

**Jayden Resources Inc.**  
**Unaudited Interim Condensed**  
**Consolidated Financial Statements**  
For the three months ended March 31,  
2023 and 2022

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

The accompanying unaudited interim condensed consolidated financial statements of Jayden Resources Inc. for the three months ended March 31, 2023 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

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

**Jayden Resources Inc.**  
**Interim Condensed Consolidated Statements of Loss**  
**For the three months ended March 31, 2023 and 2022**  
**(Unaudited – Expressed in Canadian dollars)**

|   | Notes | Three Months Ended March 31, |                  |
|---|-------|------------------------------|------------------|
|   |       | 2023                         | 2022             |
| <b>Expenses</b>   |       |                              |                  |
| Administrative expenses                                     | 4     | \$ (129,899)                 | \$ (152,525)     |
| <b>Other income (loss)</b>                                  |       |                              |                  |
| Unrealized gain on marketable securities                    | 5     | 7,500                        | 187,500          |
| Other income for the period                                 |       | 7,500                        | 187,500          |
| <b>Loss from continuing operations</b>                      |       | <b>\$ (122,399)</b>          | <b>\$ 34,975</b> |
| Extraordinary loss  | 9     | (544,000)                    | -                |
| <b>Net loss</b>   |       | <b>\$ (666,399)</b>          | <b>\$ 34,975</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   |       | 58,517,849                   | 48,560,402       |

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

# Jayden Resources Inc.

## Interim Condensed Consolidated Statements of Financial Position As at March 31, 2023 and December 31, 2022 (Unaudited - Expressed in Canadian dollars)

|   | Notes | March 31,<br>2023<br>\$ | December 31,<br>2022<br>\$ |
|---|-------|-------------------------|----------------------------|
| <b>ASSETS</b>                                     |       |                         |                            |
| <b>Current assets</b>                             |       |                         |                            |
| Cash and cash equivalents                         |       | 275,660                 | 271,180                    |
| GST and QST receivables                           |       | 347,153                 | 364,644                    |
| Tax credit receivables                            |       | -                       | 899,835                    |
| Subscription receivables                          |       | -                       | -                          |
| Prepaid expenses                                  |       | 3,150                   | 11,374                     |
| Marketable securities                             | 5     | 142,500                 | 135,000                    |
|   |       | 768,463                 | 1,682,033                  |
| <b>Non-current assets</b>                         |       |                         |                            |
| Exploration and evaluation assets                 | 6     | 7,330,538               | 7,291,096                  |
|   |       | 7,330,538               | 7,291,096                  |
| <b>Total Assets</b>                               |       | <b>8,099,001</b>        | <b>8,973,129</b>           |
| <b>Liabilities and Shareholders' Equity</b>       |       |                         |                            |
| <b>Current liabilities</b>                        |       |                         |                            |
| Account payable and accrued liabilities           | 8     | 133,293                 | 341,022                    |
| <b>Total Liabilities</b>                          |       | <b>133,293</b>          | <b>341,022</b>             |
| <b>Shareholders' Equity</b>                       |       |                         |                            |
| Share capital                                     | 7     | 56,531,433              | 56,531,433                 |
| Reserves  |       | 2,315,132               | 2,315,132                  |
| Accumulated deficit                               |       | (50,880,857)            | (50,214,458)               |
| <b>Total equity</b>                               |       | <b>7,965,708</b>        | <b>8,632,107</b>           |
| <b>Total Liabilities and Shareholders' Equity</b> |       | <b>8,099,001</b>        | <b>8,973,129</b>           |

(Nature of operations and going concern – Note 1)

(Commitments – Note 12)

(Subsequent events – Note 14)

### 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 interim condensed consolidated financial statements.

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## Jayden Resources Inc.

### Interim Condensed Consolidated Statements of Changes in Equity

For the three months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars, except per share values)

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|                                  | Number of<br>issued<br>shares | Share<br>capital | Share-based<br>payments<br>reserve | Accumulated<br>deficit | Total     |
|----------------------------------|-------------------------------|------------------|------------------------------------|------------------------|-----------|
|                                  |                               | \$               | \$                                 | \$                     | \$        |
| <b>Balances, January 1, 2022</b> | 48,560,402                    | 54,685,816       | 2,315,132                          | (49,557,740)           | 7,443,208 |
| Loss for the year                | -                             | -                | -                                  | 34,975                 | 34,975    |
| <b>Balances, March 31, 2022</b>  | 48,560,402                    | 54,685,816       | 2,315,132                          | (49,522,765)           | 7,478,183 |
| <b>Balances, January 1, 2023</b> | 58,517,849                    | 56,531,433       | 2,315,132                          | (50,214,458)           | 8,632,107 |
| Loss for the year                | -                             | -                | -                                  | (666,399)              | (666,399) |
| <b>Balances, March 31, 2023</b>  | 58,517,849                    | 56,531,433       | 2,315,132                          | (50,880,857)           | 7,965,708 |

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

# Jayden Resources Inc.

## Interim Condensed Consolidated Statements of Cash Flows For the three months ended March 31, 2023 and 2022 (Unaudited - Expressed in Canadian dollars)

|  | Three Months Ended March 31, |             |
|--|------------------------------|-------------|
|  | 2023                         | 2022        |
|  | \$                           | \$          |
| <b>Cash flows from operating activities</b>                      |                              |             |
| Net loss before extraordinary items for the period               | (122,399)                    | 34,975      |
| Adjustments for:   |                              |             |
| Interest income  | 50                           | -           |
| Unrealised loss (gain) on marketable securities                  | (7,500)                      | (187,500)   |
| Extraordinary loss   | (544,000)                    | -           |
| Operating loss before working capital changes                    | (673,849)                    | (152,525)   |
| Decrease (increase) in GST and QST receivables                   | 17,491                       | (5,277)     |
| Decrease in tax credit receivables                               | 899,785                      | -           |
| Decrease in prepaid expenses                                     | 8,224                        | 1,125       |
| Increase (decrease) in accounts payables and accrued liabilities | (207,729)                    | (1,618,297) |
| Net cash provided by (used in) operating activities              | 43,922                       | (1,774,974) |
| <b>Cash flows from investing activities</b>                      |                              |             |
| Expenditures of exploration and evaluation assets                | (39,442)                     | (133,896)   |
| Net cash used in investing activities                            | (39,442)                     | (133,896)   |
| <b>Cash flows from financing activities</b>                      |                              |             |
| Net cash provided by financing activities                        | -                            | -           |
| <b>Net (decrease) increase in cash</b>                           | 4,480                        | (1,908,870) |
| Cash and cash equivalents, beginning of the period               | 271,180                      | 4,065,226   |
| Cash and cash equivalents, end of the period                     | 275,660                      | 2,156,356   |

(Supplementary disclosure – Note 13)

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

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# Jayden Resources Inc.

## Notes to the Interim Condensed Consolidated Financial Statements

### For the three months ended March 31, 2023 and 2022

(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. On September 2, 2021, the Company completed the continuation from the Companies Law (2021 Revision) of the Cayman Islands into the jurisdiction of British Columbia under the Business Corporations Act (British Columbia) with the intention to increase flexibility, and to reduce administrative costs. On December 17, 2021, the Company incorporated a wholly owned subsidiary, Jayden Resources (Quebec) Ltd. under the laws of the Province of Quebec.

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 1500 Royal Centre P.O. Box 11117, 1055 West Georgia Street, Vancouver, BC, V6E 4N7. The registered and records office are located at Suite 2250, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9.

##### (b) Going concern

These unaudited interim condensed consolidated 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 interim condensed consolidated financial statements.

The Company has not generated any revenues and has incurred accumulated deficits of \$50,880,857 (2022: \$50,214,458) since inception. The Company has a net loss for the period ended March 31, 2023 of \$666,399 (2022: net income \$34,975). 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 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 interim condensed consolidated financial statements could be required.



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# Jayden Resources Inc.

## Notes to the Interim Condensed Consolidated Financial Statements

### For the three months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

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#### 2. Basis of presentation

##### (a) Statement of compliance

These unaudited interim condensed consolidated 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 unaudited interim condensed consolidated financial statements were approved by the board of directors for issue on May 30, 2023.

The accounting policies applied in these interim condensed consolidated financial statements are consistent with those applied and disclosed in the Company’s audited consolidated financial statements for the year ended December 31, 2022 except those disclosed in note 3. The Company’s interim results are not necessarily indicative of its results for a full year.

##### (b) Basis of measurement

These unaudited interim condensed consolidated financial statements have been prepared on a going concern basis, under the historical cost basis except for the financial instruments that are recorded at fair value. In addition, these interim condensed consolidated 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:

##### *Impairment of E&E assets*

The Company reviews and assesses the carrying amount of exploration and evaluation assets for indicators of impairment when facts or circumstances suggest that the carrying amount is not recoverable. If impairment is indicated, the amount by which the carrying value of the assets exceeds the estimated fair value is charged to the statement of loss.

#### **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 interim condensed consolidated financial statements.

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**Jayden Resources Inc.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**For the three months ended March 31, 2023 and 2022**  
(Unaudited - Expressed in Canadian Dollars)

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**2. Basis of presentation (continued)**

*Going concern*

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its interim condensed consolidated financial statements for the period ended March 31, 2023. Management prepares the interim condensed consolidated 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) Recent accounting pronouncements and future changes in accounting standards

There were no other new accounting standards or amendments to standards that were applicable to the Company for the period ended March 31, 2023 nor does the Company expect any that have not yet become effective to have a significant impact on its financial statements.

**4. Administrative expenses**

|                                     | Three Months Ended |                |
|-------------------------------------|--------------------|----------------|
|                                     | March 31,          |                |
|                                     | 2023               | 2022           |
|                                     | \$                 | \$             |
| Consulting fees                     | 63,000             | 48,000         |
| Corporate administration            | 54,184             | 36,406         |
| Investor relations and marketing    | -                  | 22,500         |
| Professional fees                   | 4,443              | 13,238         |
| Regulatory and shareholder services | 8,272              | 32,381         |
|                                     | <u>129,899</u>     | <u>152,525</u> |

**5. Marketable securities**

During the year ended December 31, 2021, the Company entered into a termination agreement with Teuton and a quitclaim agreement (the "Quitclaim Agreement") with Optimum Ventures Ltd. ("Optimum") whereby the Company agreed with Teuton to terminate its Harry Property option agreement dated September 4, 2020, and simultaneously enter into the Quitclaim Agreement with Optimum allowing Teuton and Optimum to enter into a new option/sale agreement on the property. Under the terms of the Quitclaim Agreement, Optimum issued the Company 750,000 Optimum common shares valued at \$0.455/share and paid the Company's existing costs on the project which were \$27,000 (Note 6). On November 10, 2021, the transaction was closed.

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# Jayden Resources Inc.

## Notes to the Interim Condensed Consolidated Financial Statements For the three months ended March 31, 2023 and 2022 (Unaudited - Expressed in Canadian Dollars)

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### 5. Marketable securities (continued)

There was no marketable securities activity in the three months ended March 31, 2023.

|                          | As at March 31,<br>2023 | As at December 31,<br>2022 |
|--------------------------|-------------------------|----------------------------|
| Number of shares         | 750,000                 | 750,000                    |
|                          | \$                      | \$                         |
| Opening balance          | 135,000                 | 360,000                    |
| Addition                 | -                       | -                          |
| Fair value change in P&L | 7,500                   | (225,000)                  |
| Ending balance           | 142,500                 | 135,000                    |

### 6. Exploration and evaluation assets

The schedule below summarizes the exploration and evaluation costs incurred on each property as at March 31, 2023 and December 31, 2022:

|  | As at March 31,<br>2023 | As at December 31,<br>2022 |
|--|-------------------------|----------------------------|
| <b>Acquisition</b>                             | \$                      | \$                         |
| Storm Lake Properties                          | 3,602,300               | 3,602,300                  |
| Wheatcroft Property                            | 958,617                 | 958,617                    |
|  | 4,560,917               | 4,560,917                  |
| <b>Exploration and evaluation expenditures</b> |                         |                            |
| Storm Lake Properties                          | 2,176,419               | 2,166,694                  |
| Wheatcroft Property                            | 593,202                 | 563,485                    |
|  | 2,769,621               | 2,730,179                  |
| <b>Exploration and evaluation assets</b>       | 7,330,538               | 7,291,096                  |

# Jayden Resources Inc.

## Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

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

#### Storm Lake Gold Property

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 6,600,000 post-consolidation common shares respectively.

Upon TSXV approval of the transaction (the "Effective Date"), the Company will pay \$200,000 and issue 2,200,000 shares to the Optionors. On the nine (9) month anniversary of the Effective Date an additional 2,200,000 shares will be issued. On the fifteen (15) month anniversary of the Effective Date an additional \$300,000 and 2,200,000 shares; and on the thirty (30) month anniversary of the Effective Date a further \$250,000.

On July 5, 2021, the Company paid \$200,000 and issued 2,200,000 shares to the Optionors. On April 5, 2022, the Company issued 2,200,000 shares to the Optionors at the nine-month anniversary. On October 5, 2022, the Company paid \$300,000 cash and issued 2,200,000 shares to the Optionors at the fifteen-month anniversary.

Pursuant to the terms of the option agreement, the Company may acquire a 100% interest in the Property by making the following:

| <b>Date</b>   | <b>Cash</b>       | <b>Shares</b>    | <b>Expenditures</b> |
|---|-------------------|------------------|---------------------|
| Effective Date (paid and issued)                                  | \$ 200,000        | 2,200,000        | \$ -                |
| Nine month anniversary of the Effective Date (issued)             | -                 | 2,200,000        | -                   |
| One year anniversary of the Effective Date (incurred)             | -                 | -                | 150,000             |
| Fifteen month anniversary of the Effective Date (paid and issued) | 300,000           | 2,200,000        | -                   |
| Two year anniversary of the Effective Date                        | -                 | -                | 1,350,000           |
| Thirty month anniversary of the Effective Date                    | 250,000           | -                | -                   |
| Three year anniversary of the Effective Date                      | -                 | -                | 1,500,000           |
|   | <u>\$ 750,000</u> | <u>6,600,000</u> | <u>\$ 3,000,000</u> |

**Jayden Resources Inc.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**For the three months ended March 31, 2023 and 2022**  
(Unaudited - Expressed in Canadian Dollars)

**6. Exploration and evaluation assets (continued)**

The schedule below outlines the costs incurred on the Property as at March 31, 2023:

|                    | As at December 31<br>2021 | Additions/<br>(Writedowns) | As at December 31<br>2022 | Additions/<br>(Writedowns) | As at March 31<br>2023 |
|--------------------|---------------------------|----------------------------|---------------------------|----------------------------|------------------------|
|                    | \$                        | \$                         | \$                        | \$                         | \$                     |
| <b>Acquisition</b> |                           |                            |                           |                            |                        |
| Cash payment       | 200,300                   | 300,000                    | 500,300                   | -                          | 500,300                |
| Share issuance     | 2,090,000                 | 1,012,000                  | 3,102,000                 | -                          | 3,102,000              |
|                    | 2,290,300                 | 1,312,000                  | 3,602,300                 | -                          | 3,602,300              |

|  | Cumulative to<br>December 31, 2021 | Expenditures<br>during the period | Cumulative to<br>December 31, 2022 | Expenditures<br>during the period | Cumulative to<br>March 31, 2023 |
|--|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|---------------------------------|
|  | \$                                 | \$                                | \$                                 | \$                                | \$                              |
| <b>Exploration and evaluation expenditures</b> |                                    |                                   |                                    |                                   |                                 |
| Assays and reports                             | -                                  | 1,250                             | 1,250                              | -                                 | 1,250                           |
| Camp construction                              | 242,507                            | 103,477                           | 345,984                            | -                                 | 345,984                         |
| Drilling                                       | 1,835,094                          | 108,578                           | 1,943,672                          | -                                 | 1,943,672                       |
| Environmental                                  | -                                  | -                                 | -                                  | 2,010                             | 2,010                           |
| Equipment and supplies                         | 184,651                            | 19,311                            | 203,962                            | -                                 | 203,962                         |
| Field expenses                                 | 24,771                             | 157,561                           | 182,332                            | -                                 | 182,332                         |
| General administration                         | 171,876                            | 37,503                            | 209,379                            | 238                               | 209,617                         |
| Geological consulting                          | 53,206                             | 113,190                           | 166,396                            | 7,102                             | 173,498                         |
| Permitting                                     | 3,142                              | 1,386                             | 4,528                              | -                                 | 4,528                           |
| Reclamation                                    | -                                  | -                                 | -                                  | 375                               | 375                             |
| Surveys and geophysics                         | 24,278                             | 65,980                            | 90,258                             | -                                 | 90,258                          |
| Travel and accommodation                       | 1,691                              | 21,803                            | 23,494                             | -                                 | 23,494                          |
| Tax credits                                    | -                                  | (1,004,561)                       | (1,004,561)                        | -                                 | (1,004,561)                     |
| Total exploration and evaluation expenditures  | 2,541,216                          | (374,522)                         | 2,166,694                          | 9,725                             | 2,176,419                       |

# Jayden Resources Inc.

## Notes to the Interim Condensed Consolidated Financial Statements For the three months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

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

#### Wheatcroft Property

On October 27, 2022, the Company has received TSX Venture Exchange approval to purchase a 100% interest in the Wheatcroft Project from Kenorland Minerals North America Ltd. ("Kenorland"). The Company and Kenorland later entered into an amended and restated purchase and sale agreement whereby the Company will pay Kenorland \$125,000 cash and issue 5,557,447 common shares equaling to 9.9% of the Company's issued and outstanding shares following the announcement of the transaction. Going forward, upon the Company's closing future financings up to and totalling \$10,000,000, the Company will issue additional shares to Kenorland equaling 9.9% of the shares issued (or a value of up to \$990,000) pursuant to the future financings. The maximum number of additional shares that may be issued to Kenorland would be 19,800,000 shares representing a value of \$990,000 at the minimum deemed price of \$0.05 per additional share, being the lowest dollar amount a financing may be conducted pursuant to the TSXV policies. The property is subject to a 3% net smelter return in favour of the vendor and the Company can reduce to 2% by making a cash payment of \$1,000,000.

On October 28, 2022, the Company paid \$125,000 cash and issued 5,557,447 shares to Kenorland to close the transaction.

The schedule below outlines the costs incurred on the Property as at March 31, 2023:

|                    | As at December 31<br>2021 | Additions/<br>(Writedowns) | As at December 31<br>2022 | Additions/<br>(Writedowns) | As at March 31<br>2022 |
|--------------------|---------------------------|----------------------------|---------------------------|----------------------------|------------------------|
|                    | \$                        | \$                         | \$                        | \$                         | \$                     |
| <b>Acquisition</b> |                           |                            |                           |                            |                        |
| Cash payment       | -                         | 125,000                    | 125,000                   | -                          | 125,000                |
| Share issuance     | -                         | 833,617                    | 833,617                   | -                          | 833,617                |
|                    | -                         | 958,617                    | 958,617                   | -                          | 958,617                |

|  | Cumulative to<br>December 31, 2021 | Expenditures<br>during the period | Cumulative to<br>December 31, 2022 | Expenditures<br>during the period | Cumulative to<br>March 31, 2023 |
|--|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|---------------------------------|
|  | \$                                 | \$                                | \$                                 | \$                                | \$                              |
| <b>Exploration and evaluation expenditures</b> |                                    |                                   |                                    |                                   |                                 |
| Assays and reports                             | -                                  | 45,872                            | 45,872                             | -                                 | 45,872                          |
| Drilling                                       | -                                  | 121,984                           | 121,984                            | -                                 | 121,984                         |
| Environmental                                  | -                                  | 3,209                             | 3,209                              | -                                 | 3,209                           |
| Equipment and supplies                         | -                                  | 1,062                             | 1,062                              | -                                 | 1,062                           |
| Field expenses                                 | -                                  | 690                               | 690                                | -                                 | 690                             |
| General administration                         | -                                  | 49,815                            | 49,815                             | 12,341                            | 62,156                          |
| Geological consulting                          | -                                  | 14,022                            | 14,022                             | 17,376                            | 31,398                          |
| Surveys and geophysics                         | -                                  | 248,540                           | 248,540                            | -                                 | 248,540                         |
| Travel and accommodation                       | -                                  | 78,291                            | 78,291                             | -                                 | 78,291                          |
| Total exploration and evaluation expenditures  | -                                  | 563,485                           | 563,485                            | 29,717                            | 593,202                         |

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# Jayden Resources Inc.

## Notes to the Interim Condensed Consolidated Financial Statements For the three months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

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### 7. Share capital and stock options

#### (a) Share capital

The authorized share capital of the Company is unlimited common shares without par value.

#### **Fiscal 2023**

The Company had no share capital transactions for the period ended March 31, 2023.

#### **Fiscal 2022**

On April 5, 2022, the Company issued 2,200,000 shares to the Optionors of the Storm Lake Property at the nine-month anniversary to acquire a 100% interest in the Storm Lake Gold Property located in the Frotet-Evans Greenstone Belt in central Quebec (Note 6).

On October 5, 2022, the Company issued 2,200,000 shares to the Optionors in the Storm Lake Gold property option agreement at the fifteen-month anniversary (Note 6).

On October 28, 2022, the Company issued 5,557,447 shares to Kenorland to close the transaction of the Wheatcroft Project acquisition.

The warrants will be subject to an acceleration clause whereby, commencing on the date that is four months and one day following the closing date (March 27, 2022), the Company may, in its sole discretion, provide notice to warrant holders to shorten the warrant expiry date to 30 days from the notice date if the daily volume weighted average closing price of the Company's shares is greater than \$1.00 for the 10 consecutive trading days preceding the notice date.

The Company also paid finder's fees totaling \$142,520 in cash equal to 7% of the proceeds raised by the finders and issued a total of 142,520 whole finder's warrants equal to 3.5% of the number of units sold by the finders. The finder's warrants are exercisable on the same terms as above and are subject to the acceleration clause.

#### (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.

On May 2, 2022 the Company's Board adopted a new form of stock option plan which was conditionally approved by the TSX Venture Exchange and was ratified and approved by the shareholders of the Company at the Company's Annual General Meeting of Common Shareholders on July 7, 2022. The new stock option plan was created to comply with the new TSX Venture Exchange policy governing security-based compensation which became effective November 24, 2021. The new stock option plan also allows option holders to exercise options on a "Cashless Exercise" or "Net Exercise" basis, as now expressly permitted by the new policy.

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# Jayden Resources Inc.

## Notes to the Interim Condensed Consolidated Financial Statements For the three months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

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### 7. Share capital and stock options (continued)

#### (b) Stock options (continued)

The new stock option plan replaces the Company's September 4, 2015 stock option plan.

The Company had no stock options outstanding as at March 31, 2023 and December 31, 2022, and has no stock option transactions for the period ended March 31, 2023.

#### (c) Share purchase warrants

##### **Fiscal 2023**

The Company had no share purchase warrants transactions for the period ended March 31, 2023.

##### **Fiscal 2022**

On September 13, 2022, the Company received TSX Venture Exchange approval to extend the expiry date of the 2,999,999 warrants from November 5, 2022 to November 5, 2025.

The Company had 9,753,437 share purchase warrants as at March 31, 2023 and December 31, 2022.

The outstanding warrants as at March 31, 2023 are as follows:

| Number<br>Outstanding | Expiry Date       | Exercise Price | Remaining Life<br>(in years) |
|-----------------------|-------------------|----------------|------------------------------|
|                       |                   | \$             |                              |
| 2,999,999             | November 5, 2025  | 0.21           | 2.60                         |
| 833,334               | January 12, 2026  | 0.21           | 2.79                         |
| 1,241,584             | June 3, 2023      | 0.66           | 0.18                         |
| 4,678,520             | November 26, 2023 | 0.80           | 0.66                         |



# Jayden Resources Inc.

## Notes to the Interim Condensed Consolidated Financial Statements

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### 8. Related party balances and transactions

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

|  | Notes | As at             |                      |
|--|-------|-------------------|----------------------|
|  |       | March 31,<br>2023 | December 31,<br>2022 |
|  |       | \$                | \$                   |
| <b>Amounts due to related companies/ directors</b> |       |                   |                      |
| - Baron Global Financial Canada Ltd.               | (1)   | -                 | 4,240                |
| - David Eaton                                      | (2)   | 31,500            | -                    |
| - Queenie Kuang                                    | (3)   | 110               | 213                  |

|  | Notes | Three Months Ended |                   |
|--|-------|--------------------|-------------------|
|  |       | March 31,<br>2023  | March 31,<br>2022 |
|  |       | \$                 | \$                |
| <b>Management services provided by</b> |       |                    |                   |
| - Baron Global Financial Canada Ltd.   | (1)   | 30,000             | 30,000            |
| - David Eaton                          | (2)   | 30,000             | 30,000            |

(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. Queenie Kuang serves on the Company's Board of Directors.

On November 1, 2022, the Company settled debt owing to Mr. David Eaton in the amount of \$315,000 by debt forgiveness. The Company recognized a gain of \$300,000 and a GST payable reversal of \$15,000 at the time of the settlement.

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# Jayden Resources Inc.

## Notes to the Interim Condensed Consolidated Financial Statements

### For the three months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

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#### 9. Extraordinary loss

During the period ended March 31, 2023, the Company incurred a financial loss of \$544,000 due to a business compromise, which is undergoing investigations. The Company is devoting the utmost efforts towards recovery of the funds.

#### 10. 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

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's credit risk arises primarily with respect to subscription receivables.

##### (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 has a working capital as at March 31, 2023 of \$635,170 (2022: \$1,341,011). 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 Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

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### 10. 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.

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. Marketable securities are measured at fair value using level 1.

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

### 11. 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 Interim Condensed Consolidated Financial Statements

### For the three months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

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#### 12. Commitments

Refer to Note 6.

#### 13. Supplementary cash flow information

During the periods ended March 31, 2023 and 2022, there were no non-cash financing and investing activities transactions.

#### 14. Subsequent events

There is no subsequent event disclosure.