

# **Jayden Resources Inc.**

## **Financial Statements**

Three Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited)

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

The accompanying unaudited condensed interim financial statements of Jayden Resources Inc. for the three months ended March 31, 2021 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 condensed interim financial statements, they must be accompanied by a notice indication that an auditor has not reviewed the condensed interim financial statements.

The accompanying unaudited condensed 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 condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the condensed interim financial statements by an entity's auditor.

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

	Notes	Three Months Ended March 31	
		2021	2020
<b>Expenses</b>			
Administrative expenses	4	\$ (102,463)	\$ (26,156)
Operating loss for the period		(102,463)	(26,156)
<b>Other income (loss)</b>			
Interest income		-	165
Other income (loss) for the period		-	165
<b>Net income (loss)</b>		<b>\$ (102,463)</b>	<b>\$ (25,991)</b>
<b>Loss per share</b>			
- Basic and diluted		\$ (0.00)	\$ (0.00)
<b>Weighted average number of common shares outstanding</b>			
- Basic and diluted		103,782,413	90,995,746

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

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

As at	Notes	March 31, 2020	December 31, 2020
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		410,301	344,820
GST receivables		7,467	4,840
Prepaid expenses		5,467	409
		423,235	350,069
<b>Non-current assets</b>			
Exploration and evaluation assets	5	27,200	-
		27,200	-
<b>Total Assets</b>		<b>450,435</b>	<b>350,069</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities</b>			
Account payable and accrued liabilities		155,046	77,217
<b>Total Liabilities</b>		<b>155,046</b>	<b>77,217</b>
<b>Shareholders' Equity</b>			
Share capital	6	47,429,195	47,304,195
Reserves		2,173,333	2,173,333
Deficit		(49,307,139)	(49,204,676)
<b>Total equity</b>		<b>295,389</b>	<b>272,852</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>450,435</b>	<b>350,069</b>

*(Nature of operations and going concern – Note 1)*

**Approved on Behalf of the Board**

"Denise Lok" Director  
Denise Lok

"Queenie Kuang" Director  
Queenie Kuang

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)**  
**(Unaudited)**

	Number of issued shares	Share capital	Reserve		Accumulated losses	Total
			Share-based payments reserve	Fair value reserve for marketable Securities		
<b>Balances, January 1, 2020</b>	90,995,746	\$ 46,759,995	\$ 2,173,333	\$ -	\$ (48,985,712)	\$ (52,384)
Loss for the period	-	-	-	-	(25,991)	(25,991)
<b>Balances, March 31, 2020</b>	90,995,746	46,759,995	2,173,333	-	(49,011,703)	(78,375)
<b>Balances, January 1, 2021</b>	101,615,746	47,304,195	2,173,333	-	(49,204,676)	272,852
Private placement	2,500,000	125,000	-	-	-	125,000
Loss for the period	-	-	-	-	(102,463)	(102,463)
<b>Balances, March 31, 2021</b>	104,115,746	47,429,195	2,173,333	-	(49,307,139)	295,389

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

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

	Three Months Ended March 31,	
	2020	2019
	\$	\$
<b>Cash flows from operating activities</b>		
Loss for the period	(102,463)	(25,991)
Adjustments for:		
Bank interest income	-	(165)
Operating loss before working capital changes	(102,463)	(26,156)
Increase in GST receivable	(2,627)	(1,173)
Increase in prepaid expenses	(5,058)	(5,328)
Increase in accounts payables and accrued liabilities	77,829	562
Net cash provided by (used in) operating activities	(32,319)	(32,095)
<b>Cash flows from investing activities</b>		
Exploration and evaluation assets	(27,200)	-
Interest received	-	165
Net cash provided by (used in) investing activities	(27,200)	165
<b>Cash flows from financing activities</b>		
Proceeds from private placements	125,000	-
Net cash provided by financing activities	125,000	-
<b>Net increase in cash</b>	65,481	(31,930)
Cash and cash equivalents, beginning of the period	344,820	51,193
Cash and cash equivalents, end of the period	410,301	19,263

*(Supplementary disclosure – Note 12)*

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

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# Jayden Resources Inc.

## Notes to the Financial Statements

### For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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#### 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 in 2018 (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 2250, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9.

##### (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 \$49,307,139 (2020: \$49,204,676) since inception. During the period ended March 31, 2021 the Company generated negative cash flows from operations of \$32,319 (2020: \$32,095). 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.

The continuation of the Company as a going concern is dependent 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's continuing operations 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.

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# Jayden Resources Inc.

## Notes to the Financial Statements

### For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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## 2. Basis of presentation

### (a) Statement of compliance

These unaudited condensed interim 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 May 26, 2021.

### (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.

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# Jayden Resources Inc.

## Notes to the Financial Statements

### For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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#### 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 period ended March 31, 2021. 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.

###### *COVID-19*

Given the ongoing and dynamic nature of the circumstances surrounding the COVID-19 pandemic, it is difficult to predict how significant the impact of COVID-19, including any responses to it, will be on the global economy and the business of the Company or for how long any disruptions are likely to continue. The extent of such impact will depend on future developments, which are highly uncertain, rapidly evolving and difficult to predict, including new information which may emerge about COVID-19 and additional actions which may be taken to contain it. Such developments could have a material adverse effect on the Company's business, financial condition, results of operations and cash flow, and exposure to credit risk.

The Company is constantly evaluating the situation and monitoring any impacts or potential impacts to its business.

#### 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 US dollars. At March 31, 2021 and December 31, 2020, the cash and cash equivalents held by the Company comprised of bank balances.

##### (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.

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# Jayden Resources Inc.

## Notes to the Financial Statements

### For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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#### 3. Significant accounting policies (continued)

##### (d) Exploration and evaluation assets

The Company's exploration and evaluation assets are intangible assets relating to mineral rights acquired and exploration and valuation expenditure capitalized in respect of projects that are at the exploration/predevelopment stage.

Exploration and evaluation expenditure related to an area of interest where the Company has tenure are capitalized on initial recognition at cost. Exploration and evaluation assets are subsequently stated at cost less any accumulated impairment losses and are not amortized. These assets are transferred to mine development assets in property, plant and equipment upon the commencement of mine development.

Exploration and evaluation expenditure in the relevant area of interest comprises costs which are directly attributable to:

- Acquisition;
- Surveying, geological, geochemical and geophysical;
- Exploratory drilling;
- Land maintenance;
- Sampling; and
- Assessing technical feasibility and commercial viability.

Exploration and evaluation expenditure also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalized costs, including general and administrative costs, are only allocated to the extent that those costs can be related directly to operation activities in the relevant area of interest. Proceeds received from government assistances in a property will be credited against the carrying value of the property, with any excess included in operations for the period.

The carrying amount of the exploration and evaluation assets is reviewed whenever events or changes in circumstances indicate the recoverable value may be less than the carrying amount. Recoverable value determinations are based on management's estimates of discounted future net cash flows expected to be recovered from specific assets or groups of assets through use or future disposition. An impairment loss is recognized in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

##### (e) 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.

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# Jayden Resources Inc.

## Notes to the Financial Statements

### For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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#### 3. Significant accounting policies (continued)

(e) Share-based payment transactions (continued)

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.

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.

(f) 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.

(g) 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.

(h) 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.

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# Jayden Resources Inc.

## Notes to the Financial Statements

### For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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### 3. Significant accounting policies (continued)

#### (i) 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.

#### (j) 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.

#### (k) Financial Instruments

##### *Financial assets*

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. 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.

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# Jayden Resources Inc.

## Notes to the Financial Statements

### For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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### 3. Significant accounting policies (continued)

#### (k) Financial Instruments (continued)

- 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. The Company's financial asset classified as amortized costs includes cash and cash equivalents.

- 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.

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than debt instruments measured at fair value through profit or loss and equity investments. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

#### *Financial liabilities*

The Company's financial liabilities are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost. The Company's financial liabilities classified as amortized costs include accounts payable and accrued liabilities.

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

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**Jayden Resources Inc.**  
**Notes to the Financial Statements**  
**For the three months ended March 31, 2021 and 2020**  
(Unaudited - Expressed in Canadian Dollars)

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**3. Significant accounting policies (continued)**

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

The Company did not adopt any new accounting standard changes or amendments in 2021 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, 2020:

IFRS 3 Business Combinations (Amendment)

In October 2018, the International Accounting Standards Board (IASB) issued amendments to IFRS 3, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in December 2018. The amendments clarify the definition of a business, permitting a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of IFRS 3 (Amendment) does not have material impact on the Company's financial statements for the year ended December 31, 2020.

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.

**4. Administrative expenses**

	Three Months Ended	
	March 31	
	2021	2020
	\$	\$
Consulting Fees	42,000	15,000
Corporate administration	36,242	3,478
Net foreign exchange gain loss	38	(18)
Professional fees	5,494	1,814
Regulatory and shareholder services	18,689	5,882
	<u>102,463</u>	<u>26,156</u>

**Jayden Resources Inc.**  
**Notes to the Financial Statements**  
**For the three months ended March 31, 2021 and 2020**  
(Unaudited - Expressed in Canadian Dollars)

**5. Exploration and evaluation assets**

The Company has entered into a property option agreement (the "Agreement") with Teuton Resources Corp. ("Teuton") for the acquisition of the Harry and Outland Silver Bar properties (the "Property") on September 4, 2020. Pursuant to the terms of the Agreement, the Company may acquire an initial 55% interest in the Property by making the following:

<b>Date</b>	<b>Cash</b>	<b>Expenditures</b>
Upon signing (paid)	\$ 25,000	\$ -
First anniversary of the effective date	30,000	100,000
Second anniversary of the effective date	35,000	250,000
Third anniversary of the effective date	40,000	300,000
Fourth anniversary of the effective date	50,000	500,000
Fifth anniversary of the effective date	-	850,000
	<u>\$ 180,000</u>	<u>\$ 2,000,000</u>

An additional 20% interest in the Property can be acquired by Jayden taking the Property into commercial production on or before January 12, 2036. Teuton will retain a 2% net smelter royalty on the Property. The Company has received final acceptance from the TSX Venture Exchange and the first payment of \$25,000 was paid on January 15, 2021.

The schedule below outlines the costs incurred on the Property as at March 31, 2021:

	<b>As at December 31 2020</b>	<b>Additions/ (Writedowns)</b>	<b>As at March 31 2021</b>
	\$	\$	\$
<b>Acquisition</b>			
Acquisition costs	-	25,000	25,000
	-	25,000	25,000
	<b>Cumulative to December 31, 2020</b>	<b>Expenditures during the period</b>	<b>Cumulative to March 31, 2021</b>
<b>Exploration and evaluation expenditures</b>	\$	\$	\$
Geological consulting	-	2,200	2,200
Total exploration and evaluation expenditures	-	2,200	2,200

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# Jayden Resources Inc.

## Notes to the Financial Statements

### For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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#### 6. 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.

##### **Fiscal 2021**

On January 12, 2021, the Company had closed the second tranche of the Offering (as defined below) for gross proceeds of \$125,000 by issuing 2,500,000 units of the Company at a price of \$0.05 per unit. Each unit consisted of one common share of the Company and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional share of the Company at a price of \$0.07 per warrant share until January 12, 2023. No finder's fees or commissions were paid in relation to the Offering.

##### **Fiscal 2020**

On November 5, 2020, the Company issued 9,300,000 units of the Company at a price of \$0.05 per unit for gross proceeds of \$465,000 for the first tranche of private placement ("Offering"). Each unit consisted of one common share of the Company and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional share of the Company at a price of \$0.07 per warrant share until November 5, 2022. No finder's fees or commissions were paid in relation to the Offering.

During the year ended December 31, 2020, the Company also settled debt owing to its creditors in the amount of \$65,352. The Company issued an aggregate of 1,320,000 common shares of the Company at a value of \$0.06 per share in settlement of the debt. The debt has been completely satisfied and extinguished upon the issuance of the shares. The Company recognized a loss of \$13,848 at the time of the settlement.

##### (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.

There were no stock option transactions for the period ended March 31, 2021.

There were no stock option transactions for the year ended December 31, 2020

The Company had no stock options outstanding as at March 31, 2021 and December 31, 2020.

**Jayden Resources Inc.**  
**Notes to the Financial Statements**  
**For the three months ended March 31, 2021 and 2020**  
(Unaudited - Expressed in Canadian Dollars)

**6. Share capital and stock options (continued)**

(c) Share purchase warrants

Share purchase warrant transactions and the number of share purchase warrants outstanding as at March 31, 2021, and December 31, 2020 are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date	Remaining Life
<b>Balance, December 31, 2019</b>	-	\$ -		
Granted During the Year	9,300,000	\$ 0.07	November 5, 2022	1.60 years
<b>Balance, December 31, 2020</b>	9,300,000	\$ 0.07		
Granted During the Year	2,500,000	\$ 0.07	January 12, 2023	1.79 years
<b>Balance, March 31, 2021</b>	11,800,000	\$ 0.07		1.64 years

**7. Related party balances and transactions**

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

	Notes	Three Months Ended	
		March 31, 2021	March 31, 2020
		\$	\$
<b>Management services provided by</b>			
- Baron Global Financial Canada Ltd.	(1)	30,000	-
- David Eaton	(2)	24,000	-

The following table outlines the Company's related party payables:

	Notes	As at	
		March 31, 2021	December 31, 2020
		\$	\$
<b>Amounts due to related companies/ directors</b>			
- Baron Global Financial Canada Ltd.	(1)	31,957	-
- David Eaton	(2)	107,450	75,600
- Denise Lok	(3)	2,317	-

- (1) Baron Global Financial Canada Ltd provided CFO and corporate advisory services.  
(2) Mr. David Eaton, officer of the Company, provided CEO services.  
(3) Ms. Denise Lok serves on the Company's Board of Directors and Audit Committee.

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# Jayden Resources Inc.

## Notes to the Financial Statements

### For the three months ended March 31, 2021 and 2020

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#### 8. 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.

##### (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 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.

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# Jayden Resources Inc.

## Notes to the Financial Statements

### For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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#### 8. Financial instruments (continued)

##### (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).

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 marketable securities are grouped into level 1 as at December 31, 2020 and 2019.

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 cash and cash equivalents and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to their short-term nature.

#### 9. Capital risk management

The Company's capital management objectives are to ensure 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 Company has historically relied on the equity markets to fund the acquisition, exploration and development of mineral properties. 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.

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**Jayden Resources Inc.**  
**Notes to the Financial Statements**  
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**10. Commitments**

Refer to Note 5.

**11. Supplementary cash flow information**

During the periods ended March 31, 2021 and March 31, 2020, there were no non-cash financing activities transactions.

**12. Subsequent events**

On February 17, 2021, the Company entered into a property option agreement with three arm's length vendors (the "Optionors") to acquire a 100% interest in the Storm Lake Gold Property located in the Frotet-Evans Greenstone Belt in central Quebec. Under the terms of the agreement, the Company can acquire a 100% interest in the Storm Lake Gold Property by making cash and share payments to the Optionors totaling \$750,000 and 19,800,000 common shares respectively. Upon TSXV approval of the transaction (the "Effective Date"), the Company will pay \$200,000 and issue 6,600,000 shares to the Optionors. On the nine (9) month anniversary of the Effective Date an additional 6,600,000 shares will be issued. On the fifteen (15) month anniversary of the Effective Date an additional \$300,000 and 6,600,000 shares; and on the thirty (30) month anniversary of the Effective Date a further \$250,000.