

**JADE LEADER CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

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The following management discussion and analysis (MD&A) is management's assessment of the results and financial condition of Jade Leader Corp. ("Jade Leader" or "the Company"). The information included in this MD&A, with an effective date of July 23, 2019 should be read in conjunction with the unaudited condensed interim consolidated financial statements as at and for the three and nine months ended June 30, 2019 ("Q3 2019") and related notes thereto as well as the annual audited consolidated financial statements for the year ended September 30, 2018 and related notes thereto. Jade Leader's common shares trade on the TSX Venture Exchange under the symbol "JADE". The Company's most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed at [www.sedar.com](http://www.sedar.com).

The Company's unaudited condensed interim consolidated financial statements for the three and nine months ended June 30, 2019 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and the IFRS accounting policies the Company adopted in its initial IFRS Annual Financial Statements as at and for the year ended September 30, 2018. The Company's accounting policies are provided in Note 3 "Summary of significant accounting policies" to the annual consolidated financial statements as at September 30, 2018.

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

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

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

**1) Principal Business of the Company**

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

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

**JADE LEADER CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

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**2) Highlights - Three and nine months ended June 30, 2019**

- a) During November, 2018 the Company completed a first pass drilling program on the DJ Jade property in Washington State, USA. A total of 13 drill holes, varying in length from 15.55 to 68.3 meters for a total of 513.5 meters were drilled during this initial phase before inclement weather set in. Twelve of the thirteen holes intersected anticipated targets. Nephrite Jade, varying from ornamental to carving/jewelry grade, near gem to gem grade and cat's eye quality, was recovered in intervals ranging from 10-15 centimeters to over 5 meters in length. In addition, 77 kilograms of surface material from Lode 2, where both near-gem to gem quality and chatoyant, (cat's eye), material was identified in 2017, was recovered for testing. Two new occurrences of a red to pink to white semi-precious gemstone identified as rhodonite were found near the Jade zone and were test hand mined for potentially marketable raw material from the property. Refer to News Release 18-16 dated November 29, 2018 for detailed information about the drill results and plans to move forward.
- b) During the three month period ended December 31, 2018, the Company closed the first and second tranche private placement financings for gross aggregate proceeds of \$1,148,954. For more information refer to Section 6) "Financing" of this document.
- c) On January 30, 2019, the Company provided an update on the DJ Drilling Lode 2 target results. The first pass drilling program at DJ confirmed consistent intersections of Jade material that correlates well with mapped surficial Jade occurrences but is free from strong surficial weathering. Jades, ranging from foliated to massive material suitable for carvings and jewelry as well as finer and more uniformly colored light green to blue with higher translucency referred to as near gem/gem type were represented across the width and depth of the occurrence which remains open in all directions.

Materials showing chatoyancy or cat's eye effect have also now been observed in most intersections as well, indicating that it may be much more extensively distributed through the Lode 2 target than previously indicated by limited surface sample work. While this first pass work still represents a relatively small sample size of the system, Management of the Company is encouraged with results to date and will evaluate the best and most productive way to continue bringing the project forward over the coming year.

Other samples from both drill core and surface were analyzed to test workability, color, texture and translucency and were displayed at the Tucson Gem and Mineral Show in February, 2019 and the Zi Gang Bey Jade carving competition and trade show in China in April, 2019.

- d) During February, one of the Company's executives travelled to the Tucson Gem and Mineral Show, where the Company exhibited a display case of its Washington Jade.
- e) During April 2019, two of the Company's executives and five of the Company's consultants, travelled to the 2019 Zi Gang Cup Jade and Stone Works Competition and Exhibition, held in Suzhou, Jiangsu province, China. The competition, which brings together some of the world's most recognized Chinese and International Jade carvers and Jade industry leaders, provided an excellent opportunity to formally introduce Jade Leader, it's projects and progress to a wider dedicated audience in the Jade space. The Company used this opportunity to conduct additional market research allowing it to more effectively direct its planned exploration programs at high priority targets.
- f) Jade Leader Corp. conducted the first stage of its 2019 exploration program in Wyoming, USA in April through to early June, 2019. The field program identified five priority targets on which application with the relevant authorities will be filed for a phase of mechanized trenching and sampling to be conducted as soon as permits allow. The Company flew a high resolution, helicopter-borne magnetic and radiometric geophysical survey over approximately 48 square kilometers, covering existing properties and additional areas of newly recognized alterations and geology considered to be favorable for Jade formation, A three week field program was conducted to review the airborne geophysical data, conduct additional prospecting and outline the first mechanized trenching targets for further follow-up. The field program resulted in the discovery of additional nephrite Jade at surface

**JADE LEADER CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

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and led the company to stake an additional 25 lode claims increasing the size of its current 4 claim blocks, and adding an entirely new block of claims to cover a new target, bringing the Company's land package to in excess of 90 fully owned claims and option exercise. Full details are provided in News Release 19-03 dated June 12, 2019.

- g) Subsequent to June 30, 2019 and before the date of this report, the Company acquired 100%, subject to an NSR, of the Wyoming claims under option, after completing the minimum work commitments and making a final option payment of US\$27,000. The Company has begun the permitting process and necessary filings with relevant authorities in Wyoming to conduct the trenching program referred to in f) above, with up to 13 trenches, varying in length from 40 meters to 213 meters. The intended work schedule is September to October, pending receipt of necessary approvals. Refer to News-Release 19-04 dated July 15, 2019 for more information.

### **3) Mineral Properties**

Transactions for Q3 2019 are summarized in Note 8 "Exploration and evaluation assets" to the Unaudited Condensed Interim Consolidated Financial Statements for the nine months ended June 30, 2019 which accompany this MD&A.

#### **DJ Jade Project, Washington State, USA**

On August 28, 2017, the Company announced its acquisition of the DJ Jade project, in Washington State, USA, through a combination of Option Agreement and staking. The gross costs and impairments recorded to the DJ Jade project at June 30, 2019 are \$499,735 and \$Nil, respectively (September 30, 2018 - \$123,916 and \$Nil, respectively).

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

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

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

The drill program that was undertaken in November, 2018 and results are discussed in Highlights above in this document.

The spring 2019 exploration program consisted of an airborne geophysical survey, which was conducted in April, followed by detailed mapping and sampling of previously identified in-situ Jade occurrences. The purpose of this program is to generate the information required for permitting of larger scale mechanized trenching and sampling to be conducted later in the 2019 exploration season, as permitting will allow. The Company's remaining budgeted expenditures for the exploration program are currently estimated at \$25,000 and are fully funded. Further work programs and budget are contingent on levels of permitting obtained, bulk sampling and any restrictions due to local environmental regulations. In order to further permitting, the Company initiated discussions with local authorities in November 2018, which are currently ongoing. Updates will be provided as timelines are finalized on these further phases of work.

**JADE LEADER CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

---

**Wyoming Jade Fields, Wyoming, USA**

The Company has acquired, by staking more than 90 Mineral Lode Claims covering in excess of 1,800 acres. The claims cover 6 contiguous blocks in areas where field work found geology favourable for jade formation. This includes abundant nephrite jade float, sub-crop and in-situ jade occurrences as well as numerous small-scale historical production pits. All of the new ground is on public lands administered by the Bureau of Land Management ("BLM"). None of this historically productive jade-bearing area has been previously evaluated using modern day jade-genesis concepts or exploration technologies. On July 15, 2018, Jadex entered into an Option Agreement to acquire a 100% interest in an existing Lode Claim (20.7 acres) with extensive nephrite jade exposed in hand dug pits and small trenches. The portion of the claims under option required a total of US\$35,000 in property payments and staged work commitment of US\$60,000. Having made option payments of US\$8,000 in fiscal 2018, the Company made a final payment of US\$27,000 subsequent to June 30, 2019, acquiring the 100% interest, subject to the NSR (refer to Sections 7) – "Commitments" and 20) - "Subsequent events for additional information).

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

The spring 2019 exploration program consisted of an airborne geophysical survey, which was conducted in April, followed by prospecting, detailed mapping, sampling of previously identified in-situ Jade occurrences, and mechanized trenching. The field program, which was completed during June 2019, was conducted to review the airborne geophysical data, conduct additional prospecting and outline the first mechanized trenching targets for further follow up, as permitting will allow. The field program resulted in additional nephrite Jade discoveries at surface and led the Company to stake an additional 25 lode claims (209 hectares/516.5 acres), increasing the size of its current 4 claim blocks, and adding an entirely new block of claims to cover a new target. The Company's remaining budgeted expenditures for the exploration program are currently estimated at \$112,000, and are fully funded. The mechanized trenching program will require approval by all relevant authorities. The gross costs and impairments recorded for the Wyoming Jade Fields project at June 30, 2019 are \$287,592 and \$Nil, respectively (September 30, 2018 - \$117,046 and \$Nil respectively).

**Keithly Mountain, British Columbia**

During the three month period ended March 31, 2017, the Company acquired by staking a property in the Cariboo goldfields, of central British Columbia which, after a first pass program, was reduced to 1,486 hectares of lode claims. The property is easily accessible through an existing network of logging roads and is located approximately 20 kilometres north of the town of Likely, BC. The gross costs and impairments recorded to the Keithly Mountain property as at June 30, 2019, are \$17,654 and \$Nil, respectively (September 30, 2018 - \$18,104 and \$Nil, respectively).

While the geology of the region is widely known to be prospective for commodities such as gold, copper and nickel, the focus of exploration in this instance will be for Nephrite Jade of which there are historical showings and reports in the area. The property covers approximately 6.5 kilometres of strike length along a favourable package of metamorphosed serpentinites and sediments, with significant thrust faulting, all elements which are critical in the formation of Jade.

Currently, the Company's focus remains on its US properties. As a result, there are no plans for exploration during 2019 on the Keithly Mountain property. However, the Company will continue to maintain its claims in good standing.

**Tell, Yukon**

The Company acquired 100% of the Tell mineral property through staking. The Company holds 235 claims covering slightly in excess of 4,900 hectares located approximately 140 kilometres east of Mayo, Yukon. The data collected during the 2014 and 2015 short program continues to support that mineralization at Tell is sediment-hosted and potentially related to an extensive exhalative event within a sedimentary sequence with evidence of minor volcanic components, such as expected within the SEDEX/VMS environment. The 2015 surface data also confirms that mineralization may be related to an extensive metal rich unit within a sequence

**JADE LEADER CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

documented over 3 kilometres of strike length to date. These results are geologically strong and support further exploration if funding can be arranged. Given recent activity and positive exploration results from nearby properties, the Company will investigate opportunities to option out this property to interested parties. Current land use permits for the Tell mineral property expire between October 2019 and May 2022. At this time, it is management's intention to extend these land use permits through payment in lieu of exploration for core claims if so required. The gross costs and impairments recorded to the Tell project at June 30, 2019 are \$426,071 and \$Nil, respectively (September 30, 2018 - \$426,107 and \$Nil, respectively).

**4) Operating Results**

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

	<b>Three months ended June 30</b>		<b>Nine months ended June 30</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
General and administrative expenses	\$ (96,317)	\$ (78,730)	\$ (265,847)	\$ (558,827)
Reporting to shareholders	(12,402)	660	(15,384)	(16,478)
Professional fees	(2,463)	(2,121)	(10,310)	(18,154)
Stock exchange and transfer agent fees	(3,445)	(4,580)	(7,969)	(11,368)
Depreciation	(113)	(144)	(340)	(431)
Pre-acquisition costs	-	-	-	(4,922)
Sublease revenue	4,697	4,632	14,092	13,830
Interest and other	1,104	74	1,381	284
Loss from short-term investments	-	-	-	(1)
<b>Net and comprehensive loss</b>	<b>\$ (108,939)</b>	<b>\$ (80,209)</b>	<b>\$ (284,377)</b>	<b>\$ (596,067)</b>

The most significant results are discussed below:

- Variances relating to general and administrative expenses are addressed below in more detail.
- Reporting to shareholders expenditures are consistent on a year to date basis between the current and comparative periods. These costs include the dissemination of the annual audited financial statements for the years ended September 30, 2018 and 2017. Q3 2019 expenditures include the cost of holding the Annual General Meeting (AGM). Fiscal 2018 AGM costs were incurred during Q2 2018 and Q3 2018.
- Professional fees, which consist of auditing fees, legal and other filing fees are down by \$7,800 in the current nine month period ending June 30, 2019 and include nominal legal fees for corporate filings, fees related to news releases of \$3,000 and fees for filing the September 30, 2018 US tax return and other consulting matters of \$5,500 for Jadex. The comparative nine month period expenditures include an under accrual of audit fees for the year ended September 30, 2017 of \$2,000, legal fees of \$4,800 primarily relating to the corporate name change, the AGM and nominal legal fees for corporate filings, fees related to news releases of \$7,800 and fees for filing the September 30, 2017 US tax return for Jadex.
- Stock exchange and transfer agent fees relate directly to the number of security exchange transactions during the periods. The increase in the comparative period reflects additional fees relating to the name change which occurred in Q2 2018.
- Pre-acquisition expenses in Q2 2018 relate to research conducted in the United States for potential Jade exploration opportunities. There were no equivalent expenditures in the current three and nine month periods.
- Effective April 1, 2017, the Company entered into a new leasing arrangement for its premises, which included subleasing office space to one other corporation, CANEX Metals Inc. ("CANEX") (see Note 17 - "Related party balances and transactions and key management remuneration and" Note 18 - "Commitments" to the Unaudited Condensed Interim Consolidated Financial Statements for the three and nine month periods ended June 30, 2019 which accompany this MD&A). For further information

**JADE LEADER CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

relating to obligations for Occupancy costs refer to Section 7 "Commitments". There has been no significant change between the current and comparative periods.

- During the year ended September 30, 2017, North Sur Resources Inc. shares were transferred from the TSX Venture Exchange to the NEX and on March 28, 2018, the shares were delisted. Consequently the Company's investment in North Sur was written off in Q2 2018.

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

	Three months ended June 30		Nine months ended June 30	
	2019	2018	2019	2018
Administrative consulting fees	\$ 13,813	\$ 22,474	\$ 58,629	\$ 61,399
Occupancy costs	14,833	11,964	41,476	30,433
Office, secretarial and supplies	13,394	15,809	48,124	42,668
Travel and promotion	36,029	11,311	75,188	36,920
Insurance	3,505	3,008	10,514	9,023
Computer network and website maintenance	544	8,181	2,773	8,762
Stock-based compensation	10,500	-	21,938	361,813
Salaries and benefits	1,678	2,277	1,678	2,277
Miscellaneous	2,021	3,706	5,527	5,532
<b>Total</b>	<b>\$ 96,317</b>	<b>\$ 78,730</b>	<b>\$ 265,847</b>	<b>\$ 558,827</b>

- Administrative consulting fees, which consist of fees for the contract controller, CFO and President are down by \$8,700 and \$2,800 during the three and nine month periods ended June 30, 2019 respectively. Fiscal 2019 fees include fees of \$32,900 to the president, \$15,800 to the contract controller, \$7,500 to the CFO and \$1,600 to other consultants. Fiscal 2018 fees include fees to the president of \$43,600, \$18,500 to the contract controller, \$1,500 to the CFO and \$1,800 to other consultants.
- Occupancy costs are up by \$11,000 for the nine month period ended June 30, 2019, (\$3,000 for the three month period ended June 30, 2019). On May 1, 2018, the Company relocated to new premises, acquiring larger office space and entered into a new lease agreement, terminating April 30, 2020. As a result of the new leasing arrangement, the Company has incurred higher occupancy costs during the three month and nine periods ended June 30, 2019. For further information relating to obligations for Occupancy costs refer to Section 7) "Commitments" of this document.
- Office and secretarial fees, which primarily relate to contract administrative services, are up by \$5,500 during the nine month period ended June 30, 2019. The increase is consistent with the increase in activity in the Company in recent months. Additional expenditures during the current nine month period included \$1,700 for one time expenditures relating to equipment upgrades and a subscription for mapping software which is expensed quarterly over the term of the subscription.
- During the three month period ended June 30, 2019, two of the Company's executives and five of the Company's consultants, travelled to the 2019 Zi Gang Cup Jade and Stone Works Competition and Exhibition, held in Suzhou, Jiangsu province, China. The competition, which brings together some of the world's most recognized Chinese and International Jade carvers and Jade industry leaders, provided an excellent opportunity to formally introduce Jade Leader, it's projects and progress to a wider dedicated audience in the Jade space. The Company used this opportunity to conduct additional market research allowing it to more effectively direct its planned exploration programs at high priority targets.
- Additionally, fiscal 2019 travel and promotion expenditures include travel to Tucson, Arizona to attend various gem and mineral shows for the purpose of networking and marketing, and attending the AMEBC Roundup held annually in Vancouver, British Columbia. As well, expenditures of \$27,000 have been incurred for services provided by an on-line investing news agency for the purpose of company promotion and lead generation. During the three month period ended December 31, 2017, two of the Company's executives travelled to the 2017 Zi Gang Cup Jade and Stone Works Exhibition, held in Suzhou, Jiangsu province, China. The purpose of the travel was to present an initial suite of some of the DJ Jade project's samples, consult with some of the world's most recognized Jade carvers, including both Chinese and international artists, and conduct market research to evaluate current market trends including rough and final product prices. These expenditures are reflected in Q1 2018

**JADE LEADER CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

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travel and promotion. Other travel and promotion expenditures during the three and nine month periods ended June 30, 2018 include travel to Dallas, Texas to meet with Dr. Robert Lavinsky (a Technical advisor to the Company) regarding various business matters, travel to Tucson, Arizona to attend various gem and mineral shows for the purpose of networking and marketing, and attending the AMEBC Roundup held annually in Vancouver, British Columbia.

- Insurance expenses are up by \$1,500 in the nine month period ended June 30, 2019 reflecting an increase in insurance rates. There has been no significant change in insurance coverage since Q4 2017. Expenditures are in accordance with the budget.
- Computer network and website maintenance expenditures, which include internet service, website hosting and other information system expenditures, decreased by \$7,600 and \$6,000 during the three and nine month periods ended June 30, 2019 respectively. Q3 2018 expenditures include one-time expenditures relating to the website redesign and the Company's rebranding efforts to reflect its shift in focus to Jade exploration. There were no similar expenditures in the current period.
- During the nine month period ended June 30, 2019, the Company issued 75,000 stock options to a consultant valued at \$11,438 and 50,000 stock options to a consultant valued at \$10,500. During the nine month period ended June 30, 2018, the Company issued 1,350,000 stock options in aggregate to its Directors, Officers and Consultants valued at \$361,813. Refer to Note 15 - "Share-based payment transactions" to the Unaudited Condensed Interim Consolidated Financial Statements dated June 30, 2019, which accompany this document for more information regarding these transactions. During the three month period ended September 30, 2018, the Company recognized a change in estimate of the certain stock option values due to a change in the volatility calculation that utilized monthly stock prices instead of daily stock prices, an assumption that was considered to be more representative of stock volatility. The comparative figures in the Unaudited Condensed Interim Consolidated Financial Statements for the three and nine month periods ended June 30, 2019 have been revised to reflect these changes in estimates. Refer to Note 23 – "Comparative figures" in the Unaudited Condensed Interim Consolidated Financial Statements for the three and nine month periods ended June 30, 2019 for a summary of the resulting changes.
- Salaries and benefits expense incurred in Q3 2019 relates to the Company's share of CPP remitted for the exercise of 280,000 options for proceeds of \$28,000. Salaries and benefits expense incurred in Q3 2018 relates to the Company's share of CPP remitted for the exercise of 230,000 options for proceeds of \$23,000. See Note 12 - "Share capital, stock options and warrants" to the Condensed Unaudited Interim Consolidated Financial Statements which accompany this document for more information.
- There has been no significant change between the current and the comparative periods ending June 30, 2019 and June 30, 2018 respectively, for miscellaneous administrative expenses.

## **5) Liquidity and Capital Resources**

As of June 30, 2019, the Company had working capital of \$575,479 (September 30, 2018 – a working capital deficiency of \$74,058), a net increase of \$649,537. Changes to working capital in the current and comparative periods are discussed below:

- Operating activities during the nine month period ended June 30, 2019 resulted in a cash outflow of \$365,000 (June 30, 2018 - \$231,000). Cash paid to suppliers and contractors is up by \$139,000 and reflects the changes in accounts receivable, prepaid expenses and accounts payable. Due to limited available cash at the end of the 2018 fiscal year, accounts payable increased dramatically. These payables were paid when the Company received a cash injection from the financings that occurred in Q1, 2019. Further, during Q1, 2019, the Company advanced \$36,000 to an on-line investing news agency for the purpose of company promotion and lead generation. The advance covers one year of services. Of the total, \$9,000 has been expensed in each of Q1, Q2 and Q3 2019 and \$9,000 is included in prepaid expenses at June 30, 2019.
- The Company expended \$504,000 on exploration and evaluation assets during the current nine month period compared to \$118,000 in the comparative period. Expenditures in the both the current fiscal year and the comparative fiscal year primarily relate to the Company's Jade properties, in Wyoming and Washington State; (see Section 3) "Mineral properties" and Note 8 - "Exploration and evaluation assets" to the Unaudited Condensed Interim Consolidated Financial Statements dated June 30, 2019, which accompany this document, for further information).

**JADE LEADER CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

---

- During the three month period ended December 31, 2018, the Company closed a private placement financing for gross aggregate proceeds of \$1,148,954. During the three month period ended December 31, 2017, the Company partially closed a non-brokered private placement share and warrant issuance for aggregate gross proceeds of \$157,500. Refer to Note 12 - "Share capital, stock options and warrants" of the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document and section 6) "Financing" for further information
- During the three month period ended March 31, 2019, 3,250,000 warrants were exercised for gross aggregate proceeds of \$325,000. During the three month period ended March 31, 2018, the Company closed a non-brokered private placement of shares and warrants for gross proceeds of \$42,500 Refer to Note 12 - "Share capital, stock options and warrants" of the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document and section 6) "Financing" for further information
- During the three month period ended June 30, 2019, 280,000 options were exercised for total proceeds of \$28,000. Subsequent to June 30, 2019 and prior to the date of this report, an additional 515,500 options were exercised for total proceeds of \$51,500. During the three and nine month period ended June 30, 2018, 230,000 options were exercised for total proceeds of \$23,000 and 100,000 warrants were exercised for total proceeds of \$10,000. See Section 7) "Financing" for more information related to these transactions.

The Company believes that it has sufficient working capital to finance general and administrative and other operating expenses for the next 12 month period as well as its planned 2019 exploration program. However, increases in expenditures above and beyond 2019 planned programs, including new property acquisitions, may require additional financing. There can be no assurance that management will be successful in obtaining financing. Refer to Note 1 - "Nature of operations" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document.

**6) Commitments**

a) On May 1, 2018, the Company entered into a new leasing arrangement for office space. Pursuant to the agreement, the Company is committed to pay base lease costs plus additional rent, which includes its proportionate share of costs incurred in the operation, maintenance, management and supervision of the property as defined by the landlord's current lease for the premises. Additionally, Jade Leader entered into sublease agreements with CANEX Metals Inc. terminating April 30, 2020 (see Note 17 - "Related party balances and transactions and key management remuneration" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document).

As at June 30, 2019, the committed lease costs to the termination of the lease are as follows:

	<b>July 1, 2019 to September 30, 2019</b>	<b>October 1, 2019 to April 30, 2020</b>
	<b>\$</b>	<b>\$</b>
Base lease cost	5,295	12,355
Expected additional rents	8,591	20,045
Total expected lease commitment	13,886	32,400
Expected sublease revenue	(4,697)	(10,960)
Net future rent	9,189	21,440

**JADE LEADER CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

---

b) On July 15, 2018, Jadex signed an Option Agreement for a 100% interest in an existing Lode Claim (20.7 acres) in Wyoming, United States. To acquire a 100% interest, subject to a 2% Net Smelter Return royalty ("NSR"). The terms of the remaining commitment are as follows:

	Option Payments	Exploration Expenditures
	US\$	US\$
Due date:		
July 15, 2019	12,000	10,000
July 15, 2020	15,000	50,000
Total	27,000*	60,000*

\*During July, 2019, the Company gave notice to the underlying property owners and made an immediate payment of the remaining Option Payments totalling US\$27,000, to acquire 100% of the Property subject to an NSR. Prior to giving notice, the Company had met its minimum property expenditure commitments.

**7) Financing**

**2019**

On October 12, 2018, the Company closed the first tranche of the private placement share and warrant issue for 3,865,816 common units at \$0.25 per unit comprised of 3,865,816 common shares and 3,865,816 common share purchase warrants for gross aggregate proceeds of \$966,454. Each common unit was comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.40 per share until October 12, 2020. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes Pricing model assuming a volatility of 162.75%, a risk free rate of 2.27%, a 2 year warrant life and a 0% dividend rate. In connection with this financing, the Company paid finder's fees of \$27,700 which are included in the share issuance costs that are deducted from the proceeds of the financing that are credited to Common Share Capital.

On October 23, 2018, the Company closed the second tranche of the private placement share and warrant issue for 730,000 common units at \$0.25 per unit comprised of 730,000 common shares and 730,000 common share purchase warrants for gross aggregate proceeds of \$182,500. Each common unit was comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.40 per share until October 23, 2020. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes Pricing model assuming a volatility of 158.41%, a risk free rate of 2.27%, a 2 year warrant life and a 0% dividend rate. In connection with this financing, the Company paid finder's fees of \$1,250 which are included in the share issuance costs that are deducted from the proceeds of the financing that are credited to Common Share Capital.

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

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

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

Subsequent to June 30, 2019 and prior to the date of this document, 385,000 options exercisable at \$0.10 per share, expiring July 10, 2019 and 130,000 options exercisable at \$0.10 per share, expiring July 13, 2019, were exercised for total proceeds of \$51,500.

**JADE LEADER CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

**2018**

On December 28, 2017, the Company closed the first tranche private placement share and warrant issue for 787,500 units at \$0.20 per unit comprised of 787,500 common shares and 393,750 common share purchase warrants for gross aggregate proceeds of \$157,500. Each common unit was comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.30 per share until December 28, 2019. 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 129.07% (refer to Note 23 – “Comparative figures” to the Unaudited Condensed Interim Consolidated Financial Statements, which accompany this document), a risk free rate of 1.69%, a two year warrant life, and a 0% dividend rate.

On January 11, 2018, the company closed the second tranche private placement and warrant issue for 212,500 units at \$0.20 per unit comprised of 212,500 common shares and 106,250 common share purchase warrants for gross aggregate proceeds of \$42,500. Each common unit was comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.30 per share until January 11, 2020. In valuing the warrants, the Company applied a proration of proceeds method to the components incorporating the Black-Scholes Pricing model assuming a volatility of 108.53% (refer to Note 23 – “Comparative figures” to the Unaudited Condensed Interim Consolidated Financial Statements, which accompany this document), a risk free rate of 1.76%, a two year warrant life, and a 0% dividend rate.

During the three month period ended June 30, 2018, 230,000 stock options exercisable at \$0.10 per share, expiring July 10, 2019 were exercised at \$0.10 per share, for total proceeds of \$23,000 and 100,000 warrants exercisable at \$0.10 per share, expiring March 24, 2019, were exercised for total proceeds of \$10,000.

During the three month period ended September 30, 2018, 450,000 warrants exercisable at \$0.10 per share, expiring March 24, 2019, were exercised for total proceeds of \$45,000.

**8) Exploration Expenditures**

Refer to Note 8 “Exploration and evaluation assets” to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document.

**9) Selected Quarterly Financial Information**

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

Three months ended:	Jun 30 2019 (Q3 2019)	Mar 31 2019 (Q2 2019)	Dec 31 2018 (Q1 2019)	Sep 30 2018 (Q4 2018)	Jun 30 2018 (Q3 2018)	Mar 31 2018 (Q2 2018)	Dec 31 2017 (Q1 2018)	Sep 30 2017 (Q4 2017)
	\$	\$	\$	\$	\$	\$	\$	\$
Loss before other items	(114,740)	(102,128)	(82,981)	(114,134)	(84,915)	(440,460)	(84,805)	(60,339)
Sublease revenue	4,697	4,697	4,697	4,697	4,632	4,501	4,697	4,708
Interest and other income	1,104	(17)	294	47	74	142	68	76
Loss from investments held for sale	-	-	-	-	-	(1)	-	-
Net and comprehensive loss	(108,939)	(97,448)	(77,990)	(109,390)	(80,209)	(435,818)	(80,040)	(55,555)
Basic and diluted loss per share	0.00	0.00	0.00	0.00	0.00	(0.02)	0.00	0.00

Quarterly net losses are influenced by many factors from period to period and are significantly affected by the amount of activity in the junior mining sector, the Company's working capital position, the potential exploration opportunities as well as timing of certain expenditures including the timing of the AGM, held in Q2 2018 and Q3 2019. Operations during 2017 were constrained by tight working capital, primarily influenced by a depressed junior mining sector. The rebound of the junior mining sector and the Company's new focus on Jade exploration has allowed the Company to improve its working capital position through

**JADE LEADER CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

---

financing, thus allowing the Company to expand its operations. Commencing Q4 2017, the Company's expenditures have increased to reflect increased business activities. Additionally, Q1 2019, Q3 2019, Q1 and Q2 2018 operations include stock-based compensation of \$11,438, \$10,500, \$16,125 and \$345,688 respectively. During Q4, 2018 a change in estimate pertaining to the valuation of these options was recognized in the Audited Consolidated Financial Statements as described in the discussion of the comparative earnings and loss amounts in Section 4) "Operating results" above. The comparative figures in the Unaudited Condensed Interim Consolidated Financial Statements for the period ended June 30, 2019, as well as this document including the table above have been revised to reflect these changes in estimates. (Refer to Note 23 – "Comparative figures" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document). Q3 2019 Interest and other income include interest earned on the Company's high interest bank account and foreign exchange gains and losses incurred during the period.

Investments in common shares are 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 and consequently gains and losses on these investments can vary from quarter to quarter. The only investment that the Company held was fully written-off as of March 31, 2018

**10) Off-Balance Sheet Transactions**

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

**11) Directors and Officers**

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

\*On March 14, 2018, the Board of Directors appointed Ms. Shari Difley, CPA, CA, B.Comm. as the Chief Financial Officer replacing Douglas Porter.

\*\*Mr. Porter ceased to be a Director at the Annual General Meeting held March 14, 2018; Dr. Peter Megaw, a Technical Advisor to the Company was elected to the Board of Directors at that time.

**12) Related Party Transactions**

Transactions for Q3 2019 are disclosed and explained in Note 17 "Related party balances and transactions and key management remuneration" to the Condensed Interim Financial Statements for the nine months ended June 30, 2019 which accompany this document.

**13) Share capital, warrants, and stock options**

Refer to Note 12, Share capital, stock options and warrants, to the Unaudited Condensed Interim Consolidated Financial Statements for the three and nine months ended June 30, 2019 and the Unaudited Condensed Interim Consolidated Statement of Changes in Equity for common share capital, stock option and warrant transactions during the nine months ended June 30, 2019 and balances as at that date.

During the period subsequent to June 30, 2019 and prior to the date of this report, there were no changes to warrants and share capital, with the exception of the increase resulting from the exercise of options discussed below. During this subsequent period, a total of 385,000 options with an expiry date of July 10, 2019 and 130,000 options with an expiry date of July 13, 2019, were exercised at a price of \$0.10 per share for total proceeds of \$51,500. There were no further changes to options.

**JADE LEADER CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

---

**14) Financial Instruments**

The carrying value of the Company's financial instruments, consisting of cash at bank, accounts receivable (net of sales tax), short-term investments and account payable and accrued liabilities (net of sales tax), approximate their fair value due to the short-term nature of the instruments.

It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The Company had nominal foreign currency denominated fund balances at June 30, 2019 and September 30, 2018. However, at June 30, 2019, accounts payable and accrued liabilities include liabilities of \$17,855 that must be settled in US funds, (September 30, 2018 – US \$Nil). At June 30, 2019, the CDN\$ value of this liability was \$23,367 and a 10% change to the exchange rate would result in an increase or decrease of CDN\$2,337 (September 30, 2018 – CDN \$Nil) to the amount payable.

**15) Financial Risk Management**

**a) Credit risk**

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of accounts receivable, (excluding sales tax) and cash held in Bankers' Acceptances and Term Deposits. The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at June 30, 2019 and September 30, 2018.

**b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to continue to obtain adequate financing or to commence profitable operations in the future. The Company believes that it has sufficient working capital to finance general and administrative and other operating expenses for the next 12 month period as well as its planned 2019 exploration program. However, increases in expenditures above and beyond 2019 planned programs including new property acquisitions may require additional financing. There can be no assurance that the Company will be successful in obtaining financing (refer to Note 1 - "Nature of operations" of the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document).

**c) Market risk**

The Company's equity investments are subject to market price risk. Investment in common shares is recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. As at September 30, 2018, the Company has written off its investments. (Refer to Note 7 – "Short-term investments" to the Unaudited Condensed Interim Consolidated Financial Statements which accompany this document for further information).

**d) Interest rate risk**

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

**JADE LEADER CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

---

**e) Foreign exchange risk**

The Company undertakes transactions denominated in US currency; consequently it is exposed to exchange rate fluctuations. The Company has disclosed US\$ commitments pertaining to one option agreement in Note 18 - "Commitments" to the Unaudited Consolidated Interim Financial Statements as at June 30, 2019. Further, at June 30, 2019, accounts payable and accrued liabilities include liabilities of US\$17,855. The effect of a foreign currency increase/decrease of 10% on this commitment and liability has been disclosed in Section 6) – "Commitments" and Section 14) – "Financial instruments" respectively. The Company had nominal foreign currency denominated fund balances as at June 30, 2019 and September 30, 2018.

**16) Outlook**

- During the three month period ended December 31, 2018, the Company completed its first phase drill program on its DJ, Washington State, USA project. Refer to News Release 18-16 dated November 29, 2018. The promising results from the drill program led the Company to exercise its accelerated buy-out of the earn-in option on the property to result in 100% ownership subject to certain royalties.
- Jade Leader Corp. is continuing to plan its 2019 exploration programs for the next phases of work at all of its US based projects. Airborne geophysical surveys took place in April, 2019. Field work commenced in late May and continued through to early July. The field work consisted of detailed mapping and sampling of previously identified in-situ Jade occurrences and reviewing airborne geophysical data and conducting additional prospecting. The purpose of this program is to generate the information required for permitting of larger scale mechanized trenching and sampling to be conducted later in the 2019 exploration season, as permitting will allow.
- During fiscal 2019 the Company plans to investigate opportunities to option out its Tell Property in the Yukon in order to expand exploration on the project without additional financing being required.
- The Company plans to evaluate and interpret available historic exploration and new field data from the Keithly Mountain Property and evaluate continuation of work on a priority basis with regards to other ongoing opportunities.
- The Company has worked on increasing visibility and exposure and conducting pre-marketing in International communities through attendance at various trade events in the USA and China. The Company will also work to expand current and potential investors' awareness of the Company's activities through social media, including its website which hosts videos and other relevant information.
- During the three month period ended December 31, 2018, the Company closed the first and second tranche private placement financing for gross aggregate proceeds of \$1,148,954. The exercise of warrants during Q2 2019 and options during Q3 and July, 2019 has further bolstered the Company's financial position. The Company will continue to seek out financing so that it may expand exploration on current projects and evaluate and acquire new projects of merit.

**17) Risks**

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

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

**JADE LEADER CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

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- **Exploration, development and operating risks**

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

Substantial additional funds to pursue the Company's potential mineral exploration beyond currently planned expenditures may be required should exploration results indicate that future work may be warranted on any one project, and should any such funding not be fully generated from operations. No assurances can be given that the Company will be able to raise the additional funds that may be required for such activities, should such funds not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operation and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.
- **Fluctuating mineral prices**

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

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

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

**JADE LEADER CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

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could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

- **Financing risks and dilution to shareholders**

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

- **Title to properties**

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

- **Competition**

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

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

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

- **Environmental risks**

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

- **Conflicts of interest**

Certain of the Directors and Officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of the Company may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract

**JADE LEADER CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

---

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

- **Uninsurable risks**

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

- **Litigation**

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

#### **18) Critical Accounting Estimates**

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

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

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

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

**JADE LEADER CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019**

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**19) New Accounting Policies**

The Company did not adopt any new accounting policies during the nine month period ended June 30, 2019.

**IFRS accounting standards, interpretations and amendments subsequent to period-end**

Certain new accounting standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for periods subsequent to those disclosed in the financial statements. They include the following, but do not include updates that are not applicable or are not consequential to the Company's operations:

**i) IFRS 16 – Leases**

IFRS 16 introduces a new definition for what qualifies as a lease. Once an arrangement is determined to meet the definition of a lease, an entity will then recognize a right-of-use asset and a lease liability on its balance sheet. The standard includes certain exemptions for items where the lease term is less than 12 months or for low value items. The effective date of this standard is for annual reporting periods beginning on or after January 1, 2019, (the Company's fiscal year ended September 30, 2020), with options for early adoption. The Company has not yet determined the impact of adopting IFRS 16 on its consolidated financial statements.

**20) Subsequent events**

On July 11, 2019, the Company announced the early payment of the remaining option payments due on the Wyoming Jade Fields in Wyoming, USA, which resulted in the acquisition of 100% of the property subject to an NSR. Refer to 6 b) "Commitments" above.

During July, 2019, 515,000 options were exercised at \$0.10 per share for total proceeds of \$51,500. Refer to 13) Share capital, warrants, and stock options in this document.

**21) Other**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).