

**Jade Leader Corp.**  
**Consolidated Financial Statements**  
(Expressed in Canadian Dollars)  
September 30, 2023

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## Independent Auditor's Report

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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, 2023 and 2022, 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, 2023 and 2022, 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 \$409,304 during the year ended September 30, 2023 and, as of that date, has a deficit of \$17,191,870. 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In

addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

#### *Impairment Indicator Assessment of Exploration and Evaluation Assets*

Exploration and Evaluation Assets are carried at \$1,297,571. Management is required to assess whether any facts and circumstances suggest that the carrying amount may exceed the recoverable amount at the end of each reporting period. If facts and circumstances were identified then an impairment test is required. The assessment of any facts and circumstances requires high levels of judgement and as such are significant to the audit. See Note 3e), 4a) and 8 to the consolidated financial statements.

#### *How the matter was addressed in the audit*

Our approach in addressing this matter included the following procedures, among others:



- Evaluate management's assessment of whether facts and circumstances exist and obtain evidence regarding management's conclusion on the facts and circumstances by reviewing historical data, historical expenditures, ownership of claims and standing, budgets, press releases and subsequent results of pilot programs, if any;
- Obtained evidence to evaluate the completeness and accuracy of the information presented by management by review of press releases, review and vouching of invoices and disclosures in Management Discussion and Analysis.
- Reviewing the adequacy of the disclosures in the consolidated financial statements, including disclosures related to significant judgments and estimates.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis for the year ended September 30, 2023.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

*BDO Canada LLP*

Chartered Professional Accountants  
Calgary, Alberta  
December 15, 2023

# Jade Leader Corp.

## Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As of September 30

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (Note 5)	\$ 136,618	\$ 132,118
Accounts receivable (Note 6)	2,710	7,701
Prepaid expenses	24,523	23,633
Short-term investments (Note 7)	2,920	2,080
	<u>166,771</u>	<u>165,532</u>
<b>Non-current Assets</b>		
Exploration and evaluation asset advances and deposits (Note 8)	4,357	4,357
Exploration and evaluation assets (Note 8)	1,297,571	1,246,480
Property and equipment (Note 9)	19,269	21,621
Right of use asset (Note 10)	64,283	-
	<u>1,385,480</u>	<u>1,272,458</u>
<b>TOTAL ASSETS</b>	<b>\$ 1,552,251</b>	<b>\$ 1,437,990</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 11)	\$ 266,182	154,943
Deferred revenue	1,061	\$ 913
Current portion lease liability (Note 10)	38,058	-
	<u>305,301</u>	<u>155,856</u>
<b>Non-current Liabilities</b>		
Lease liability (Note 10)	38,329	-
Decommissioning obligation (Note 12)	12,750	12,750
<b>TOTAL LIABILITIES</b>	<b><u>356,380</u></b>	<b><u>168,606</u></b>
<b>EQUITY</b>		
Share capital (Note 13)	14,711,373	14,516,707
Reserves	3,676,368	3,535,243
Deficit	(17,191,870)	(16,782,566)
<b>TOTAL EQUITY</b>	<b><u>1,195,871</u></b>	<b><u>1,269,384</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>\$ 1,552,251</b>	<b>\$ 1,437,990</b>

**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>2023</u>	<u>2022</u>
<b>Expenses</b>		
General and administrative (Notes 15)	\$ 328,866	\$ 222,201
Reporting to shareholders	14,773	15,653
Professional fees	49,507	40,942
Stock exchange and transfer agent fees	13,019	9,972
Depreciation	16,327	3,927
Accretion	3,137	-
Mineral production tax	(145)	5,005
Pre-acquisition expenses	-	3,179
	<u>425,484</u>	<u>300,879</u>
<b>Loss before other items</b>	<u>(425,484)</u>	<u>(300,879)</u>
<b>Other Items</b>		
Office operating cost recovery (Note 19)	13,763	18,789
Interest and other	1,676	935
Gain (loss) from short-term investments	741	(1,040)
	<u>16,180</u>	<u>18,684</u>
<b>Net loss and comprehensive loss for the year</b>	\$ <u>(409,304)</u>	\$ <u>(282,195)</u>
<b>Loss per share:</b>		
Basic and diluted (Note 17)	\$ <u>(0.01)</u>	\$ <u>(0.00)</u>
<b>Weighted average number of shares outstanding:</b>		
Basic and diluted (Note 17)	<u>62,199,060</u>	<u>59,288,399</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>2023</u>	<u>2022</u>
<b>Increase (decrease) in cash</b>		
<b>Operating activities</b>		
Cash received from office cost recovery revenue	\$ 18,695	\$ 18,789
Cash paid to suppliers and contractors (Note 20)	<u>(214,018)</u>	<u>(220,622)</u>
<b>Cash used in operating activities</b>	<u>(195,323)</u>	<u>(201,833)</u>
<b>Investing activities</b>		
Interest and other income	1,577	935
Cash expended on exploration and evaluation asset additions (Note 20)	<u>(50,560)</u>	<u>(92,258)</u>
<b>Cash used in investing activities</b>	<u>(48,983)</u>	<u>(91,323)</u>
<b>Financing activities</b>		
Deposit on shared office space	148	-
Payment of lease liability	<u>(5,008)</u>	-
Share capital and warrant issue proceeds	259,000	225,000
Share issue costs	<u>(5,334)</u>	<u>(3,512)</u>
<b>Cash provided by financing activities</b>	<u>248,806</u>	<u>221,488</u>
<b>Decrease in cash</b>	<b>4,500</b>	<b>(71,668)</b>
<b>Cash,</b>		
Beginning of year	132,118	203,786
End of year	<u>\$ 136,618</u>	<u>\$ 132,118</u>

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	
<b>Balance, September 30, 2021</b>	<b>14,384,351</b>	<b>388,118</b>	<b>922,260</b>	<b>2,135,733</b>	<b>3,446,111</b>	<b>(16,500,371)</b>	<b>1,330,091</b>
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)
<b>Balance, September 30, 2022</b>	<b>14,516,707</b>	<b>131,537</b>	<b>309,307</b>	<b>3,094,399</b>	<b>3,535,243</b>	<b>(16,782,566)</b>	<b>1,269,384</b>
Net and comprehensive loss for the year	-	-	-	-	-	(409,304)	(409,304)
Private placement share and warrant issue	200,000	-	59,000	-	59,000	-	259,000
Options issued, November 2022	-	76,702	-	-	76,702	-	76,702
Options issued, February 2023	-	3,171	-	-	3,171	-	3,171
Options issued, July 2023	-	2,252	-	-	2,252	-	2,252
Options expired, October 2022	-	(16,125)	-	16,125	-	-	-
Options expired, November 2022	-	(20,143)	-	20,143	-	-	-
Share issuance costs	(5,334)	-	-	-	-	-	(5,334)
<b>Balance, September 30, 2023</b>	<b>14,711,373</b>	<b>177,394</b>	<b>368,307</b>	<b>3,130,667</b>	<b>3,676,368</b>	<b>(17,191,870)</b>	<b>1,195,871</b>

\*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 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, 2023

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### **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 1620, 734-7<sup>TH</sup> Avenue SW, Calgary, Alberta, Canada, T2P 3P8. 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 \$409,304 (September 30, 2022 - \$282,195) during the year ended September 30, 2023. The Company has a deficit of \$17,191,870 at September 30, 2023, (\$16,782,566 – September 30, 2022) and a working capital deficit of \$138,530 (September 30, 2022, surplus - \$9,676). 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"), for the years ended September 30, 2023 and 2022, using the significant accounting policies outlined in Note 3. The statements were authorized for issue by the board of directors on December 15, 2023.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments described in Note 14. 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, 2023

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### 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, 2023.

#### b) Financial Instruments

The Company's financial instruments consist of the following:

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

  

<b>Financial Liabilities</b>	<b>Classification</b>
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.

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

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### 3. Summary of significant accounting policies

#### b) Financial Instruments (continued)

##### 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.

##### 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.

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

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### 3. Summary of significant accounting policies (continued)

#### 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 or when the area is highly prospective, as pre-acquisition and exploration costs. The Company capitalized 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 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.

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

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### 3. Summary of significant accounting policies (continued)

#### e) Exploration and evaluation assets (continued)

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.

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.

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

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### 3. Summary of significant accounting policies (continued)

#### f) Property and equipment (continued)

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.

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 13 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.

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

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### 3. Summary of significant accounting policies (continued)

#### j) 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.

#### k) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether a contract is or contains a lease, at inception.

The Company recognizes a right-of-use asset and a lease liability to reflect the benefit the Company obtains from the underlying asset in the lease and the requirement to pay the amounts included in the lease contract, respectively. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method over the lesser of the lease term or the useful life of the underlying asset, where appropriate.

The lease liability is initially measured at the present value of remaining lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. If the lease contains an extension option that the Company is reasonably certain to exercise, all payments in the renewal period are also included in determining the lease liability. The lease liability is measured at amortized cost using the effective interest method.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term and low-value leases. Lease payments associated with these leases will be recognized as an expense on a straight-line basis over the lease term.

### 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 expectation of future events that are believed to be reasonable under the circumstances and are discussed below:



# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

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### 4. Critical accounting estimates and judgements (continued)

#### a) 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 of assumptions are required in making valuation assessments including, 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 require judgements and estimates. 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.

#### b) 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.

#### c) 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.

#### d) 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.

#### e) Right of use asset and Lease liability

The Company determines the right-of-use asset and lease liability for each lease upon commencement. In calculating the right-of-use asset and lease liability, the Company is required to determine a suitable discount rate in order to calculate the present value of the contractual payments for the right to use the underlying asset during the lease term. In addition, the Company is required to assess the term of the lease, including if the Company is reasonably certain to exercise options to extend the lease or terminate the lease. Discount rates and lease assumptions are reassessed on a periodic basis.

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

### 5. Cash

Cash is comprised of:

	<u>Sept 30, 2023</u>	<u>Sept 30, 2022</u>
Current bank accounts	\$ 132,365	\$ 116,323
Cash held in foreign currencies	4,253	15,795
	<u>\$ 136,618</u>	<u>\$ 132,118</u>

### 6. Accounts receivable

	<u>Sept 30, 2023</u>	<u>Sept 30, 2022</u>
Trade receivables	\$ -	\$ 525
Related party receivables	1,357	5,885
Commodity tax receivables	1,353	1,291
	<u>\$ 2,710</u>	<u>\$ 7,701</u>

### 7. Short-term Investments

	<u>Sept 30, 2023</u>	<u>Sept 30, 2022</u>
<b>Mindset Pharma Inc.</b>	<u>\$ 2,920</u>	<u>\$ 2,080</u>

The 4,000 common shares of Mindset Pharma Inc. were valued at their fair value, based on their trading price, at September 30, 2023 and September 30, 2022, 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, 2023 are \$588,941 and \$Nil, respectively (September 30, 2022 - \$565,745 and \$Nil).

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.

# **Jade Leader Corp.**

## **Notes to the Consolidated Financial Statements**

(Expressed in Canadian Dollars)

For the year ended September 30, 2023

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### **8. Exploration and evaluation assets (continued)**

#### **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. The gross costs and impairments recorded for the Wyoming Jade Fields project at September 30, 2023 are \$699,390 and \$Nil respectively (September 30, 2022 - \$676,115 and \$Nil).

#### **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 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, 2023, 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, 2023 are \$461,357 and \$452,117, respectively (September 30, 2022 - \$456,737 and \$452,117, respectively).

A summary of exploration and evaluation expenditures by category for the years ended September 30, 2023 and September 30, 2022 appears below:

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

### 8. Exploration and evaluation assets (continued)

Year ended September 30, 2023	Wyoming, USA		Washington, USA	Yukon
	Total	Wyoming Jade Fields	DJ Jade Project	Tell
	\$	\$	\$	\$
<b>Balance at September 30, 2022</b>	<b>874,510</b>	459,809	414,701	-
Geological consulting	12,632	-	12,632	-
Field costs	4,150	929	3,221	-
Equipment rental	2,922	1,422	1,500	-
Travel costs	3,094	-	3,094	-
Sample jade sales	(3,909)	(2,546)	(1,363)	-
<b>Balance at September 30, 2023</b>	<b>893,399</b>	459,614	433,785	-
<b>Property acquisition costs:</b>				
<b>Balance at September 30, 2022</b>	<b>371,970</b>	216,306	151,044	4,620
Acquisition costs incurred	32,202	23,470	4,112	4,620
Impairment	-	-	-	-
<b>Balance at September 30, 2023</b>	<b>404,172</b>	239,776	155,156	9,240
<b>Total exploration and evaluation assets September 30, 2023</b>	<b>1,297,571</b>	<b>699,390</b>	<b>588,941</b>	<b>9,240</b>

  

Year ended September 30, 2022	Wyoming, USA		Washington, USA	Yukon
	Total	Wyoming Jade Fields	DJ Jade Project	Tell
	\$	\$	\$	\$
<b>Balance at September 30, 2021</b>	<b>856,009</b>	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)	-	-
<b>Balance at September 30, 2022</b>	<b>874,510</b>	459,809	414,701	-
<b>Property acquisition costs:</b>				
<b>Balance at September 30, 2021</b>	<b>341,282</b>	194,177	147,105	-
Acquisition costs incurred	30,688	22,129	3,939	4,620
<b>Balance at September 30, 2022</b>	<b>371,970</b>	216,306	151,044	4,620
<b>Total exploration and evaluation assets September 30, 2022</b>	<b>1,246,480</b>	<b>676,115</b>	<b>565,745</b>	<b>4,620</b>

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, 2023, the Company held \$4,357 in respect of Wyoming Jade Fields in exploration and evaluation asset advances and deposits (2022 - \$4,357).

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

### 9. Property and equipment

	Property and equipment		
	Cost	Accumulated Depreciation	Net Book Value
<b>Balance, September 30, 2021</b>	\$ 39,262	\$ (13,714)	\$ 25,548
Depreciation	-	(3,927)	(3,927)
<b>Balance, September 30, 2022</b>	<u>39,262</u>	<u>(17,641)</u>	<u>21,621</u>
Depreciation	-	(2,353)	(2,353)
<b>Balance, September 30, 2023</b>	<u>\$ 39,262</u>	<u>\$ (19,994)</u>	<u>\$ 19,268</u>

### 10. Right of Use Asset and Lease Liability

On June 9, 2023, the Company signed a new lease arrangement for office space and certain furniture and fixtures. The occupancy date was April 15, 2023, the lease commencement date is September 1, 2023 and the termination date is August 31, 2025. The agreement provided a rent-free period to the commencement date. During April 2023, the Company paid a deposit and first month rent of \$6,382. Beginning on September 1, 2023 the Company will make monthly rental payments of \$4,313 inclusive of parking and GST.

Upon entering into the lease the Company recognized a right of use asset of \$78,258 and a lease liability of \$78,258 at the occupancy date. The initial valuation of the right of use asset was determined using the present value of the future lease payments at a rate that is representative of the Company's incremental borrowing rate which was determined to be 11% at the time of entering into the lease. The right of use asset will be amortized on a straight line basis over the term of the lease.

The lease liability draws down each month by the lease payments and revalued each period end using the effective interest rate method which has been determined to be 9.85%.

The continuity of the right of use asset for the year ended September 30, 2023 is as follows:

<b>Right of use asset</b>	<b>2023</b>
Inception of lease	\$ 78,258
Depreciation	(13,975)
Balance at September 30,	<u>\$ 64,283</u>

The continuity of the lease liability for the year ended September 30, 2023 is as follows:

<b>Lease liability</b>	<b>2023</b>
Inception of lease	\$ 78,258
Payments	(5,008)
Accretion	3,137
Balance at September 30,	<u>\$ 76,387</u>
Current portion of lease liability	<u>38,058</u>
Lease liability	<u>38,329</u>
	<u>\$ 76,387</u>

The Company has an arrangement with CANEX Metals Inc. (CANEX), a related party, to share office operating costs for a monthly amount of \$1,985. Management has determined that the cost sharing arrangement does not contain a lease and therefore the monthly payments will be treated as office operating costs recovery income.

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

### 11. Accounts payable and accrued liabilities

	<u>Sept 30, 2023</u>	<u>Sept 30, 2022</u>
Trade payables	\$ 74	\$ -
Due to related parties (Note 19)	231,163	129,632
Accrued liabilities	34,880	25,000
Sales tax payable	65	311
	<u>\$ 266,182</u>	<u>\$ 154,943</u>

### 12. Decommissioning obligation

	<u>Sept 30, 2023</u>	<u>Sept 30, 2022</u>
Total obligation	\$ 12,750	\$ 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 4.87% (2022 – 3.79%) and an inflation rate of 3.80% (2022 – 6.84%) for the year ended September 30, 2023. 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 2024 at which time the reclamation has to have been completed.

### 13. 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

	<b>Shares Number</b>	<b>Value \$</b>
<b>Balance, as at September 30, 2022</b>	<b>59,702,293</b>	<b>14,516,707</b>
Private placement – April 2023	5,180,000	259,000
Value of warrants included in private placement	-	(59,000)
Share issuance costs	-	(5,334)
<b>Balance, as at September 30, 2023</b>	<b>64,882,293</b>	<b>14,711,373</b>
	<b>Shares Number</b>	<b>Value \$</b>
<b>Balance, as at September 30, 2021</b>	<b>56,488,008</b>	<b>14,384,351</b>
Private placement – November 2021	3,214,285	225,000
Value of warrants included in private placement	-	(89,132)
Share issuance costs	-	(3,512)
<b>Balance, as at September 30, 2022</b>	<b>59,702,293</b>	<b>14,516,707</b>

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

### 13. Share capital, stock options and warrants (continued)

#### 2023

During the year ended September 30, 2023, the Company closed a non-brokered Unit private placement for aggregate gross proceeds of \$259,000. Each unit was comprised of one common share and one half of one common share purchase warrant. On April 4, 2023, the Company closed the first tranche, comprised of 4,120,000 common shares and 2,060,000 common share purchase warrants, for aggregate gross proceeds of \$206,000. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.10 per share until April 4, 2025. 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 115%, a risk-free rate of 3.55% a 2-year warrant life and a 0% dividend rate. The total value assigned to the warrants issued was \$46,000. A finder's fee of \$1,000 was paid to eligible agents upon closing this portion of the financing. On April 19, 2023, the Company closed the second and final tranche, comprised of 1,060,000 common shares and 530,000 common share purchase warrants, for aggregate gross proceeds of \$53,000. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.10 per share until April 19, 2025. 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 119%, a risk-free rate of 3.88% a 2-year warrant life and a 0% dividend rate. The total value assigned to the warrants issued was \$13,000. No finders' fees were paid on this portion of the financing. Related parties, comprised of officers and directors, acquired 520,000 of the total units issued pursuant to the private placement.

Subsequent to the date of these financial statements warrants issued on November 17, we extended and repriced. Further details can be found in Note 24-Subsequent events. There were no other shares issued or cancelled and returned to treasury.

#### 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.

#### c) Stock options

<u>Expiry</u>	<u>Number of options</u>		<u>Exercise Price</u>
	<u>Sept 30, 2023</u>	<u>Sept 30, 2022</u>	
October 19, 2022	-	125,000	\$0.14
November 19, 2022	-	125,000	\$0.23
November 19, 2023	<b>150,000</b>	150,000	\$0.23
September 14, 2024	<b>1,255,000</b>	1,255,000	\$0.07
November 14, 2027	<b>2,100,000</b>	-	\$0.05
November 14, 2026	<b>150,000</b>	-	\$0.05
February 24, 2026	<b>100,000</b>	-	\$0.05
July 4, 2026	<b>200,000</b>	-	\$0.05
	<b>3,955,000</b>	<b>1,655,000</b>	

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

### 13. Share capital, stock options and warrants (continued)

#### d) Stock option transactions

	Number of options	Weighted average exercise price
<b>Balance, September 30, 2021</b>	<b>3,085,000</b>	<b>\$0.20</b>
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
<b>Balance, September 30, 2022</b>	<b>1,655,000</b>	<b>\$0.10</b>
Expired October 19, 2022	(125,000)	\$0.14
Expired November 19, 2022	(125,000)	\$0.23
Granted November 14, 2022	2,250,000	\$0.05
Granted February 24, 2023	100,000	\$0.05
Granted July 4, 2023	200,000	\$0.05
<b>Balance, September 30, 2023</b>	<b>3,955,000</b>	<b>\$0.06</b>

Refer to Note 16 - "Share-based payment transactions" for more information regarding the options issued during the years ended September 30, 2023 and September 30, 2022.

All of the options outstanding at the respective year ends have vested other than the options issued on July 4, 2023 where 100,000 vest on January 4, 2024 and the balance on the first anniversary date.

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: 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.

During the subsequent period from October 1, 2023 to December 15, 2023, the date of these financial statements, no options were issued nor exercised; however, 150,000 options exercisable at \$0.225 per share expired.

#### 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, 2023						
Exercise price	Expiry	Balance Sept 30, 2022	Warrants Issued	Warrants Exercised	Warrants Expired	Balance Sept 30, 2023
\$0.14	November 17, 2023	1,607,142	-	-	-	1,607,142
\$0.10	June 17, 2024	4,500,000	-	-	-	4,500,000
\$0.06	August 12, 2025**	2,471,165	-	-	-	2,471,165
\$0.10	August 12, 2025**	138,985	-	-	-	138,985
\$0.10	April 4, 2025		2,060,000	-	-	2,060,000
\$0.10	April 19, 2025		530,000	-	-	530,000
<b>Total</b>		<b>8,717,292</b>	<b>2,590,000</b>	<b>-</b>	<b>-</b>	<b>11,307,292</b>

\*\* On August 9, 2023, the Company extended the expiry date for 2,610,150 warrants from August 12, 2023, to August 12, 2025. The exercise price was reduced to \$0.06 on 2,471,165 warrants of which 261,015 are held by insiders. The remaining 138,985 are held by insiders and the price remains at \$0.10.



# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

### 13. Share capital, stock options and warrants (continued)

#### f) Warrant transactions and warrants outstanding (continued)

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
<b>Total</b>		<b>12,205,966</b>	<b>1,607,142</b>	<b>-</b>	<b>(5,095,816)</b>	<b>8,717,292</b>

\*\* 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

During the period subsequent to the date of these financial statements, no warrants were issued or exercised and none expired.

### 14. 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:

	Sept 30, 2023	Sept 30, 2022
	Carrying Value	
<b>Financial assets</b>		
<b>Financial assets measured at fair value:</b>		
Short-term investments	\$ 2,920	\$ 2,080
<b>Financial assets measured at amortized cost:</b>		
Cash	136,618	132,118
Accounts receivable	1,357	6,410
	\$ 137,975	\$ 138,528
<b>Financial liabilities measured at amortized cost:</b>		
Accounts payable and accrued liabilities	\$ 266,117	\$ 154,632

The above noted financial instruments are exclusive of any commodity tax.

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

### 14. Financial instruments (continued)

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, 2023, the Company had US\$2,670 (CDN\$3,610) (September 30, 2022 - US\$10,983 (CDN\$15,054)) 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\$361 (September 30, 2022 – CDN\$1,505).

### 15. General and administrative expenses

	Sept 30, 2023	Sept 30, 2022
Administrative consulting fees	\$ 68,942	56,755
Occupancy costs	27,538	41,031
Office, secretarial and supplies	39,291	25,758
Travel and promotion	7,495	3,790
Product promotion	73,725	65,386
Insurance	23,038	21,384
Computer network and website maintenance	4,184	4,981
Stock-based compensation (Note 16)	82,124	-
Miscellaneous	2,529	3,116
Total general and administrative expenses	\$ 328,866	\$ 222,201

### 16. Share-based payment transactions

#### 2023

Grant Date	Number	Price per	Term	Expiry	Volatility	Discount Rate	Black Scholes Value
11/15/2022	150,000	\$0.05	4 yrs	11/15/2026	131%	3.33%	\$4,806
11/15/2022	2,110,000	\$0.05	5 yrs	11/15/2027	132%	3.33%	\$71,896
02/24/2023	100,000	\$0.05	3 yrs	02/24/2026	149%	4.02%	\$3,171
04/07/2023	200,000	\$0.05	3 yrs	04/07/2026	146%	4.26%	\$6,263

Value of unvested options at September 30, 2023	(\$4,013)
Total stock-based compensation expense	\$82,124

Of the total stock options issued in fiscal year, 2,000,000 were granted to individuals who would be considered related parties.

#### 2022

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

### 17. 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, 2023 and 2022, 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, 2023

### 18. 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:

	2023 Consolidated	2022 Consolidated
	\$	\$
Loss before income taxes	(409,304)	(282,195)
Rate reconciliation	23.00%	23.00%
Computed expected recovery based on a combined rate of 23.00% (2022 – 23.00%)	(94,140)	(64,905)
Differential tax rate of foreign jurisdiction	11,306	7,355
Non-deductible items and other	(1,989)	(18,785)
Unrecognized deferred tax asset	84,823	76,335
Income tax expense	-	-

The combined statutory rate is 23.00% for 2023 (2022 – 23.00%). The deferred combined statutory tax rate is expected to be 23.00% for 2023 and subsequent years (2022 – 23.00%).

#### 18. Income taxes (continued)

#### Temporary differences and tax loss not recognized for accounting purposes:

	2023	2022
Non-capital loss carry-forwards	\$ 4,218,549	\$ 4,042,378
Capital loss carry-forwards	117,424	117,424
Property and equipment	58,645	56,293
Exploration and evaluation assets	4,653,230	4,752,571
Lease asset and other	12,104	-
Share issuance costs	9,958	18,197
Accrued interest expense	88,343	38,381
US net operating loss	1,224,307	1,078,359
Short-term investments	(1,460)	(1,040)
Total	\$ 10,381,100	\$ 10,102,563

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at September 30, 2023, the Company had unused non-capital loss carry-forwards of approximately \$4,219,000 (2022 - \$4,042,000) that expire between the years 2026 and 2043. Capital loss carry-forwards may be carried forward indefinitely. The Company has unused US net operating loss carry-forwards of approximately \$906,000 USD, (2022 - \$787,000 USD), that may be carried forward indefinitely.

### 19. 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.

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

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

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

	<u>2023</u>	<u>2022</u>
<b>Key management remuneration</b>		
President and Director	b \$ (107,000)	\$ (90,406)
Corporate Secretary	(32,691)	(35,070)
Chief Financial Officer	(13,140)	(5,259)
Total management remuneration	\$ <u>(152,831)</u>	\$ <u>(130,735)</u>

Management compensation payable to "key management personnel" during the years ended September 30, 2023 and 2022 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 are not paid directors' fees. Officers and directors are compensated through the granting of options from time-to-time. Refer to Note 16 - "Share-based payment transactions" for details relating to options issued during the years ended September 30, 2023 and September 30, 2022. 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, 2023</u>	<u>Sept 30, 2022</u>
<b>Other related party transactions:</b>		
<b>CANEX Metals Inc.</b>		
General and administrative and secretarial costs paid	a \$ (463)	\$ (616)
General and administrative and secretarial costs received	a \$ 7,641	\$ 9,638
Office operating costs recovery	a \$ 13,911	\$ 18,789

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

	<u>Sept 30, 2023</u>	<u>Sept 30, 2022</u>
<b>Balances Receivable (Payable)</b>		
<b>Office rent and operating costs:</b>		
CANEX Metals Inc.	\$ -	\$ 4,932
<b>General and administrative and secretarial costs:</b>		
CANEX Metals Inc.	\$ 1,356	\$ 951
CANEX Metals Inc.	\$ -	\$ (18)
President and Director	\$ (623)	\$ -
Corporate Secretary	\$ (1,926)	\$ -
<b>Geological consulting fees:</b>		
635280 Alberta Ltd.	b \$ (228,614)	\$ (129,612)

a) During the years ended September 30, 2023 and 2022, 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 shared office space with CANEX.

b) Consulting fees accrued and due to 635280 Alberta Ltd were for services provided by the President. 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, 2023, \$531 (2022 - \$12,875) was capitalized to exploration and evaluation assets, and \$106,469 (2022 - \$77,531) was expensed through general and administrative expenses.

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

### 20. Supplemental disclosure statement of cash flows

	Sept 30, 2023	Sept 30, 2022
Operating expenses	\$ (425,484)	\$ (300,879)
Depreciation	16,327	3,927
Accretion	3,137	-
Stock-based compensation	82,124	-
Impairment	-	-
Changes in assets and liabilities pertaining to operations:		
Accounts receivable	59	(419)
Prepaid expenses	(890)	(927)
Accounts payable and accrued liabilities	110,709	77,676
Cash paid to suppliers and contractors	\$ (214,018)	\$ (220,622)
	Sept 30, 2023	Sept 30, 2022
Change in exploration and evaluation assets	\$ (51,091)	\$ (49,189)
Changes in assets and liabilities pertaining to exploration and evaluation asset additions:		
Impairment	-	-
Accounts receivable	-	1,036
Accounts payable and accrued liabilities	531	(44,105)
Cash expended on exploration and evaluation asset additions	\$ (50,560)	\$ (92,258)

### Non-cash transactions

#### Year ended September 30, 2023

During the year ended September 30, 2023, the Company granted stock options to officers, directors and consultants recording a non-cash charge for stock-based payments totalling \$82,124 that is included in general and administrative expenses. (Note 16 – “Share-based payment transactions”).

#### Year ended September 30, 2022

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

### Interest and taxes

During the years ended September 30, 2023 and September 30, 2022, the Company did not expend cash on interest. During the year ended September 30, 2023, the Company expended \$nil on mineral production taxes (September 30, 2022 - \$5,005 (\$3,954 USD)).

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

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### 21. Supplementary Information

#### Segment disclosures

During the years ended September 30, 2023 and September 30, 2022, 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, 2023, the total value of non-current assets associated with United States operations is \$1,310,854 (September 30, 2022 - \$1,266,385), including exploration and evaluation asset advances and deposits of \$4,357 (September 30, 2022 - \$4,357), exploration and evaluation assets of \$1,288,331 (September 30, 2022 - \$1,241,860) and equipment and software of \$18,166 (September 30, 2022 - \$20,168). All remaining non-current assets are associated with Canadian operations.

### 22. 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.

### 23. Financial risk management

#### a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of accounts receivable (excluding sales tax) and finance lease receivable. 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, 2023 and September 30, 2022. 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 May 2024, increases in expenditures over budget for the eight month period ended May 2024, claim renewal fees for the US mineral properties estimated at \$27,500 due September 1,

2024, 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").

# Jade Leader Corp.

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)  
For the year ended September 30, 2023

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### 23. Financial risk management (continued)

The Company's significant remaining contractual maturities for financial liabilities as at September 30, 2023 and 2022 are as follows:

- Accounts payable and accrued liabilities are due within one year.
- Lease obligations payments are due monthly until the lease expires on August 31, 2025

#### 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, 2023, the market price fluctuation on the investments held resulted in a net gain of \$741 (September 30, 2022 –net loss of \$1,040). In 2023, a 10% change in fair value of the Company's marketable investments would result in a charge to income of \$293 (September 30, 2022 - \$208).

#### 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 14 – "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, 2023 and September 30, 2022.

### 24. Subsequent events

- a) On November 14, 2023, the Company received regulatory approval to extend the expiry date for 1,607,142 warrants from November 17, 2023, to November 17, 2025. The exercise price would be reduced to \$0.07 and include an accelerator clause should the Company's stock price obtain certain targets for specific periods of time. None of the warrants are held by insiders.
- b) On November 19, 2023, 150,000 stock options with an exercise price of \$0.225 expired without exercise.
- c) On November 20, 2023, the Company agreed to a plan of arrangement whereby they would surrender all of the shares held in Mindset Pharma Inc. (4,000 shares) in exchange for a one time payment of \$0.75/share.