

Jayden Resources Inc.

Condensed Consolidated Interim Financial Statements

First Quarter ended March 31, 2013

(Unaudited – Prepared by Management)

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**NOTICE OF NO AUDITOR REVIEW OF INTERIM
CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed consolidated interim financial statements of Jayden Resources Inc. for the three months ended March 31, 2013 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indication that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the interim financial statements by an entity's auditor.

Jayden Resources Inc.

Condensed Consolidated Interim Statements of Comprehensive Income

| | | Three Months Ended March 31, | |
|---|-------|---------------------------------|------------------|
| | Notes | 2013 | 2012 |
| | | \$ | \$ |
| Revenue | 5 | - | - |
| Other revenue and net income | 5 | 6,797 | 544 |
| Administrative expenses | 6 | (226,553) | (756,545) |
| Other operating expenses | 7 | - | - |
| Loss before income tax | | (219,756) | (756,001) |
| Income tax expense | | - | - |
| Loss for the period, attributable to owners of the Company | | (219,756) | (756,001) |
| Other comprehensive income, including reclassification adjustments | | | |
| Loss on change in fair value of available-for-sale investments | | - | 9,770 |
| Total comprehensive income for the period, attributable to owners of the Company | | (219,756) | (746,231) |
| Loss per share attributable to owners of the Company | | | |
| - Basic and diluted (Canadian cents) | 8 | (0.09) | (0.30) |

The accompanying notes are an integral part of these Consolidated Financial Statements.

Jayden Resources Inc.

Condensed Consolidated Interim Statements of Financial Position

| The Group | Notes | At March 31, 2013 \$ | At December 31, 2012 \$ |
|---|-------|----------------------------|-------------------------------|
| ASSETS AND LIABILITIES | | | |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 94,059 | 95,054 |
| Exploration and evaluation assets | 10 | 15,434,976 | 15,975,052 |
| Deposits | | 67,300 | 67,300 |
| | | 15,596,335 | 16,137,406 |
| Current assets | | | |
| Other receivables | | 22,515 | 30,510 |
| Prepaid expenses and deposits | | 369,676 | 384,231 |
| Amount due from a related company | 12 | 104,061 | 257,279 |
| Available-for-sale investments | 11 | 28,034 | 28,034 |
| Cash and cash equivalents | | 777,732 | 227,074 |
| | | 1,302,018 | 927,128 |
| Current liabilities | | | |
| Amounts due to related companies | 12 | 17,450 | 14,178 |
| Payables and accruals | | 221,324 | 171,021 |
| | | 238,774 | 185,199 |
| Net current assets | | 1,063,244 | 741,929 |
| Total assets less current liabilities | | 16,659,579 | 16,879,335 |
| Non-current liabilities | | | |
| Loans from a director | 13 | 1,015,872 | 1,015,872 |
| Net assets | | 15,643,707 | 15,863,463 |
| EQUITY | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | 14 | 41,050,815 | 41,050,815 |
| Reserves | | (25,407,108) | (25,187,352) |
| Total equity | | 15,643,707 | 15,863,463 |

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Approved on Behalf of the Board

"Lawrence Dick" Director
Lawrence Dick

"David Eaton" Director
David Eaton

Jayden Resources Inc.

Condensed Statements of Financial Position

| The Company | Notes | At March 31, 2013 | At December 31, 2012 |
|--|--------------|------------------------------|---------------------------------|
| | | \$ | \$ |
| ASSETS AND LIABILITIES | | | |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 7,191 | 7,673 |
| Interest in a subsidiary | | 9,577,427 | 9,577,427 |
| | | 9,584,618 | 9,585,100 |
| Current assets | | | |
| Other receivables | | - | 10,287 |
| Prepaid expenses and deposits | | 369,676 | 377,224 |
| Amount due from a related company | 12 | 104,061 | 257,279 |
| Available-for-sale investments | 11 | 28,034 | 28,034 |
| Cash and cash equivalents | | 180,343 | 207,229 |
| | | 682,114 | 880,053 |
| Current liabilities | | | |
| Payables and accruals | | 153,048 | 159,943 |
| | | 153,048 | 159,943 |
| Net current assets | | 529,066 | 720,110 |
| Total assets less current liabilities | | 10,113,684 | 10,305,210 |
| Non-current liabilities | | | |
| Loans from a director | 13 | 1,015,872 | 1,015,872 |
| Net assets | | 9,097,812 | 9,289,338 |
| EQUITY | | | |
| Share capital | 14 | 41,050,815 | 41,050,815 |
| Reserves | 15 | (31,953,003) | (31,761,477) |
| Total equity | | 9,097,812 | 9,289,338 |

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Jayden Resources Inc.

Condensed Consolidated Interim Statements of Changes in Equity

| | Amount | Share subscription received | Share-based compensation reserve | Fair value reserve for available-for- -sale investments | Accumulated losses | Total |
|---|------------|-----------------------------------|--|---|-----------------------|------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balances, January 1, 2012 | 41,050,815 | - | 1,634,083 | (25,231) | (25,387,216) | 17,272,451 |
| Increase in fair value of available-for-sale investments | - | - | - | 9,770 | - | 9,770 |
| Share-based compensation | - | - | 487,100 | - | - | 487,100 |
| Loss for the period | - | - | - | - | (756,001) | (756,001) |
| Balances, March 31, 2012 | 41,050,815 | - | 2,121,183 | (15,461) | (26,143,217) | 17,013,320 |
| Balances, January 1, 2013 | 41,050,815 | - | 2,048,233 | (44,515) | (27,191,070) | 15,863,463 |
| Loss for the period | - | - | - | - | (219,756) | (219,756) |
| Balances, March 31, 2013 | 41,050,815 | - | 2,048,233 | (44,515) | (27,410,826) | 15,643,707 |

* These reserve amounts comprise the consolidated reserves of \$25,407,108 (2011: \$24,037,495) in the condensed consolidated interim statements of financial position.

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Jayden Resources Inc.

Condensed Consolidated Interim Statements of Cash Flows

| | Notes | Three Months Ended March 31, | |
|---|-------|------------------------------|-----------|
| | | 2013 | 2012 |
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Loss for the period before income tax | | (219,756) | (756,001) |
| Adjustments for: | | | |
| Depreciation | 9 | 995 | 2,728 |
| Bank interest income | | (6,797) | (544) |
| Share-based payments | 16 | - | 487,100 |
| Operating loss before working capital changes | | (225,558) | (266,717) |
| Decrease in other receivables | | 7,995 | 14,549 |
| Decrease in prepaid expenses and deposits | | 14,555 | 34,909 |
| Decrease in amount due from a related company | | 153,218 | - |
| Increase/(decrease) in amounts due to related companies | | 3,272 | (2,937) |
| Decrease in payables and accruals | | (8,492) | (14,453) |
| Net cash used in operating activities | | (55,010) | (234,649) |
| Cash flows from investing activities | | | |
| Acquisition of available-for-sale investments | | - | - |
| Acquisition of exploration and evaluation assets | | (106,281) | (265,636) |
| British Columbia mineral exploration tax credits received | 10 | 705,152 | - |
| Interest received | | 6,797 | 544 |
| Net cash used in investing activities | | 605,668 | (265,092) |
| Cash flows from financing activities | | | |
| Net cash generated from financing activities | | - | - |
| Net (decrease)/increase in cash and cash equivalents | | 550,658 | (499,741) |
| Cash and cash equivalents at the beginning of the period | | 227,074 | 1,537,340 |
| Cash and cash equivalents at the end of the period | | 777,732 | 1,037,599 |
| Analysis of balances of cash and cash equivalents: | | | |
| Cash and bank balances | | 760,482 | 1,020,349 |
| Cashable guaranteed investment certificates | | 17,250 | 17,250 |
| | | 777,732 | 1,037,599 |

Supplementary cash flow information (note 18)

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Jayden Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2013

1. Nature of and continuance of operations

Jayden Resources Inc. (the "Company") was incorporated under the laws of the Province of British Columbia. On December 9, 2010, the Company's common shares ceased trading on the TSX Venture Exchange and began trading on the Toronto Stock Exchange ("TSE") under the symbol JDN. On August 8, 2012, the Company changed its place of jurisdiction and was registered in the Cayman Islands as an exempted company with limited liability by way of continuation. Its subsidiary, Jayden Resources (Canada) Inc. ("Jayden Canada") still remains a BC Company. The Company, together with its subsidiaries (collectively referred to as the "Group"), is principally engaged in the business of acquiring, exploring and developing interests in mining projects. To date, the Group has not generated revenues from its principal activities and is considered to be in the exploration stage.

The Group is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Group's continuing operations, and the recoverability of the amounts shown for mineral properties are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

The head office and principal address of the Company are located at Zephyr House, Mary Street, PO Box 709, Grand Cayman KY1-1107, Cayman Islands. The registered and records office are located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

2. Basis of Presentation

(a) Statement of compliance

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") on a basis consistent with the significant accounting policies disclosed in note 3 of the most recent annual consolidated financial statements as at and for the year ended December 31, 2012 as filed on SEDAR at www.sedar.com. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and were approved and authorized for issue by the Board of Directors on May 14, 2013.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for the financial instruments classified as available-for-sale investments which are stated at fair value. The measurement bases are fully described in the accounting policies.

(c) Functional and presentation currency

The condensed consolidated interim financial statements are presented in Canadian Dollars ("CDN\$"), which is the functional currency of the Company.

Jayden Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2013

2. Basis of presentation (continued)

(d) Critical accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations as of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Depreciation

The Group's management exercises its judgement in estimating the useful lives of the depreciable assets. The estimated useful lives reflect the management's estimate of the periods the Group intends to derive future economic benefits from the use of these assets. The Group depreciates its property, plant and equipment in accordance with the accounting policies stated in Note 3. The carrying amount of the property, plant and equipment is disclosed in Note 9.

Decommissioning and rehabilitation liabilities

Decommissioning and rehabilitation costs have been estimated based on the Group's interpretation of current regulatory requirements and have been measured at the net present value of expected future cash expenditure upon reclamation and closure. Such costs are capitalized as exploration and evaluation assets. Because the fair value measurement requires the input of subjective assumptions, including reclamation and closure costs, changes in subjective input assumptions can materially affect the fair value estimate. Based on the assessment, the Group did not have any significant decommissioning and rehabilitation liabilities at the reporting dates.

Critical judgements in applying the Group's accounting policies

The following is the critical judgement, apart from those involving estimations that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Recoverability of exploration and evaluation assets

When there are events or changes in the circumstances which indicate the carrying amount of the exploration and evaluation assets may not be recoverable, the Group will take into consideration of the recoverable amounts of the relevant cash generating unit ("CGU"). After taking into account the current economic environment, the management reviews the developing projects and exploration plans and confirms that there is no indicator for impairment on the exploration and evaluation assets of the Group at the reporting dates.

Jayden Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2013

2. Basis of Presentation (continued)

Impairment of available-for-sale investments

For available-for-sale investments, a significant or prolonged decline in fair value below its cost is considered to be objective evidence of impairment. Judgement is required when determining whether a decline in fair value has been significant and/or prolonged. In making this judgement, the historical data on market volatility as well as the price of the specific investment are taken into account. The Group also evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; whether the declines in fair value are significant or prolonged; and the financial health of and short-term business outlook for investee, including factors such as industry performance, operational and financing cash flow.

3. Changes in accounting policies

Adoption of new or amended IFRSs

The IASB has issued a number of new and revised IASs, IFRSs, amendments and related interpretations ("IFRICs") (hereinafter collectively referred to as the "new IFRSs") which were relevant to the Group and became effective during the year. The adoption of the new IFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2013. The following new standards, amendments and interpretations, that have been adopted in these interim financial statements, have had an effect on the Company's future results and financial position:

- IFRS 13 Fair Value Measurement

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

The adoption of IFRS 13 by the Company has had no material impact. The fair value of the available-for-sale investment has been determined directly by reference to published price quotations in an active market. Prior to adoption of IFRS 13 the Company measured the available for sale investment on the same basis.

- Amendment to IAS 1 Presentation of Financial Statements

The amendments to IAS 1 revised the presentation of other comprehensive income (OCI). Separate subtotals are required for items which may subsequently be recycled through profit or loss and items that will not be recycled through profit or loss. The Company has updated the presentation of OCI on the face of the Statement of Comprehensive Income.

Jayden Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2013

3. Changes in accounting policies (continued)

In addition, the following new or amended standards and interpretations that are mandatory for 2013 annual periods have not had a material impact on the Company:

- IFRS 7 Financial Instruments: Disclosures: Amendments – Offsetting Financial Assets and Financial Liabilities
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosures of Interests in Other Entities
- IAS 19 Employee Benefits (Amendments)
- IFRIC 20 Stripping Costs in the Production Phases of a

4. Segment information

The chief operating decision-maker has been identified as the Company's directors. The Group's principal activity is acquisition, exploration and development of mineral properties. The directors regard it as the single business segment and no segment information is presented. The Group did not derive any revenue from its principal activity during the years.

The geographical locations of the non-current assets are based on the physical locations of these assets. All non-current assets of the Group are located in Canada (domicile) and no geographical segment information is presented.

5. Revenue and other revenue and net income

The Group did not derive any revenue from its principal activity during the periods. Other revenue and net income recognized during the periods is as follows:

| | Three Months Ended March 31, | |
|----------------------|------------------------------|------|
| | 2013 | 2012 |
| | \$ | \$ |
| Other revenue | | |
| Bank interest income | 6,797 | 544 |
| | 6,797 | 544 |

Jayden Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2013

6. Administrative expenses

The administrative expenses for the Group are broken down as follows:

| | Three Months Ended March 31, | |
|-------------------------------------|------------------------------|----------------|
| | 2013 | 2012 |
| | \$ | \$ |
| Depreciation | 995 | 2,728 |
| Consultant fees | - | 500 |
| Corporate administration | 59,948 | 75,058 |
| Net foreign exchange loss/(gain) | (3,953) | 5,390 |
| Investor relations | 15,180 | 17,960 |
| Professional fees | - | 18,109 |
| Regulatory and shareholder services | 39,599 | 34,972 |
| Staff costs | | |
| - Salaries and others | 114,784 | 114,728 |
| - Share-based payments | - | 394,400 |
| | <u>114,784</u> | <u>509,128</u> |
| Share-based payments to consultants | - | 92,700 |
| | <u>226,553</u> | <u>756,545</u> |

7. Other operating expenses

The Group had no other operation expenses for the period ended March 31, 2013 and 2012.

8. Loss per share

The calculation of the basic loss per share for the periods is presented based on the following data:

| | Three Months Ended March 31, | |
|--|------------------------------|---------------|
| | 2013 | 2012 |
| Loss attributable to owners of the Company (\$) | (219,756) | (756,001) |
| Weighted average number of shares in issue during the year | 251,396,301 | 251,396,301 |
| Loss per share for loss attributable to owners of the Company during the year (CDN cents) | <u>(0.09)</u> | <u>(0.30)</u> |

Diluted loss per share for the three months ended March 31, 2013 and 2012 is same as basic loss per share as the impact of the exercise of the share options and warrants is anti-dilutive.

Jayden Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2013

9. Property, plant and equipment

| <u>The Group</u> | Computer equipment | Other equipment | Software | Building | Land | Total |
|---|-----------------------|--------------------|----------|----------|--------|----------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Cost | | | | | | |
| At January 1, 2012 | 6,652 | 28,396 | 4,145 | 59,100 | 36,138 | 134,431 |
| Impairment | - | (15,799) | - | - | - | (15,799) |
| At December 31, 2012 and March 31, 2013 | 6,652 | 12,597 | 4,145 | 59,100 | 36,138 | 118,632 |
| Accumulated depreciation and impairment losses | | | | | | |
| At January 1, 2012 | 998 | 16,593 | 4,145 | 5,723 | - | 27,459 |
| Charge for the period | 1,696 | 2,003 | - | 2,134 | - | 5,833 |
| Impairment | - | (9,714) | - | - | - | (9,714) |
| At December 31, 2012 | 2,694 | 8,882 | 4,145 | 7,857 | - | 23,578 |
| Charge for the period | 297 | 186 | - | 512 | - | 995 |
| At March 31, 2013 | 2,991 | 9,068 | 4,145 | 8,369 | - | 24,573 |
| Net book value | | | | | | |
| At January 1, 2012 | 5,654 | 11,803 | - | 53,377 | 36,138 | 106,972 |
| At December 31, 2012 | 3,958 | 3,715 | - | 51,243 | 36,138 | 95,054 |
| At March 31, 2013 | 3,661 | 3,529 | - | 50,731 | 36,138 | 94,059 |

| <u>The Company</u> | Computer equipment | Other equipment | Software | Total |
|---|-----------------------|-----------------|----------|----------|
| | \$ | \$ | \$ | \$ |
| Cost | | | | |
| At December 31, 2011 | 6,652 | 28,396 | 4,145 | 39,193 |
| Impairment | - | (15,799) | - | (15,799) |
| At December 31, 2012 and March 31, 2013 | 6,652 | 12,597 | 4,145 | 23,394 |
| Accumulated depreciation and impairment losses | | | | |
| At December 31, 2011 | 998 | 16,593 | 4,145 | 21,736 |
| Charge for the period | 1,696 | 2,003 | - | 3,699 |
| Impairment | - | (9,714) | - | (9,714) |
| At December 31, 2012 | 2,694 | 8,882 | 4,145 | 15,721 |
| Charge for the period | 297 | 186 | - | 483 |
| At March 31, 2013 | 2,991 | 9,068 | 4,145 | 16,204 |
| Net book value | | | | |
| At December 31, 2011 | 5,654 | 11,803 | - | 17,457 |
| At December 31, 2012 | 3,958 | 3,715 | - | 7,673 |
| At March 31, 2013 | 3,661 | 3,529 | - | 7,190 |

Jayden Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2013

10. Exploration and evaluation assets

The exploration and evaluation assets of the Group and the Company are comprised as follows:

| Mineral Properties Canada | The Group |
|---|------------|
| | \$ |
| At December 31, 2011 | 15,248,346 |
| Additions | 877,403 |
| British Columbia mineral exploration tax credit | (150,697) |
| At December 31, 2012 | 15,975,052 |
| Additions | 165,076 |
| British Columbia mineral exploration tax credit | (705,152) |
| At March 31, 2013 | 15,434,976 |

| <u>Canada</u> | Silver Coin and Kansas | Other | Total |
|---|---------------------------|--------|------------|
| | \$ | \$ | \$ |
| At December 31, 2011 | 15,225,945 | 22,401 | 15,248,346 |
| Surveying, geological, geochemical and geophysical | 363,336 | - | 363,336 |
| Exploratory drilling | 2,160 | - | 2,160 |
| Land maintenance | 3,865 | - | 3,865 |
| Sampling | 623 | - | 623 |
| Assessing technical feasibility and commercial viability | 507,419 | - | 507,419 |
| British Columbia mineral exploration tax credit | (150,697) | - | (150,697) |
| At December 31, 2012 | 15,952,651 | 22,401 | 15,975,052 |
| Surveying, geological, geochemical and geophysical | 97,547 | - | 97,547 |
| Land maintenance | 1,059 | - | 1,059 |
| Assessing technical feasibility and commercial viability | 66,470 | - | 66,470 |
| British Columbia mineral exploration tax credit | (705,152) | - | (705,152) |
| At March 31, 2013 | 15,412,575 | 22,401 | 15,434,976 |

(a) Silver Coin Property

In 2004, the Company entered into an option agreement with Mountain Boy Minerals Ltd. ("Mountain Boy") whereby the Company can acquire a 51% interest in Mountain Boy's 100% owned Silver Coin and 55% owned Dauntless projects as well as the 100% owned FR claims (collectively, the "Silver Coin Property") by spending \$1.75 million on exploration on the Silver Coin Property over a three year period (incurred). In 2006, the Company earned a 51% interest in the Silver Coin Property.

Jayden Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2013

10. Exploration and evaluation assets (continued)

In July 2009, the Company entered into an agreement with Mountain Boy to increase its ownership in the Silver Coin Property to 70% and to purchase land and buildings in Stewart, BC in return for a payment of \$440,000 (paid) of which \$340,000 was allocated to the Silver Coin property and \$100,000 to land and buildings inclusive of goods and services tax. The Company can further increase its ownership to 80% after spending \$4,000,000 on exploration and development expenditures on any or all of the Silver Coin Property and Kansas Property by July 2014. The agreement gives the Company the exclusive right to manage the project through feasibility and also to negotiate on behalf of both parties the sale of the Silver Coin Property and Kansas Property.

In September 2011, pursuant to this agreement the Company increased its ownership to 80% after spending \$4,000,000 on exploration and development expenditures on all of the Silver Coin Property and Kansas Property.

In September 2011, the Company entered into an asset purchase agreement with Nanika Resources Inc. ("Nanika") to acquire Nanika's 45% interest in mineral claims INDI 9-12 (collectively, the "INDI Claims") which are adjacent to and form part of the Company's Silver Coin Project. The consideration has been mutually agreed between the Company and Nanika, an independent third party, with reference to the market value of similar assets. The Company paid \$250,000 and issued 350,000 common shares of the Company, at a value of \$49,000, to complete the agreement. Legal costs of \$4,145 were incurred in the transaction. Nanika retains a 2% net smelter returns royalty on the INDI Claims which at any time the Company can buy-back for \$1,000,000 per each 1%.

In March 2012, the Company entered into an options agreement to acquire 100% interest in two mineral claims by paying \$60,000 by December 31, 2012. On December 12, 2012 the agreement's term was extended to June 30, 2013.

(b) Kansas Property

In 2004, the Company entered into an option agreement with Tenajon Resources Corp. ("Tenajon") whereby the Company earned a 60% interest in Tenajon's 100% owned Kansas Property by making a cash payment of \$50,000 (\$25,500 paid by the Company and \$24,500 paid by the joint venture partner Mountain Boy) on signing, issuing 77,000 common shares and spending \$1.0 million on exploration and development.

The Kansas Property adjoins the Silver Coin Property. The expenditures incurred on the Kansas Property are included in the Silver Coin Property expenditures and are eligible for the expenditures required for the Silver Coin Property. Pursuant to an option agreement entered into with Mountain Boy in 2004, Mountain Boy will be participating in the Kansas Property and earned a 49% interest in the Company's 60% interest by making a cash payment of \$24,500 upon the signing of the agreement and issuing to the Company 98,000 shares of Mountain Boy. If the Company elects to put the Kansas Property or any adjoining property into production, Mountain Boy would be reduced to owning 40% of the Company's interest.

In April 2008, the Company entered into a binding letter agreement whereby the Company purchased Tenajon's wholly owned subsidiary, 0781639 B.C. Ltd. which holds an undivided 40% ownership in the Kansas Property and a 100% ownership interest in the Summit Lake property (which the Company disposed of in 2009). Since 0781639 B.C. Ltd.'s only asset was mineral properties, it was not considered a business and the transaction was accounted for as an asset acquisition.

On closing the agreement, the Company issued to Tenajon 13,500,000 common shares at a value of \$2,430,000 and incurred related costs totalling \$165,000. The Company also issued 187,500 units with a value of \$37,500 in relation to this acquisition.

Jayden Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2013

10. Exploration and evaluation assets (continued)

The July 2009 agreement with Mountain Boy set the Company interest in the Kansas Property at 70% with Mountain Boy having the remaining 30%. The Company further increased its ownership to 80% after spending \$4,000,000 on exploration and development expenditures on the Silver Coin and Kansas properties.

11. Available-for-sale investments

The Group and the Company

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|--------------------------------------|---------------|-------------|-------------------|
| | | \$ | \$ |
| December 31, 2012 and March 31, 2013 | | | |
| Mountain Boy Minerals Ltd. | 300,975 | 140,844 | 10,534 |
| Great Bear Resources Ltd. | 500,000 | 57,500 | 17,500 |
| | | 198,344 | 28,034 |

The fair values of the above investments have been determined by reference to their quoted bid prices at the respective reporting dates.

12. Amounts due to related companies/a director

| The Group | Notes | At March 31, | At December 31, |
|--|-------|--------------|-----------------|
| | | 2013 | 2012 |
| | | \$ | \$ |
| Amount due from a related company | | | |
| - Baron Capital Limited | (1) | 104,061 | 257,279 |
| Amounts due to related companies/ directors | | | |
| - Robert Perry Consulting LLC | (2) | 16,459 | 14,156 |
| - Baron Global Financial Canada Ltd. | (3) | 992 | 22 |
| The Company | | At March 31, | At December 31, |
| | | 2013 | 2012 |
| | | \$ | \$ |
| Amount due from a related company | | | |
| - Baron Capital Limited | (1) | 104,061 | 257,279 |

The amounts due to related companies/ a director are unsecured, interest free and repayable on demand.

- (1) A director of Baron Capital Limited is a close family member of Ms. Letty Wan, a director of the Company.
- (2) Robert Perry Consulting LLC, a private company controlled by Robert Perry, a director of the Company.
- (3) Mr. David Arthur Eaton, director of the Company, is the managing director of Baron Global Financial Canada Ltd.

13. Loans from a director

As at March 31, 2013 and December 31, 2012, the amounts due are unsecured, interest-free and repayable in 2014.

Jayden Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2013

14. Share capital

| | Note | Common shares | |
|---|-------|--|------------|
| | | Number of shares | Amount |
| | | | \$ |
| Authorized: | | | |
| At December 31, 2012 and March 31, 2012 | | 5,000,000,000 shares with no par value | |
| Issued: | | | |
| At January 1, 2011 | | 183,152,268 | 29,658,044 |
| Shares issued on warrant exercise | | 67,894,033 | 11,343,771 |
| Shares issued for acquisition of exploration and evaluation assets | 12(a) | 350,000 | 49,000 |
| At December 31, 2011 and 2012 and March 31, 2013 | | 251,396,301 | 41,050,815 |

On 8 August 2012, the Company changed its place of jurisdiction and was registered as an exempted company with limited liability by way of continuation in the Cayman Islands. Concurrent with the continuation in the Cayman Islands and in accordance with the Articles, the authorized share capital of the Company was concurrently changed to 5,000,000,000 shares without par value, with an aggregate consideration for which such shares may be issued of C\$10,000,000,000.

15. Reserves

The Group

Details of the Group's reserves are set out in the consolidated statements of changes in equity.

| The Company | Share-based compensation reserve | Fair value reserve for available-for- -sale | | Accumulated losses | Total |
|---|--|---|--|-----------------------|--------------|
| | | investments | | | |
| | \$ | \$ | | \$ | \$ |
| At December 31, 2011 | 1,634,083 | (25,231) | | (31,486,248) | (29,877,396) |
| Share-based payments | 487,100 | - | | - | 487,100 |
| Lapse of share options | (72,950) | | | 72,950 | - |
| Transactions with owners | 414,150 | - | | 72,950 | 487,100 |
| Loss for the year | - | - | | (2,351,897) | (2,351,897) |
| Other comprehensive income | | | | | |
| Loss on change in fair value of available-for-sale investments | - | (19,284) | | - | (19,284) |
| Total comprehensive income for the year | - | (19,284) | | (2,351,897) | (2,371,181) |
| At December 31, 2012 | 2,048,233 | (44,515) | | (33,765,195) | (31,761,477) |
| Loss for the period | - | - | | (191,526) | (191,526) |
| At March 31, 2013 | 2,048,233 | (44,515) | | (33,956,721) | (31,953,003) |

Jayden Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2013

16. Share-based payments

The Company has a stock option plan whereby the maximum number of shares subject to the plan, in the aggregate, shall not exceed 10% of the Company's issued and outstanding shares. The maximum term of any option will be ten years and the vesting is at the direction of the board, however, options granted to consultants performing "investor relations' activities" must at a minimum vest in stages over a period of not less than twelve months, with no more than ¼ of the options vesting in any three month period or such longer period as the board determines. The exercise price shall be no less than the discount market price as determined in accordance with TSE policies.

Share options and weighted average exercise price for the respective years are as follows:

| | Three Months Ended March 31, 2013 | | Year ended December 31, 2012 | |
|--|--------------------------------------|--|---------------------------------|--|
| | Number | Weighted average exercise price \$ | Number | Weighted average exercise price \$ |
| Options outstanding, beginning of period | 17,520,000 | 0.19 | 12,755,000 | 0.20 |
| Granted | - | - | 5,250,000 | 0.15 |
| Expired | - | - | (85,000) | 0.40 |
| Forfeited | - | - | (400,000) | 0.20 |
| Options outstanding, end of period | <u>17,520,000</u> | 0.19 | <u>17,520,000</u> | 0.19 |
| Options exercisable, end of period | <u>17,520,000</u> | 0.19 | <u>17,520,000</u> | 0.19 |

The following table summarizes information about stock options outstanding and exercisable at March 31, 2013 and December 31, 2012.

| Options outstanding | | | Options exercisable | |
|---------------------|-----------------|----------------------|---------------------|----------------------|
| Number outstanding | Expiry date | Exercise price \$ | Number exercisable | Exercise price \$ |
| 20,000 | April 3, 2013 | 0.20 | 20,000 | 0.20 |
| 12,250,000 | June 2, 2015 | 0.20 | 12,250,000 | 0.20 |
| 5,250,000 | January 6, 2017 | 0.15 | 5,250,000 | 0.15 |
| <u>17,520,000</u> | | 0.19 | <u>17,520,000</u> | 0.19 |

All share-based compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the option other than by issuing the Company's shares.

No options were exercised during the period ended March 31, 2013 and the year ended December 31, 2012. The weighted average remaining contractual life of the stock options outstanding at March 31, 2012 is 2.65 years (December 31, 2012: 2.89 years). Subsequent to quarter-end 20,000 options expired unexercised.

Jayden Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2013

16. Share-based payments (continued)

During the three months ended March 31, 2013 and 2012, the Company recognized \$nil and \$487,100 respectively of share-based payments for share options granted. The Company used the Black-Scholes option pricing model to estimate the fair value of the options at the grant date using the following assumptions:

| | Three Months Ended March 31, | |
|------------------------------|---------------------------------|-----------------|
| | 2012 | 2012 |
| Date of grant | - | January 6, 2012 |
| Share price at grant date | - | \$0.12 |
| Risk free interest rate | - | 1.26% |
| Expected life in years | - | 5 |
| Expected volatility | - | 112% |
| Expected dividend per share | - | Nil |
| Fair value at grant date | - | \$0.12 |
| Exercise price at grant date | - | \$0.15 |

Option pricing models require the input of highly subjective assumptions regarding the expected volatility. Changes in assumptions can materially affect the fair value estimate, and therefore, in the opinion of the management, the existing models do not necessarily provide a realistic measure of fair value of the Company's stock options and warrants at the date of the grant or thereafter.

At March 31, 2013 and December 31, 2012 there are no full share equivalent warrants outstanding.

17. Related party transactions

(a) Related party expenses

In addition to the transactions and balances disclosed in Note 12 and elsewhere in these financial statements, the Group entered into the following material related party transactions during the following periods.

| Services provided for the three months ended March 31, 2013 | Management services | Consulting and advisory services | Rent and office expenses |
|---|---------------------|----------------------------------|--------------------------|
| | \$ | \$ | \$ |
| Baron Global Financial Canada Ltd. (1) | 19,500 | - | 10,500 |

| Services provided for the year ended December 31, 2012 | Management services | Consulting and advisory services | Rent and office expenses |
|--|---------------------|----------------------------------|--------------------------|
| | \$ | \$ | \$ |
| Baron Global Financial Canada Ltd. (1) | 78,000 | - | 42,000 |

(1) Mr. Herrick Lau Mong Tak and Mr. David Arthur Eaton, directors of the Company, are the managing director and chairman of Baron Global Financial Canada Ltd, respectively.

Jayden Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2013

17. Related party transactions (continued)

(b) Compensation of key management personnel

Key management personnel are the directors of the Company whose compensations included in staff costs comprised the following:

| | Three Months Ended March 31, | |
|---------------------------------|------------------------------|---------|
| | 2013 | 2012 |
| | \$ | \$ |
| Employees' remuneration summary | | |
| Salaries and others | 93,177 | 69,033 |
| Director's fees | - | 23,224 |
| Share-based payments | - | 357,280 |
| | 93,177 | 449,537 |

(c) During the year ended December 31, 2012, Letty Wan, an executive director of the Company, has provided a credit facility of up to approximately \$1,283,000 to the Group to support the funding of the Group. Any drawdown would be non-interest bearing and none of the Group's assets are pledged as security. The facility will be available until December 31, 2013.

18. Supplementary cash flow information

| | Three Months Ended March 31 | |
|---|-----------------------------|--------|
| | 2013 | 2012 |
| | \$ | \$ |
| Non-cash investing activities | | |
| Change in mineral property expenditures included in accounts payable | 58,795 | 27,983 |