



PJX RESOURCES INC.
Financial Statements
Condensed Interim Financial Statements
Three and Six months ended June 30, 2016 and 2015
(UNAUDITED)

The accompanying unaudited condensed interim financial statements of PJX Resources Inc. (the "Company") are the responsibility of the Board of Directors.

These financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the end of the reporting period. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)
John Keating
President and Chief Executive Officer

(signed)
Linda Brennan
Chief Financial Officer

Toronto, Canada
August 26, 2016

Notice of Disclosure of Non-auditor Review of Interim Financial Statements

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the interim periods ended June 30, 2016 and 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS") accounting principles and are the responsibility of the Company's management.

The Company's independent auditors, McGovern, Hurley, Cunningham LLP, have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

PJX Resources Inc.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

	Note	June 30, 2016 (Unaudited)	December 31, 2015
ASSETS			
Current assets			
Cash		\$ 269,633	\$ 847,107
Accounts receivable	6	18,366	19,284
Prepayments	7(a)	22,417	8,500
Total current assets		310,416	874,891
Non-current assets			
Deposits	7(b)	98,072	66,572
Property and equipment	8	33,006	38,831
Total non-current assets		131,078	105,403
Total assets		441,494	980,294
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		34,129	57,455
Total current liabilities		34,129	57,455
Total liabilities		34,129	57,455
SHAREHOLDERS' EQUITY			
Share capital	10(b)	5,685,010	5,685,010
Warrants	11	780,962	821,533
Contributed surplus		1,728,016	1,687,445
Accumulated deficit		(7,786,623)	(7,271,149)
Total shareholders' equity		407,365	922,839
Total shareholders' equity and liabilities		\$ 441,494	\$ 980,294

Going concern (Note 1)

Commitments and contingencies (Notes 9 and 14)

Approved by the Board of Directors:

(Signed) John Keating
John Keating, Director

(Signed) Linda Brennan
Linda Brennan, Director

See accompanying notes to the unaudited condensed interim financial statements.

PJX Resources Inc.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

(UNAUDITED)		Three Months		Six Months	
Periods ended June 30,	Note	2016	2015	2016	2015
Expenses					
Exploration	12(a)	\$ 196,391	\$ 390,418	\$ 277,735	\$ 520,716
General and administration	12(b)	121,279	123,979	253,414	253,656
Depreciation	8	2,913	-	5,825	-
Other revenues	13	-	-	(21,500)	-
Loss before income taxes		(320,583)	(514,397)	(515,474)	(774,372)
Deferred tax recoveries		-	25,937	-	41,672
Net loss and comprehensive loss for the period		\$ (320,583)	\$ (488,460)	\$ (515,474)	\$ (732,700)
Basic and diluted loss per share		(\$0.01)	(\$0.01)	(\$0.01)	(\$0.02)
Weighted average number of shares outstanding		53,440,946	49,618,886	53,440,946	46,732,203

See accompanying notes to the unaudited condensed interim financial statements.

PJX Resources Inc.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

(UNAUDITED)		Three months		Six Months	
Periods ended June 30,	Note	2016	2015	2016	2015
Share capital					
Balance, beginning of the period		\$5,685,010	\$4,481,000	\$5,685,010	\$4,481,000
Shares issued under private placement	10	-	337,540	-	337,540
Flow-through shares issued	10	-	440,882	-	440,882
Share issue cost	10	-	(33,735)	-	(33,735)
Balance, end of the period		5,685,010	5,225,687	5,685,010	5,225,687
Warrants					
Balance, beginning of the period		780,962	778,009	821,533	778,009
Warrants issued on private placement	11	-	494,578	-	494,578
Warrants expired	11	-	-	(40,571)	-
Balance, end of the period		780,962	1,272,587	780,962	1,272,587
Contributed surplus					
Balance, beginning of the period		1,728,016	998,790	1,687,445	998,790
Warrants expired	11	-	-	40,571	-
Balance, end of the period		1,728,016	998,790	1,728,016	998,790
Accumulated deficit					
Balance, beginning of the period		(7,466,040)	(5,933,826)	(7,271,149)	(5,689,586)
Net loss for the period		(320,583)	(488,460)	(515,474)	(732,700)
Balance, end of the period		(7,786,623)	(6,422,286)	(7,786,623)	(6,422,286)
Total shareholders' equity		\$ 407,365	\$1,074,778	\$ 407,365	\$1,074,778

See accompanying notes to the unaudited condensed interim financial statements.

PJX Resources Inc.
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars)
(UNAUDITED)

Six months ended June 30,	Note	2016	2015
Cash flows from operating activities			
Net loss for the period		\$ (515,474)	\$ (732,700)
<i>Items not involving cash:</i>			
Depreciation	8	5,825	-
Deferred tax recoveries		-	(41,672)
<i>Changes in non-cash working capital:</i>			
Deposits	13	(31,500)	(44,057)
Accounts receivable and prepayments		(12,999)	(27,323)
Accounts payable and accrued liabilities		(23,326)	(9,376)
Net cash used in operating activities		(577,474)	(855,128)
Cash flow from financing activities			
Proceeds received on shares to be issued	10(b)(i)	-	552,000
Proceeds on issuance of flow-through shares and warrants	10(b)(i)	-	721,000
Share issue cost		-	(33,735)
Net cash generated by financing activities		-	1,239,265
Net change in cash		(577,474)	384,137
Cash, beginning of the period		847,107	599,703
Cash, end of the period		\$ 269,633	\$ 983,840

See accompanying notes to the unaudited condensed interim financial statements.

PJX Resources Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

Three and six months ended June 30, 2016 and 2015

1. NATURE OF OPERATIONS AND GOING CONCERN

PJX Resources Inc. (the "Company" or "PJX") is a Canadian corporation incorporated under the laws of Alberta on April 22, 2010, originally under the name of 1532063 Alberta Inc. On March 7, 2011, the Company obtained a Certificate of Continuance from the Registrar of Corporations for the Province of Alberta changing its jurisdiction to the Province of Ontario. On the same date the Company changed its name to PJX Resources Inc. The Company's corporate offices are located at 5600 One First Canadian Place, Toronto, Ontario.

The principal activities of the Company are the exploration of mineral projects located near Cranbrook, British Columbia. To date, the Company has not earned mining revenues. The Company is considered to be in the exploration stage.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation of properties, and political uncertainty.

The financial statements have been prepared using generally accepted accounting principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due in the foreseeable future. For the six months ended June 30, 2016, the Company incurred a loss of \$515,474 or \$0.01 per share, (June 30, 2015: \$732,700 or \$0.02 per share), and reported an accumulated deficit of \$7,786,623 (December 31, 2015: \$7,271,149). As at June 30, 2016 the working capital of the Company was \$276,287 (December 31, 2015: \$817,434). Management believes that the currently available working capital and planned financing (see Note 16 "Subsequent Events") is sufficient to support operations for the next twelve months.

These financial statements were approved by the Board of Directors for issue on August 26, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretation issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of August 26, 2016, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2015. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2016 could result in restatement of these unaudited condensed interim financial statements.

PJX Resources Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

Three and six months ended June 30, 2016 and 2015

b) Changes in accounting policies

IAS 1, 'Presentation of Financial Statements' – IAS 1 was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. The implementation of this policy did not have any material impact in the presentation of the Company's financial statements.

3. CAPITAL MANAGEMENT

The Company considers its capital to be shareholders' equity, which is comprised of share capital, warrants, contributed surplus and accumulated deficit, which as at June 30, 2016 totaled \$407,365 (December 31, 2015 – \$922,839). When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its exploration properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on further external financing to fund its working capital and exploration activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and attempt to 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. There were no changes in the Company's approach to capital management during the six months ended June 30, 2016. The Company is not subject to externally imposed capital requirements.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

4. FINANCIAL RISK FACTORS

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and deposits. Cash is held with reputable Canadian chartered banks, from which management believes the risk of loss to be minimal. Deposits are held with the British Columbia Ministry of Energy and Mines, from which management believes that the credit risk is minimal.

PJX Resources Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

Three and six months ended June 30, 2016 and 2015

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At June 30, 2016, the Company had a cash balance of \$269,633 (December 31, 2015: \$847,107) to settle current liabilities of \$34,129 (December 31, 2015: \$57,455). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. In addition, refer to Note 3 for the Company's approach to capital management.

Market risk

Interest rate risk

The Company's current policy is to invest excess cash in interest bearing accounts at major Canadian chartered banks. The Company periodically monitors its cash management policy. At June 30, 2016, the Company did not have any amounts invested in interest bearing accounts.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market affecting PJX's capacity to obtain future financings. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as it relates to the mineral commodities to determine the appropriate course of action to be taken by the Company.

Based on Management's knowledge and experience in the financial markets, the Company believes that it is "reasonably possible" that commodity price fluctuation could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of mineral commodities. As of June 30, 2016, the Company was not in the production phase. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

5. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As at June 30, 2016, the carrying value approximates the fair value amounts of the Company's financial instruments. The Company has not disclosed the fair value of deposits, accounts payable, accrued liabilities and cash because the carrying values approximate fair values.

6. ACCOUNTS RECEIVABLE

Accounts receivable corresponds to the sale taxes recoverable paid on taxable purchases of material and services.

7. PREPAYMENTS & DEPOSITS

- a) Prepayments totalling \$22,417 (December 31, 2015: \$8,500) represents advanced payments to suppliers.

PJX Resources Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

Three and six months ended June 30, 2016 and 2015

- b) At June 30, 2016, the Company has deposits with the British Columbia Ministry of Finance for \$96,500 (December 31, 2015: \$65,000) representing remediation cost bonds associated with its properties; and other advances totalling \$1,572 (December 31, 2015: \$1,572).

8. PROPERTY AND EQUIPMENT

	June 30, 2016	December 31, 2015
Vehicle		
Balance, beginning of the year	\$ 45,684	\$ -
Acquisitions	\$ -	45,684
Balance end of the period	\$ 45,684	\$ 45,684
Accumulated depreciation		
Balance, beginning of the year	\$ 6,853	\$ 6,853
Depreciation expense	\$ 5,825	\$ -
Balance end of the period	\$ 12,678	\$ 6,853
Net book value	\$ 33,006	\$ 38,831

9. MINERAL PROPERTIES

The Company has 100% ownership in five properties: the Dewdney Trail Property, the Eddy Property, the Zinger Property, the Vine Property and the West Basin Property, all located in the Cranbrook area of British Columbia, Canada. In addition, the Company had entered into the following arrangements during the year ended December 31, 2015 and the six months ended June 30, 2016:

DD Property Agreement:

On July 26, 2015, PJX announced that it has entered into an option agreement with Doug Anderson and Dave Pighin (the "Optionors"), to acquire 100% of the DD Property, near Cranbrook, British Columbia. The Company has also staked land adjacent to the DD Property.

Under the DD Property Agreement (the "DD Agreement"), PJX is required to issue to the Optionors on or before each anniversary day of the DD Agreement, 50,000 PJX common shares over a 5 year period to a maximum of 250,000 shares. Upon the deemed exercise of the option, the Optionors will be granted an aggregate NSR of 2% in respect of the DD Property and on certain claims owned by PJX, under certain predefined terms. The Company will have the right to purchase 50% of such NSR [being a 1% NSR (0.5% from each individual comprising the Optionors)] for \$1,000,000, and the remaining 50% of such NSR [being a 1% NSR (0.5% from each individual comprising the Optionors)] for \$1,000,000.

Should the Company enter during the option period into a third-party agreement (the "Third-Party Agreement") to option out the DD Property, and the Third-Party Agreement includes the receipt by PJX of cash option payments (that do not relate to work or other commitments), the Company will pay to the Optionors 5% of the cash payment received from the third party during the option period or until the option is exercised, whichever occurs first.

On May 16, 2016, the Company announced that it has entered into an option agreement (the "Teck Agreement") with Teck Resources Limited ("Teck") whereby Teck has been granted an option to acquire up to a 75% interest in the DD zinc-lead-silver Property which is located in the Cranbrook area of British Columbia.

PJX Resources Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

Three and six months ended June 30, 2016 and 2015

The Teck Agreement provides for Teck to earn an interest in the property as follows:

Stage 1: Teck has an initial option to earn a 51% interest in the DD Property by incurring \$4 million of expenditures by January 31, 2021 (the "First Option").

Stage 2: Teck may elect to earn an additional 24% interest in the Property, thereby increasing its interest to 75%, by incurring an additional \$4 million of expenditures by January 31, 2024 (the "Second Option").

Provided that Teck has exercised the First Option, a joint venture shall be deemed to be formed on the date upon which the earlier of the following occurs: (i) Teck declines or advises that it is no longer pursuing the Second Option; (ii) Teck delivers a notice to PJX notifying PJX of the exercise of the Second Option; or (iii) January 31, 2024. If either party's interest in the joint venture is diluted to less than 10%, their interest shall be converted to a 5% Net Profits Royalty.

10. SHARE CAPITAL

(a) Authorized capital

The authorized share capital of the Company is an unlimited number of common shares with no par value.

(b) Issued capital

The following schedule describes the share transactions since December 31, 2014:

	# of Shares	Value
Balance, December 31, 2014	43,813,446	\$ 4,481,000
Shares issued under private placement	4,447,500	889,500
Value allocated to warrants		(311,052)
		578,448
Flow-through shares issued under private placement	5,180,000	1,036,000
Value allocated to warrants		(235,320)
		800,680
Share premium on flow-through shares		(128,000)
Share issue cost		(47,118)
Balance, December 31, 2015 and June 30 2016	53,440,946	\$ 5,685,010

(i) Private placements

On April 8, 2015, the Company announced the completion of a private placement for gross proceeds of \$1,273,000 by issuing 3,605,000 flow-through units at a price of \$0.20 per flow-through unit, and 2,760,000 non-flow-through units at a price of \$0.20 per unit. Each flow-through unit consisted of one flow-through share and one half of one non-transferable warrant. Each non-flow-through unit consisted of one common share and one non-transferable warrant. Each warrant, will entitle the holder to purchase one common share at an exercise price of \$0.20 for 24 months following completion of the offering.

PJX Resources Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

Three and six months ended June 30, 2016 and 2015

As the proceeds received by the Company for a flow-through unit and non-flow through unit at the time of the transaction were the same (\$0.20) and, as the flow-through investors received one half of one non-transferable warrant less than the non-flow-through investors, a premium on flow-through shares of \$128,000 was recorded. The premium has been deducted from capital and a tax liability premium for the same amount was recorded. The premium was subsequently amortized as the flow-through funds were utilized in qualified exploration programs.

On October 26, 2015, the Company announced the completion of a private placement for gross proceeds of \$652,500 by issuing 1,575,000 flow-through units at a price of \$0.20 per flow-through unit, and 1,687,500 non-flow-through units at a price of \$0.20 per unit. Each flow-through unit consists of one common share of the Company and one non-transferable common share purchase warrant exercisable at \$0.25 on or before October 25, 2017. Each non-flow-through unit consisted of one common share of the Company and one non-transferable common share purchase warrant exercisable at \$0.25 on or before October 25, 2017.

The following schedule describes the flow-through premiums and amortization for the six months ended June 30, 2016 and the year ended December 31, 2015:

	Six months ended June 30,	Year ended December 31,
	2016	2015
Premium Balance - Opening	-	41,672
Premium on issued flow-through shares	-	128,000
Premium amortization	-	(169,672)
Unamortized premium balance	\$ -	\$ -

(ii) Share based compensation

The Company has a stock option plan (the "Plan") to provide incentive for the directors, officers, employees, consultants and service providers of the Company. The maximum number of shares which may be set aside for issuance under the Plan is 10% of the outstanding common shares.

On July 21, 2015 the Company granted an aggregate of 1,615,000 incentive stock options to employees, officers, directors and consultants of the Company, pursuant to the Company's Plan, at an exercise price of \$0.19 per share. The options are fully vested on granting and exercisable until July 20, 2020. The fair value of each option was estimated on the date of the grant using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield of 0%, expected volatility of 113%; risk-free interest rate of 0.7%; and an expected average life of 5 years. The estimated fair value of \$244,188 was recorded as share-based compensation within the statement of loss and was credited to contributed surplus.

The following schedules describe the options outstanding at June 30, 2016 and December 31, 2015:

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
November 6, 2016	\$0.30	0.35	2,233,500	2,233,500
November 15, 2018	\$0.15	2.38	1,018,500	1,018,500
July 20, 2020	\$0.19	4.06	1,615,000	1,615,000
Balance at June 30, 2016		2.01	4,867,000	4,867,000

PJX Resources Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

Three and six months ended June 30, 2016 and 2015

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
November 6, 2016	\$0.30	0.85	2,233,500	2,233,500
November 15, 2018	\$0.15	2.88	1,018,500	1,018,500
July 20, 2020	\$0.19	4.56	1,615,000	1,615,000
Balance at December 31, 2015		2.50	4,867,000	4,867,000

The following schedule describes the options transactions since December 31, 2014:

	Number of stock options	Weighted average exercise price
Balance at December 31, 2014	3,252,000	\$0.25
Granted during fiscal 2015	1,615,000	0.19
Balance at December 31, 2015 and June 30, 2016	4,867,000	\$0.23

11. WARRANTS

Warrants issued under private placements:

In connection with the financing completed on April 8, 2015 the Company issued 4,562,500 warrants, with a fair value of \$315,780. Each warrant, will entitle the holder to purchase one common share at an exercise price of \$0.20 for 24 months following completion of the offering.

In connection with the financing completed on October 26, 2015 the Company issued 3,262,500 warrants, with a fair value of \$210,644. Each warrant, will entitle the holder to purchase one common share at an exercise price of \$0.25 for 24 months following completion of the offering.

Warrants expired:

During the six months ended June 30, 2016 the following warrants expired unexercised:

Expiry Date	Number of Warrants	Exercise price	Value
February 8, 2016	670,000	\$ 0.20	\$ 27,681
February 8, 2016	260,000	0.20	12,890
	930,000	\$ 0.20	\$ 40,571

PJX Resources Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

Three and six months ended June 30, 2016 and 2015

During the year ended December 31, 2015 the following warrants expired unexercised:

Expiry Date	Number of Warrants	Exercise price	Value
September 25, 2015	6,319,500	\$ 0.20	\$ 215,864
September 25, 2015	2,620,000	0.25	74,200
December 27, 2015	750,000	0.25	50,243
November 28, 2015	3,334,000	0.20	120,056
November 28, 2015	485,000	0.20	22,537
	13,508,500	\$ 0.21	\$ 482,900

The fair values of the outstanding warrants were calculated, when granted, using the Black-Scholes options pricing model utilizing the following assumptions:

Expiry date	Number of Warrants	Dividend yield	Volatility *	Risk free interest rate	Expected average life (years)	Value
September 22, 2016	190,000	Nil	111%	1.01%	2	9,088
September 22, 2016	2,650,000	Nil	111%	1.01%	2	105,633
November 4, 2016	1,905,000	Nil	125%	1.03%	2	94,580
November 4, 2016	1,094,245	Nil	125%	1.03%	2	45,237
April 7, 2017	4,562,500	Nil	128%	0.50%	2	315,780
October 25, 2017	3,262,500	Nil	128%	0.54%	2	210,644
	13,664,245					\$ 780,962

* Volatility rates were determined based on historical share pricing volatility for the Company's common shares.

The following schedule describes the warrants transactions since December 31, 2014:

All warrants:	Number of Warrants	Exercise price CAD\$	Fair value
Balance at December 31, 2014	20,277,745	0.22	\$ 778,009
Issued on private placement	7,825,000	0.22	526,424
Warrants expired	(13,508,500)	0.21	(482,900)
Balance at December 31, 2015	14,594,245	0.21	\$ 821,533
Warrants expired	(930,000)	0.20	(40,571)
Balance at June 30, 2016	13,664,245	0.21	\$ 780,962

PJX Resources Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

Three and six months ended June 30, 2016 and 2015

The following schedules describe the warrants outstanding at June 30, 2016:

Expiry Date	Number of Warrants	Exercise price	Value
September 22, 2016	2,650,000	0.20	105,633
September 22, 2016	190,000	0.20	9,088
November 4, 2016	1,094,245	0.20	45,237
November 4, 2016	1,905,000	0.20	94,580
April 7, 2017	4,562,500	0.20	315,780
October 25, 2017	3,262,500	0.25	210,644
Balance at June 30, 2016	13,664,245	\$ 0.21	\$ 780,962

The following schedule describes the warrants outstanding at December 31, 2015:

Expiry Date	Number of Warrants	Exercise price	Value
February 8, 2016	670,000	0.20	27,681
February 8, 2016	260,000	0.20	12,890
September 22, 2016	2,650,000	0.20	105,633
September 22, 2016	190,000	0.20	9,088
November 4, 2016	1,094,245	0.20	45,237
November 4, 2016	1,905,000	0.20	94,580
April 7, 2017	4,562,500	0.20	315,780
October 25, 2017	3,262,500	0.25	210,644
Balance at December 31, 2015	14,594,245	\$ 0.21	\$ 821,533

12. EXPLORATION AND GENERAL AND ADMINISTRATION EXPENSES

a) Exploration Expenses:

The following schedule describes exploration expenses incurred during the three and six months ended June 30, 2016 and 2015, segregated by nature:

PJX Resources Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

Three and six months ended June 30, 2016 and 2015

Periods ended June 30,	Three months		Six months		Balance Since inception
	2016	2015	2016	2015	
Geology, geophysics and geochemistry	\$ 34,922	\$ 66,602	\$ 39,804	\$ 95,364	\$ 1,449,378
Exploration-other accommodation	-	-	-	-	2,440
Permitting	-	200	-	5,238	46,212
Land rights and claim management	1,208	220	9,326	661	70,392
Drilling	147,839	308,191	211,168	397,509	1,470,395
Laboratory	825	1,085	825	2,498	162,505
Roads and surface preparation	-	-	-	-	70,944
Camp cost and exploration supplies	606	458	709	631	11,742
Exploration - travel and transportation	9,330	11,074	13,192	15,498	125,029
Exploration- meals	1,361	1,757	2,111	2,129	18,353
Rent - field office	300	831	600	1,188	20,943
Surface sampling and mapping	-	-	-	-	50,506
Option payments	-	-	-	-	403,000
	\$ 196,391	\$ 390,418	\$ 277,735	\$ 520,716	\$ 3,901,839
<i>BC refundable tax credits received</i>	-	-	-	-	(149,878)
Total exploration expenses	\$ 196,391	\$ 390,418	\$ 277,735	\$ 520,716	\$ 3,751,961

The following schedules describe exploration expenses incurred by property during the three and six months ended June 30, 2016 and 2015, and since inception.

Periods ended June 30,	Three months		Six Months		Balance since inception
	2016	2015	2016	2015	
Dewdney Trail Property	\$ 10,747	\$ 5,247	\$ 19,666	\$ 10,921	\$ 928,865
Eddy Property	75	394	150	1,226	501,046
Zinger Property	1,840	173	1,915	666	459,303
Vine Property	183,729	384,467	256,004	507,617	1,954,002
Others	-	137	-	286	50,275
	196,391	390,418	277,735	520,716	3,901,839
<i>BC refundable tax credits received</i>	-	-	-	-	(149,878)
Total exploration expenses	\$ 196,391	\$ 390,418	\$ 277,735	\$ 520,716	\$ 3,751,961

b) General and administration:

The following is a breakdown of the Company's general and administration expenses incurred during the three and six months ended June 30, 2016 and 2015:

PJX Resources Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

Three and six months ended June 30, 2016 and 2015

Periods ended June 30,	Three months		Six Months	
	2016	2015	2016	2015
Insurance	\$ 3,208	\$ 3,375	\$ 6,583	\$ 6,750
Interest, bank charges and penalties	60	98	160	3,747
Investor relations	25,636	30,502	52,939	57,209
Listing and regulatory fees	3,217	2,484	13,158	12,519
Office expenses	2,203	3,607	5,871	6,289
Professional fees	11,215	13,127	21,415	24,127
Rent	3,757	355	5,814	711
Salaries and benefits	68,846	68,648	139,763	139,566
Travel and transportation	3,137	1,783	7,711	2,738
	\$ 121,279	\$ 123,979	\$ 253,414	\$ 253,656

13. OTHER REVENUES

The Company was reimbursed by previous property owners, SG Spirit Gold ("SG"), for funds related to security deposits with the British Columbia Ministry of Finance. The security deposits had been paid by SG in relation to securing permits to commence surface work on the properties. The permits were transferred to PJX upon 100% acquisition of the properties. As the deposits are not transferable, PJX was required to provide new security deposits with the BC Government that have subsequently been refunded by SG to the Company. PJX has recorded \$21,500 in "Other Revenues" for this reimbursement.

14. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments up to \$396,000 to be made upon the occurrence of certain events such as change of control. As the triggering event has not occurred, the contingent payment has not been provided for in these financial statements.

15. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

a) Purchase of services:

During the three and six months ended June 30, 2016 and 2015 the Company contracted legal services from a firm where a partner is also a director of PJX.

Periods ended June 30,	Three months		Six months	
	2016	2015	2016	2015
Fees paid to legal firm where a director of PJX is a partner	\$ 6,350	\$ 1,379	\$ 6,350	\$ 1,379
	\$ 6,350	\$ 1,379	\$ 6,350	\$ 1,379

PJX Resources Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
(UNAUDITED)

Three and six months ended June 30, 2016 and 2015

b) Key management compensation:

Key management includes directors (executive and non-executive), and senior officers (Chief Executive Officer and Chief Financial Officer). The compensation paid and payable to key management for employee services is shown below:

Period ended June 30,	Three months		Six months	
	2016	2015	2016	2015
Salaries	\$ 66,000	\$ 66,000	\$ 132,000	\$ 132,000
	\$ 66,000	\$ 66,000	\$ 132,000	\$ 132,000

c) Period-end balances arising from purchases of services and key management compensation:

There were no amounts payable to officers or directors of the Company as of June 30, 2016 or 2015.

Payables to related parties for purchases and services are due on thirty days after reception and bear no interest.

All transactions with related parties for purchases and services are on an arm's length basis and recorded at exchange amounts.

16. SUBSEQUENT EVENTS

On July 12, 2016 the Company announced a non-brokered private placement of up to four million units through the issuance of Flow Through ("Flow Through Unit") and Non-flow Through Units ("Unit") at a price of \$0.17 per Flow Through Unit and \$0.15 per Unit.

On August 25, 2016 the Company announced the above Offering was oversubscribed and increased to 6,879,951 Units. The Company further announced the closing of the above mentioned offering for gross proceeds of \$1,080,215 where 2,411,117 Flow-Through units at a value of \$0.17 per unit and 4,468,834 Units at a value of \$0.15 per unit were sold.

Each Flow Through Unit will consist of one common share and one common share purchase warrant. Each Unit will consist of one common share and one common share purchase warrant. Each warrant, whether acquired as part of a Flow Through Unit or Unit, will entitle the holder to purchase one common share at an exercise price of \$0.25 for 36 months following completion of the offering.

The private placement, and any modifications to it, are subject to compliance with applicable securities laws and to receipt of the approval of the TSX Venture Exchange. The Company may pay finders' fees in accordance with the policies of the TSX Venture Exchange. The Company reserves the right to increase the size of the private placement or to modify the type, nature and/or price of the units for any reason. The securities issuable in connection with this private placement will be subject to a hold period in Canada which will run for four months from the date of the private placement closing.