants

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

During the subsequent period from October 1, 2022 to December 19, 2022, the date of these financial statements, no warrants were issued or exercised and none expired.

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)
For the year ended September 30, 2022

13. Financial instruments

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

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

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

The following summarizes the categories of the various financial instruments:

	<u>Sept 30, 2022</u>	<u>Sept 30, 2021</u>
	<u>Carrying Value</u>	
Financial assets		
Financial assets measured at fair value:		
Short-term investments	\$ 2,080	\$ 3,120
Financial assets measured at amortized cost:		
Cash	132,118	203,786
Accounts receivable	6,410	6,244
	\$ 138,528	\$ 210,030
Financial liabilities measured at amortized cost:		
Accounts payable and accrued liabilities	\$ 154,632	\$ 121,075

The above noted financial instruments are exclusive of any commodity 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 September 30, 2022, the Company had US\$10,983 (CDN\$15,054) (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\$1,505 (September 30, 2021 – CDN\$1,999). Additionally, at September 30, 2022, 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.

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended September 30, 2022

14. General and administrative expenses

	Sept 30, 2022	Sept 30, 2021
Administrative consulting fees	\$ 56,755	\$ 111,674
Occupancy costs	41,031	40,994
Office, secretarial and supplies	25,758	32,646
Travel and promotion	3,790	2,877
Product promotion	65,386	5,605
Insurance	21,384	18,484
Computer network and website maintenance	4,981	4,189
Stock-based compensation (Note 15)	-	64,432
Miscellaneous	3,116	5,415
Total general and administrative expenses	\$ 222,201	\$ 286,316

15. Share-based payment transactions

2022

There were no share-based payment transactions during the year ended September 30, 2022.

During the subsequent period from October 1, 2022 to December 19, 2022, the date of these financial statements, 2,250,000 exercisable at \$0.05 per share were issued. Refer to Note 24, Subsequent events.

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 Options 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%.

16. Loss per share

The dilutive effect of stock options and warrants was calculated using the treasury stock method. This method calculated the number of incremental shares by assuming the outstanding in-the-money stock options and warrants are exercised, and then reduced by the number of shares assumed to be repurchased from the issuance proceeds, using the average market price of the Company's common shares for the period. As the Company experienced a loss for the years ended September 30, 2022 and 2021, no dilution resulted and consequently no adjustments were made in arriving at diluted weighted average number of common shares.

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended September 30, 2022

17. Income taxes

Rate Reconciliation:

The combined provision for taxes in the statement of loss and comprehensive loss reflects an effective tax rate which differs from the expected statutory rate as follows at September 30:

	2022	2021
	Consolidated	Consolidated
	\$	\$
Loss before income taxes	(282,195)	(825,701)
Rate reconciliation	23.00%	23.00%
Computed expected recovery based on a combined rate of 23.00% (2021 – 23.00%)	(64,905)	(189,911)
Differential tax rate of foreign jurisdiction	7,355	932
Non-deductible items and other	(18,785)	9,196
Unrecognized deferred tax asset	76,335	179,783
Income tax expense	-	-

The combined statutory rate is 23.00% for 2022 (2021 – 23.00%). The deferred combined statutory tax rate is expected to be 23.00% for 2022 and subsequent years (2021 – 23.00%).

Temporary differences and tax loss not recognized for accounting purposes:

	2022	2021
Non-capital loss carry-forwards	\$ 4,042,378	\$ 3,861,271
Capital loss carry-forwards	117,424	117,424
Property and equipment	56,293	52,366
Exploration and evaluation assets	4,752,571	4,821,260
Share issuance costs	18,197	28,894
Accrued interest expense	38,381	21,666
US net operating loss	1,078,359	850,149
Short-term investments	(1,040)	(1,560)
Total	\$ 10,102,563	\$ 9,751,470

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at September 30, 2022, the Company had unused non-capital loss carry-forwards of approximately \$4,042,000 (2021 - \$3,861,000) that expire between the years 2026 and 2042. Capital loss carry-forwards may be carried forward indefinitely. The Company has unused US net operating loss carry-forwards of approximately \$787,000 USD, (2021 - \$667,000 USD), that may be carried forward indefinitely.

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended September 30, 2022

18. Related party balances and transactions and key management remuneration

The Company is considered a related party to CANEX Metals Inc. ("CANEX") because of its common directors, officers and key management personnel that have some direct financial interest in both the Company and CANEX. In addition, related parties include members of the Board of Directors, officers and their close family members. 635280 Alberta Ltd., a company controlled by Jean-Pierre Jutras, an officer and director of Jade Leader, Lunacees Enterprises Ltd., a company controlled by Cornell McDowell, a director of Jade Leader, and Vector Resources Inc., a company controlled by Shane Ebert, a director of Jade Leader, are also considered related parties.

The following amounts were charged to (by) related parties during the year ended September 30:

		<u>2022</u>		<u>2021</u>
Key management remuneration				
President and Director	a	\$ (90,406)	\$	(97,969)
Corporate Secretary	b	(35,070)		(27,660)
Chief Financial Officer	c	(5,259)		(5,460)
Total management remuneration		\$ (130,735)	\$	(131,089)

Management compensation payable to "key management personnel" during the years ended September 30, 2022 and 2021 is reflected in the table above and consists of consulting fees paid or payable to 635280 Alberta Ltd., a company controlled by the President, as well as the Corporate Secretary and the Chief Financial Officer. Directors a _____ re not paid directors' fees. Officers and directors are compensated through the granting of options from time-to-time. Refer to Note 15 - "Share-based payment transactions" for details relating to options issued during the years ended September 30, 2022 and September 30, 2021. 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.

		<u>Sept 30, 2022</u>		<u>Sept 30, 2021</u>
Other related party transactions:				
CANEX Metals Inc.				
General and administrative and secretarial costs paid	d	\$ (616)	\$	(1,056)
General and administrative and secretarial costs received	d	\$ 9,638	\$	5,971
Office rent and operating costs received	d	\$ 18,789	\$	18,789

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

		<u>Sept 30, 2022</u>		<u>Sept 30, 2021</u>
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	\$ 951	\$	1,312
CANEX Metals Inc.	d	\$ (18)	\$	(237)
President	a	\$ -	\$	(8,983)
Geological consulting fees:				
635280 Alberta Ltd.	a	\$ (129,612)	\$	(58,758)

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended September 30, 2022

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

a) Consulting fees for the President's services were billed by 635280 Alberta Ltd. Consulting services that relate directly to mineral property exploration are capitalized to exploration and evaluation assets; the remainder is expensed. During the year ended September 30, 2022, \$12,875 (2021 - \$11,000) was capitalized to exploration and evaluation assets, and \$77,531 (2021 - \$86,969) was expensed through general and administrative expenses.

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

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

d) During the years ended September 30, 2022 and 2021, the Company incurred certain administrative expenses on CANEX's behalf that were subsequently billed to CANEX on a quarterly basis. Further, CANEX incurred certain administrative costs on behalf of the Company that were billed on a quarterly basis. Since January 2015, the Company has subleased office space to CANEX.

19. Supplemental disclosure statement of cash flows

	Sept 30, 2022	Sept 30, 2021
Sublease revenue	\$ 18,789	\$ 18,789
Changes in assets and liabilities pertaining to sublease revenue:		
Accounts receivable	-	(463)
Cash received for sublease revenue	\$ 18,789	\$ 18,326
	Sept 30, 2022	Sept 30, 2021
Operating expenses	\$ (300,879)	\$ (818,428)
Depreciation	3,927	4,272
Stock-based compensation	-	64,432
Impairment	-	452,117
Changes in assets and liabilities pertaining to operations:		
Accounts receivable	(419)	882
Prepaid expenses	(927)	(3,204)
Accounts payable and accrued liabilities	77,676	33,995
Cash paid to suppliers and contractors	\$ (220,622)	\$ (265,934)

19. Supplemental disclosure statement of cash flows

	Sept 30, 2022	Sept 30, 2021
Change in exploration and evaluation asset additions	\$ (49,189)	\$ 358,359
Changes in assets and liabilities pertaining to exploration and evaluation asset additions:		
Impairment	-	(452,117)
Accounts receivable	1,036	259
Accounts payable and accrued liabilities	(44,105)	46,381
Cash expended on exploration and evaluation asset additions	\$ (92,258)	\$ (47,118)

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)
For the year ended September 30, 2022

20. Segment disclosures

During the years ended September 30, 2022 and 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 September 30, 2022, the total value of non-current assets associated with United States operations is \$1,266,385 (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 \$1,241,860 (September 30, 2021 - \$1,197,291) and equipment and software of \$20,168 (September 30, 2021 - \$23,572). All remaining non-current assets are associated with Canadian operations.

21. Capital

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

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

22. Financial risk management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of accounts receivable (excluding sales tax). The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at September 30, 2022 and September 30, 2021. The Company's cash at bank is currently held at one financial institution.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to continue to obtain adequate financing or to commence profitable operations in the future. Operating expenses beyond February, 2023, increases in expenditures over budget for the five month period ended February 28, 2023, claim renewal fees for the US mineral properties estimated at \$26,000 due September 1, 2023, exploration programs and new property acquisitions will require additional financing. There can be no assurance that the Company will be successful in obtaining financing (refer to Note 1 - "Nature and continuance of operations").

The Company's significant remaining contractual maturities for financial liabilities as at September 30, 2022 and 2021 are as follows:

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

Jade Leader Corp.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)
For the year ended September 30, 2022

22. Financial risk management (continued)

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 year ended September 30, 2022, the market price fluctuation on the investments held resulted in a net loss of \$1,040 (September 30, 2021 – net gain of \$3,120) on short-term investments. In 2022, a 10% change in fair value of the Company's marketable investments would result in a charge to income of \$208 (September 30, 2021 - \$312).

d) Interest rate risk

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

e) Foreign exchange risk

The Company undertakes transactions denominated in US currency through its exploration in the US; consequently it is exposed to exchange rate fluctuations. Refer to Note 13 – "Financial instruments" for the foreign exchange risk associated with the foreign denominated cash balances held, as well as accounts payable that must be settled in US\$ at September 30, 2022 and September 30, 2021.

23. 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, a preliminary agreement, subject to final approvals and dismissals, was reached between the parties and payments were advanced. During that period, the case 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 the Company in the amount of US\$22,500 (CDN\$28,833). As part of the agreement, the plaintiff has 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 8 – "Exploration and Evaluation Assets").

24. Subsequent events

- a) Subsequent to September 30, 2022 and before December 19, 2022, 250,000 stock options with an aggregate value of \$36,265 expired without exercise as follows:

<u>Number of shares</u>	<u>Exercise price</u>	<u>Expiry date</u>	<u>Value</u>
125,000	\$0.14	October 19, 2022	\$16,125
<u>125,000</u>	<u>\$0.225</u>	<u>November 19, 2022</u>	<u>\$20,140</u>
<u>250,000</u>			<u>\$36,265</u>

- b) On November 14, 2022, the Company issued 2,100,000 options that may be exercised at \$0.05 per share to November 14, 2027. The options were valued at \$71,896 incorporating the Black-Scholes Options Pricing model assuming a 5-year term, volatility of 132%, a risk-free discount rate of 3.33% and a dividend rate of 0%.

On November 14, 2022, the Company issued 150,000 options that may be exercised at \$0.05 per share to November 14, 2026. The options were valued at \$4,806 incorporating the Black-Scholes Options Pricing model assuming a 4-year term, volatility of 131%, a risk-free discount rate of 3.33% and a dividend rate of 0%.

Corporate Information

Head Office:

Suite 1620, 734 – 7th Avenue S.W.
Calgary, Alberta, T2P 3P8
Ph: 403-233-0464
Fax: 403-266-2606

Directors:

Dr. Shane Ebert
Dr. Peter Megaw
Jean Pierre Jutras
Cornell McDowell

Officers:

Jean Pierre Jutras, *President*
Shari Difley, *Chief Financial Officer*
Barbara O'Neill, *Secretary*

Audit Committee:

Shane Ebert
Jean Pierre Jutras
Cornell McDowell

Advisors:

Dr. Robert Lavinsky
Andrew Shaw

For Further Information Contact :

www.jadeleader.ca
[@jadeleadercorp](https://www.instagram.com/jadeleadercorp)
[Youtube Channel: Jade Leader Corp.](https://www.youtube.com/channel/JadeLeaderCorp)

Email:

info@jadeleader.ca

Legal Counsel:

Tingle Merrett LLP
1250 Standard Life Building
639-5th Avenue S.W.
Calgary, Alberta, T2P 0M9

Bank:

HSBC Bank Canada
407-8th Avenue S.W.
Calgary, Alberta, T2P 1E5

Transfer Agent & Registrar:

Computershare Trust Company
of Canada
800, 324-8th Avenue S.W.
Calgary, Alberta, T2P 2Z2

Auditors:

BDO Canada LLP
620, 903-8th Avenue S.W.
Calgary, Alberta, T2P 0P7

Listed and Symbol:

TSX Venture Exchange – JADE

Jade Leader Shop:

www.jadeleader.shop