

Jayden Resources Inc.

Financial Statements

For the years ended December 31,
2018 and 2017

Address: Suite 1980, 1075 West Georgia Street
Vancouver, British Columbia
V6E 3C9

Contact: Herrick Lau
Chief Financial Officer

Telephone number: (604) 688-9588

Fax number: (778) 329-9361

Email address: hlau@jaydenresources.com

Website: www.jaydenresources.com

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Management’s Responsibility

To the Shareholders of Jayden Resources Inc. (the “Company”):

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safe guarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board of Directors is also responsible for recommending the appointment of the Company’s external auditors.

MNP LLP is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

April 30, 2019

(signed)

David Eaton
CEO and director

(signed)

Herrick Lau
CFO

Independent Auditor's Report

To the Shareholders of Jayden Resources Corp.:

Opinion

We have audited the financial statements of Jayden Resources Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of income (loss), changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1b in the financial statements, which indicates that during the year ended December 31, 2018 and as of that date, the Company had negative cash flows of \$178,804 and accumulated deficit of \$34,164,068. As stated in Note 1b, these events or conditions, along with other matters as set forth in Note 1b, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Vancouver, British Columbia

April 30, 2019

MNP LLP

Chartered Professional Accountants

Jayden Resources Inc.
Statements of Income (Loss)
(Expressed in Canadian dollars)

	Notes	Years Ended December 31	
		2018	2017
		\$	\$
Expenses			
Administrative expenses	5	(156,809)	(228,235)
Impairment loss on project deposit		-	(14,000)
Operating loss for the year		(156,809)	(242,235)
Other income			
Interest income		192	6,358
Realized gain on sale of marketable securities		-	26,674
Net loss from continuing operations		(156,617)	(209,203)
Net loss from discontinued operation	4	(201,485)	(928,529)
Gain on sale of subsidiary	4	13,348,900	-
Net income (loss) before tax		12,990,798	(1,137,732)
Income tax recovery	10	860,678	
Net income (loss)		13,851,476	(1,137,732)
Earnings (loss) per share from continuing operation			
- Basic and diluted		(0.00)	(0.00)
Earnings (loss) per share from discontinued operation			
- Basic		0.15	(0.01)
- Diluted		0.14	(0.01)
Weighted average number of common shares outstanding			
- Basic		88,445,157	88,161,746
- Diluted		91,024,657	88,161,746

The accompanying notes are an integral part of these financial statements.

Jayden Resources Inc.
Statements of Financial Position
(Expressed in Canadian dollars)

As at	Notes	December 31, 2018 \$	December 31, 2017 \$
ASSETS			
Current assets			
Cash and cash equivalents		392,481	571,285
GST receivables		6,781	37,416
Prepaid expenses		20,966	17,540
Marketable securities	7	20,036,936	-
		20,457,164	626,241
Non-current assets			
Property, plant and equipment	6	-	78,024
Total Assets		20,457,164	704,265
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Bank indebtedness		-	79,556
Account payable and accrued liabilities		173,193	47,005
Total Liabilities		173,193	126,561
Shareholders' Equity			
Share capital	8	46,759,995	46,233,799
Reserves		7,688,044	2,359,449
Deficit		(34,164,068)	(48,015,544)
Total Equity		20,283,971	577,704
Total Liabilities and Shareholders' Equity		20,457,164	704,265

(Nature of operations and going concern – Note 1)

(Commitment – Note 14)

Approved on Behalf of the Board

"Denise Lok" Director

Denise Lok

"Savio Chiu" Director

Savio Chiu

The accompanying notes are an integral part of these financial statements.

Jayden Resources Inc.
Statements of Changes in Equity
(Expressed in Canadian dollars, except per share values)

	Number of issued shares	Share capital	Reserve		Accumulated losses	Total
			Share-based Payments Reserve	Fair value Reserve for Marketable Securities		
		\$	\$	\$	\$	\$
Balance - January 1, 2017	84,193,246	45,862,579	2,359,449	18,931	(46,891,812)	1,349,147
Warrant conversion (note 8)	3,968,500	371,220	-	-	-	371,220
Realize loss on disposal of investments	-	-	-	(18,931)	-	(18,931)
Loss for the year	-	-	-	-	(1,123,732)	(1,123,732)
Balance - December 31, 2017	88,161,746	46,233,799	2,359,449	-	(48,015,544)	577,704
Balance - January 1, 2018	88,161,746	46,233,799	2,359,449	-	(48,015,544)	577,704
Finders Warrant conversion	1,200,000	330,116	(186,116)	-	-	144,000
Warrant conversion (note 8)	1,634,000	196,080	-	-	-	196,080
Increase in fair value of investments (net of tax) (note 7)	-	-	-	5,514,711	-	5,514,711
Loss for the year	-	-	-	-	13,851,476	13,851,476
Balance - December 31, 2018	90,995,746	46,759,995	2,173,333	5,514,711	(34,164,068)	20,283,971

The accompanying notes are an integral part of these financial statements.

Jayden Resources Inc.
Statements of Cash Flows
(Expressed in Canadian dollars)

	Years Ended December 31,	
	2018	2017
	\$	\$
Cash flows from operating activities		
Net income (loss) for the year	13,851,476	(1,123,732)
Adjustments for:		
Bank interest income	(192)	(6,699)
Deferred tax recovery	(860,678)	-
Depreciation from discontinued operations (note 6)	(1,244)	1,718
Impairment loss on project deposit	-	14,000
Gain on sale of marketable securities	-	(26,674)
Gain on sale of subsidiary (note 4)	(13,348,900)	-
Operating loss before working capital changes	(359,538)	(1,141,387)
Decrease (increase) in GST receivable	30,635	(31,653)
Increase in prepaid expenses	(3,426)	(583)
Increase (decrease) in bank indebtedness	(79,556)	79,556
Increase in accounts payables and accrued liabilities	125,553	4,970
Net cash used in operating activities	(286,332)	(1,089,097)
Cash flows from investing activities		
Disposition of subsidiary, net of cash	(84,246)	-
Investment in deposits	-	(14,000)
Cash disposed from sale of subsidiary	(148,498)	-
Proceeds from selling marketable securities	-	30,604
Interest received	192	6,699
Net cash generated from investing activities	(232,552)	23,303
Cash flows from financing activities		
Proceeds from exercise of warrants (note 8)	340,080	371,220
Net cash generated from financing activities	340,080	371,220
Net decrease in cash	(178,804)	(694,574)
Cash and cash equivalents, beginning of the year	571,285	1,265,859
Cash and cash equivalents, end of the year	392,481	571,285

(Supplementary disclosure – Note 13)

(Sale of subsidiary for shares – Note 4)

The accompanying notes are an integral part of these financial statements.

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

1. Nature of operations and going concern

(a) Nature of operations

Jayden Resources Inc. (the "Company") was incorporated under the laws of the Province of British Columbia. On October 15, 2015, the Company's common shares ceased trading on the TSE and began trading on the TSX Venture Exchange 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") was disposed of during the year ended December 31, 2018, as such the financial statements have been deconsolidated (see note 4). The Company is principally engaged in the business of acquiring, exploring and developing interests in mining projects. To date, the Company has not generated revenues from its principal activities and is considered to be in the exploration stage.

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.

(b) Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operation, and do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

The Company has not generated any revenues and has incurred accumulated deficits of \$34,164,068 (2017: \$48,015,544) since inception. During the year ended December 31, 2018 the Company generated negative cash flows from operations of \$286,332 (2017: \$1,089,097). The Company is not expected to generate cash inflow from its operation during the next twelve months and therefore must rely on securing additional funds from either debt or equity financings for cash consideration. During the year ended December 31, 2018, the Company received net cash proceeds of \$340,080 (2017: \$371,220) pursuant to financing activities.

The continuation of the Company as a going concern is depend upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interest. The Company 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 Company'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. These matters and conditions, primarily as a result of the conditions described above, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern. If the going concern assumption is not appropriate, material adjustments to the financial statements could be required.

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

2. Basis of presentation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Boards ("IASB"), and interpretations of the International Financial Reporting Interpretations Committee. These financial statements were approved by the board of directors for issue on April 30, 2019.

(b) Basis of measurement

These financial statements have been prepared on a going concern basis, under the historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Critical accounting judgements, estimates and assumptions

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 Company 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:

Deferred taxes

The Company recognizes the deferred tax benefit related to deferred tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in the future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Critical judgments in applying the Company's accounting policies

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

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

2. Basis of presentation (continued)

(d) Critical accounting judgments, estimates and assumptions (continued)

Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the year ended December 31, 2018. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded the ultimate appropriateness of the use of accounting principles applicable to a going concern.

3. Significant accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term money market instruments with an original maturity of three months or less when acquired, which are readily convertible into a known amount of cash and which are subject to an insignificant risk of change in value. The cash and cash equivalents are mainly denominated in Canadian dollars and Hong Kong dollars. At December 31, 2018 and 2017, the cash and cash equivalents held by the Company comprised of bank balances and cashable guaranteed investment certificates ("GICs"). GICs are matured in one year and are eligible for immediate cancellation after a 30 day hold period with interest earned to the date of cancellation. The GICs earn respective interest prime – 2.60% and 0.9% per annum (2017- prime - 2.10% and 0.6% per annum).

(b) Interest income

Interest income from financial assets is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's carrying amount.

(c) Financing costs

The costs related to equity transactions are deferred until the closing of the equity transactions. These costs are accounted for as a deduction from equity. Transaction costs of abandoned equity transactions are recognized in profit or loss.

(d) Property, plant and equipment

Property, plant and equipment, other than land, is recorded at cost less accumulated depreciation. The cost of an item consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Depreciation is calculated using the declining balance method to write off the cost of asset, less the estimated residual value, at the following rates:

Computer equipment	30%
Other equipment	20%
Software	100%
Building	4%

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

Land is stated at acquisition cost less any impairment losses. Land is not depreciated.

The asset's residual values, depreciation method and useful lives are reviewed and adjusted if appropriate at each reporting date.

An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain and loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognize in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

(e) Exploration and evaluation assets

Exploration and evaluation expenses are comprised costs that are directly attributable to:

- Research and analyzing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods and;
- Activities in relation to evaluating the technical feasibility and commercially viability of extracting a mineral resource.

All exploration and evaluation expenditures are expensed until properties are determined to contain economically viable reserves. When economically viable reserves have been determined, technical feasibility has been determined and the decision to proceed with development has been approved, the subsequent costs incurred for the development of that project are capitalized as mining properties, a component of property, plant and equipment.

Development expenditures are net of the proceeds of the sale of ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access ore are capitalized as pre-production stripping costs are classified as mineral interest.

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

(f) Impairment of non-current assets

Property, plant and equipment and exploration and evaluation assets are assessed for impairment when events or circumstances indicate that the carrying amounts of the assets may not be recoverable. An impairment loss is recognized for any amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Value in use is determined as the present value of the estimated future pre-tax cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal. The Company reviews impairment on non-financial assets for possible reversal when events or circumstances warrant such consideration.

(g) Decommissioning and rehabilitation liabilities

Decommissioning and rehabilitation liabilities are recognized for future obligations to retire long-lived assets which include dismantling, removing facilities and restoring the affected areas to normal operations. The provision for future restoration costs is the best estimate of the present value of the cash flows required to settle the restoration obligation at the reporting date.

Upon initial recognition of the decommissioning and rehabilitation liability, the amount is capitalized to the carrying value of the related asset and amortized as an expense over the economic life of the asset. The liability increases in following periods as the accretion expenses are accounted for. The liability is adjusted annually for changes to factors such as expected amount of cash flows required to discharge the liability, the timing of such cash flows and the discount rate.

The Company did not have any significant decommissioning and restoration obligations at the reporting dates.

(h) Share-based payment transactions

The share option plan allows the Company employees (including directors and senior executives) and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit for a period recognized in profit or loss represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve. No expense is recognized for awards that do not ultimately vest.

At the time when the share options are exercised, the amount previously recognized in share option reserve is transferred to share capital. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in share option expenses is transferred to accumulated losses.

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

(h) Share-based payment transactions (continued)

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

The Company grants stock options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, which vest immediately and priced at the previous day's closing price.

(i) Warrants issued in equity financing transactions

The Company engages in equity financing transaction to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common share and a certain number of warrant. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction.

The carrying amount of the warrants that are part of units is determined based on any difference between gross proceeds and the estimated fair market value of the shares and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for agency fee or other transactions costs are accounted for as share-based payments.

(j) Earnings(loss) per share

Basic earnings (loss) per share is calculated by dividing the earnings (loss) for the year by the weighted average number of shares outstanding during the year. Diluted earnings (loss) per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted earnings (loss) per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year.

(k) Translation of foreign currencies

The functional and presentation currency of the Company is the Canadian dollar as this is the principal currency of the economic environment in which they operate. Transactions in foreign currencies (currencies other than Canadian dollars) are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of each reporting period. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

(l) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(n) Discontinued operation

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the Statements of Income (Loss) is represented in a format as if the operation had been discontinued from the start of the comparative period.

The Company presents the Net Income from Discontinued Operations as net amount on the Statements of Income (Loss).

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

(o) Recent accounting pronouncements and future changes in accounting standards

The Company did not adopt any new accounting standard changes or amendments in 2018 that had a material impact on the Company's financial statements. The following amendment was adopted by the Company for the year ended December 31, 2018:

IFRS 9 Financial instruments

IFRS 9 Financial Instruments replaced IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The Company adopted IFRS 9 using the modified retrospective approach where the cumulative impact of adoption will be recognized in retained earnings as of January 1, 2018 and comparatives will not be restated.

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

Amortized cost

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method.

Fair value through other comprehensive income ("FVTOCI")

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. This classification includes certain equity instruments where IFRS 9 allows an entity to make an irrevocable election to classify the equity instruments, on an instrument-by-instrument basis, that would otherwise be measured at fair value through profit or loss ("FVTPL") to present subsequent changes in FVTOCI.

Fair value through profit or loss ("FVTPL")

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. This category includes debt instruments whose cash flow characteristics are not SPPI or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell the financial asset.

Consistent with IAS 39, financial liabilities under IFRS 9 are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

The following table summarizes the classification of the Company's financial instruments under IAS 39 and IFRS 9:

	IAS 39 Classification	IFRS 9 Classification
Financial Assets		
Cash and cash equivalents	Loans and receivables	Amortized cost
Marketable securities	Available for sale	FVTOCI
Financial Liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The adoption of IFRS 9 did not have an impact on the Company's classification and measurement of financial assets and liabilities.

IFRS 9 uses an expected credit loss impairment model as opposed to an incurred credit loss model under IAS 39. The impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. The adoption of the new expected credit loss impairment model had no impact on the carrying amounts of financial assets at amortized cost.

Consistent with IAS 39, the financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Financial liabilities are derecognized when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

The Company has reviewed new accounting pronouncements that have been issued but are not yet effective. The Company will continue to evaluate the impact these standards will have on the financial statements when they are finalized. Currently the effect is expected to be immaterial. These standards include:

IFRS 9 Financial instruments (Amendment)

In October 2017, the International Accounting Standards Board (IASB) issued amendments to IFRS 9 Financial Instruments, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in November 2017, to address the classification of certain prepayable financial assets.

The amendments clarify that a financial asset that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature with negative compensation may be eligible to be measured at either amortized cost or fair value through other comprehensive income. This classification is subject to the assessment of the business model in which the particular financial asset is held as well as consideration of whether certain eligibility conditions are met. The amendments are effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted.

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017 (Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

IFRS 16 Leases

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning January 1, 2019.

4. Sale of Subsidiary

On October 26, 2018, the Company completed the sale of its subsidiary, Jayden Resources (Canada) Inc., to Ascot Resources Ltd., whereby the Company received 15,179,497 shares of Ascot Resources Ltd.

The results of the discontinued operation, which are presented as one net amount on the Statements of Income (Loss) during the periods are summarized below:

	Period from January 1, 2018 to October 26, 2018	Year ended December 31, 2017
	\$	\$
Revenue		
Interest income	759	342
Expenses		
Depreciation	1,244	1,718
Consulting fees	86,717	68,303
Corporate administration	47,994	128,142
Exploration costs	32,535	691,084
Investor relations	-	608
Professional fees	23,606	30,311
Regulatory and shareholder services	10,148	8,705
	202,244	928,871
Net income (loss) for the period from discontinued operation	(201,485)	(928,529)

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

4. Sale of Subsidiary (continued)

Cash flows used in Jayden Resources (Canada) Inc. included in the Statements of Cash Flows are detailed below:

	Period from January 1, 2018 to October 26, 2018	Year ended December 31, 2017
Cashflow from discontinued operations	(200,241)	(926,811)

As at October 26, 2018, the date of disposition, the net assets (liabilities) of Jayden Resources (Canada) Inc. was \$232,744, as detailed below:

Assets:		
Cash	\$	148,498
Accounts receivable		5,763
Prepaid expenses		5,500
Property, plant and equipment		76,780
Liabilities:		
Accounts payable		(3,797)
Net assets disposed	\$	232,744

During the year ended December 31, 2018, the Company recorded a gain on disposal of Jayden Resources (Canada) Inc. of \$13,348,900. The gain of disposal is net of tax of \$nil and net of costs related to the transaction of \$79,903. Jayden Resources (Canada) Inc. has been presented as a discontinued operation, separate from continuing operations, in the Statements of Income (Loss) during the years ended December 31, 2018 and 2017.

Sales proceeds received:	\$	13,661,547
Transaction costs:		(79,903)
Net sales proceeds	\$	13,581,644
Net assets disposed:		(232,744)
Gain on disposal of Jayden Resources (Canada) Inc.		\$13,348,900

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017 (Expressed in Canadian Dollars)

5. Administrative expenses

	Years Ended December 31,	
	2018	2017
	\$	\$
Consulting Fees	35,500	-
Corporate administration	30,322	96,004
Exploration costs	210	99,025
Investor relations	-	-
Professional fees	61,067	14,048
Regulatory and shareholder services	29,710	19,158
Impairment loss on project deposit	-	-
	<u>156,809</u>	<u>228,235</u>

6. Property, plant and equipment

	Computer equipment	Other equipment	Software	Building	Land	Total
	\$	\$	\$	\$	\$	\$
Cost						
As at December 31, 2016, and 2017	6,652	12,597	4,145	59,100	36,138	118,632
Disposition (note 4)				(40,642)	(36,138)	(76,780)
As at December 31, 2018	<u>6,652</u>	<u>12,597</u>	<u>4,145</u>	<u>18,458</u>	<u>-</u>	<u>41,852</u>
Accumulated depreciation						
As at December 31, 2017	6,652	12,597	4,145	17,214	-	40,608
Depreciation	-	-	-	1,244	-	1,244
As at December 31, 2018	<u>6,652</u>	<u>12,597</u>	<u>4,145</u>	<u>18,458</u>	<u>-</u>	<u>41,852</u>
Net book value						
As at December 31, 2017	-	-	-	41,886	36,138	78,024
As at December 31, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017 (Expressed in Canadian Dollars)

7. Marketable securities

	<u>Shares</u>	<u>2018</u>	<u>2017</u>
		\$	\$
Ascot Resources Ltd.	15,179,497	20,036,936	-

For the year ended December 31, 2018, the Company received 15,179,497 shares of Ascot Resources Ltd. (See note 4) with a carrying amount of \$13,661,547. As at December 31, 2018, the fair value of those Ascot shares was \$20,036,936 resulting in an unrealized gain of \$6,375,389 less deferred tax of \$860,678 which has been recorded in Reserve. (See note 15)

For the year ended December 31, 2017, the Company sold shares with a carrying amount of \$22,861 and received proceeds of \$30,604. The related fair value reserve for marketable securities of \$18,931 has been reclassified to profit and loss and a gain of \$26,674 has been recorded.

8. Share capital and stock options

(a) Share capital

The authorized share capital of the Company is 5,000,000,000 common shares without par value.

During the year ended December 31, 2018, 2,834,000 warrants were exercised resulting in \$340,080 proceeds raised. (See note 8c)

During the year ended December 31, 2017, 3,968,500 warrants were exercised resulting in \$371,220 proceeds raised. (See note 8c)

(b) Stock options

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.

Stock option transactions and the number of stock options outstanding and exercisable as at December 31, 2018 and 2017 are summarized as follows:

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017 (Expressed in Canadian Dollars)

8. Share capital and stock options (continued)

	Year ended December 31, 2018		Year ended December 31, 2017	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Options outstanding, beginning of the year	1,425,000	0.11	1,845,000	0.43
Expired	-	-	(420,000)	1.50
Options outstanding	1,425,000	0.11	1,425,000	0.11
Options exercisable	1,425,000	0.11	1,425,000	0.11

Options outstanding and exercisable		
Number outstanding	Expiry date	Exercise price \$
1,425,000	April 4, 2019	0.11

(c) Share purchase warrants

Share purchase warrant transactions and the number of share purchase warrants outstanding as at December 31, 2018 and 2017 are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price \$
Balance, December 31, 2016	23,500,000	0.11
Exercised During the Year	(3,968,500)	0.09
Expired During the Year	(3,800,000)	0.09
Balance, December 31, 2017	15,731,500	0.12
Exercised During the Year	(2,834,000)	0.12
Balance, December 31, 2018	12,897,500	0.12

Number outstanding	Expiry Date	Exercise price \$
12,897,500	September 30, 2019	0.12

During the year ended December 31, 2018, the warrant holders exercised 2,834,000 (2017: 3,968,500) warrants into common shares at the price of \$0.12 (2017: 3,500,000 at the price of \$0.09 and 468,500 at the price of \$0.12) which resulted in the issuance of 2,834,000 (2017: 3,968,500) common shares and proceeds of \$340,080 (2017: \$371,220).

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

9. Related party balances and transactions

Related party transactions

The Company entered into the following material related party transactions during the following periods:

<u>Services provided for the year ended December 31, 2018</u>	<u>Management services</u>
	\$
Baron Global Financial Canada Ltd. (1)	20,000

<u>Services provided for the year ended December 31, 2017</u>	<u>Management services</u>
	\$
Baron Global Financial Canada Ltd. (1)	60,000

(1) Mr. Herrick Lau Mong Tak, officer of the Company, is the managing director of Baron Global Financial Canada Ltd.

10. Income Taxes

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statements of operations and comprehensive loss for the years ended December 31, 2018 and 2017:

	2018	2017
	\$	\$
Income (loss) before taxes	(156,617)	(209,203)
Statutory tax rate	27%	26%
Expected income tax (recovery)	(42,287)	(54,393)
Non-deductible expenses (non-taxable income)	926	(3,468)
Change in unrecognized deferred tax assets	(819,317)	57,861
Total income tax expense (recovery)	(860,678)	-
Current tax expense (recovery)	(860,678)	-
Deferred tax expense (recovery)	-	-
	(860,678)	-

The statutory tax rate increased from 26% to 27% as a result of the increase to the BC corporate tax rate on January 1, 2018.

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their corresponding values for tax purposes. Details of deferred tax assets (liabilities) as at December 31, 2018 and 2017 are as follows:

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

10. Income Taxes (continued)

	2018	2017
	\$	\$
Non-capital losses carry-forwards	-	152
Unrealized foreign exchange gain	-	(152)
Capital losses carry-forwards	860,678	-
Marketable Security	(860,678)	-
Net deferred tax assets (liabilities)	-	-

The unrecognized deductible temporary differences at December 31, 2018 and 2017 are as follows:

	2018	2017
	\$	\$
Mineral property	99,025	99,025
Non-capital losses	472,567	257,469
Unrealized foreign exchange loss	800	-
Financing cost	112,847	169,270
Capital losses	276,322	562
Total unrecognized deductible temporary differences	961,561	526,326

As at December 31, 2018, the Company has not recognized a deferred tax asset in respect of non-capital loss carryforwards of approximately \$472,567 (2017: \$257,469) which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

Expires in:	\$
2036	85,882
2037	178,036
2038	208,649
Total	472,567

The deferred tax assets have not been recognized at this stage of the Company's development, as it is not probable that future taxable profit will be available against which the Company can utilize such deferred tax assets.

11. Financial instruments

The Company is exposed to financial risks through its use of financial instruments in its ordinary course of operations. The financial risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors meets regularly and co-operates closely with key management to identify and evaluate risks and to formulate strategies to manage financial risks. The Company has not used any derivatives or other instruments for hedging purposes and does not hold or issue derivative financial instruments for trading purposes. The most significant risks to which the Company is exposed to are described below.

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

11. Financial instruments (continued)

(i) Currency risk

Some of the operating expenses and cash and cash equivalents held are denominated in foreign currencies and as such are subject to currency risk. The Company does not enter into derivative financial instruments to mitigate this risk but the Company does not believe its net exposure to foreign exchange risk is significant as most funds are held by the Company in Canadian dollars.

(ii) Credit risk

The Company's cash and cash equivalents are held in authorized Canadian and Hong Kong financial institutions. Management believes that the credit risk concentration with respect to its financial instruments is minimal. The Company adopts conservative investment strategies. Usually investments are in liquid securities quoted on recognized stock exchanges. No margin trading is allowed. Loans and financial guarantees have to be approved by the board of directors. The board monitors the Company's overall investment position and exposure on a day to day basis. The credit and investment policies have been followed by the Company since prior years and are considered to have been effective in limiting the Company's exposure to credit risk to a desirable level.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash at banks and cash equivalents carried at floating interest rates with reference to the market and non-interest bearing director's loans. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered minimal. The Company has no interest bearing borrowings.

The policies to manage interest rate risk have been followed by the Company since prior years and are considered to be effective.

(iv) Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the board of directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The liquidity policies have been followed by the Company since prior years and are considered to have been effective in managing liquidity risk.

(v) Fair value measurements

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets. The fair value hierarchy has the following three levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset that are not based on observable market data (unobservable inputs).

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

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11. Financial instruments (continued)

The level in the fair value hierarchy within which the financial asset is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The cash and cash equivalents and marketable securities are grouped into level 1 as at December 31, 2018 and 2017.

There have been no significant transfers between levels 1 and 2 in the respective reporting periods. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

Financial instruments that are not measured at fair value on the balance sheet are represented by amounts due to related parties, accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to their short-term nature.

12. Capital risk management

The Company's capital management objectives are to insure the Company's ability to continue as a going concern so as to benefit from its operations to provide an adequate return for its shareholders.

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties. The Company defines capital that it manages as its shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.

13. Supplementary cash flow information

	Years Ended December 31,	
	2018	2017
	\$	\$
Non-cash Financing activities		
Issuance of shares through exercise of Finder's warrants	186,116	-

Jayden Resources Inc.

Notes to the Financial Statements for the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

14. Subsequent events

On January 31, 2019, the Company distributed to its shareholders, by way of a dividend (the "**Dividend**"), 0.1668155 of a common share of Ascot Resources Ltd. for each common share of Jayden. The Dividend is based on the 15,179,497 Ascot Shares received for Jayden's Silver Coin Property divided by Jayden's current 90,995,746 issued and outstanding common shares. Jayden paid shareholders who were U.S. Persons a cash amount calculated by reference to the fair market value on the distribution date of the Ascot Shares which would otherwise be distributed to such shareholders.

On April 4, 2019, 1,425,000 stock options expired unexercised.