



PJX RESOURCES INC.
Financial Statements
Three and six months ended June 30, 2018 and 2017
UNAUDITED

The accompanying unaudited condensed 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 13, 2018

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, 2018 and 2017 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, UHY McGovern Hurley 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, 2018	December 31, 2017
(Unaudited)			
ASSETS			
Current assets			
Cash		\$ 2,360,211	\$ 572,886
Amounts receivable	6	29,512	26,799
Prepayments	7(a)	57,182	52,941
Total current assets		2,446,905	652,626
Non-current assets			
Deposits	7(b)	162,138	100,888
Property and equipment	8	9,708	15,533
Total non-current assets		171,846	116,421
Total assets		2,618,751	769,047
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		213,698	63,290
Total current liabilities		213,698	63,290
Total liabilities		213,698	63,290
SHAREHOLDERS' EQUITY			
Share capital	10(b)	9,632,215	7,778,989
Warrants	11	1,994,139	1,387,195
Contributed surplus		2,765,628	2,765,628
Accumulated deficit		(11,986,929)	(11,226,055)
Total shareholders' equity		2,405,053	705,757
Total shareholders' equity and liabilities		\$ 2,618,751	\$ 769,047

Going concern (Note 1)

Commitments and contingencies (Notes 9 and 14)

Subsequent event (Note 16)

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)

Periods ended June 30,	Note	Three Months		Six months	
		2018	2017	2018	2017
Expenses					
Exploration	12(a)	\$ 325,649	\$ 521,403	\$ 435,275	\$ 975,830
General and administration	12(b)	203,566	141,134	344,774	294,420
Share based compensation	10(b)(ii)	-	3,955	-	7,910
Depreciation	8	2,913	2,913	5,825	5,825
Other revenues	13	-	-	(25,000)	-
Loss before income taxes		(532,128)	(669,405)	(760,874)	(1,283,985)
Deferred tax recoveries	10(b)(i)	-	47,185	-	96,482
Net loss and comprehensive loss for the period		\$ (532,128)	\$ (622,220)	\$ (760,874)	\$ (1,187,503)
Basic and diluted loss per share		(\$0.01)	(\$0.01)	(\$0.01)	(\$0.02)
Weighted average number of shares outstanding		83,384,398	75,419,896	79,703,789	75,419,896

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)

Periods ended June 30,	Three months		Six months	
	2018	2017	2018	2017
Share capital				
Balance, beginning of the period	\$ 7,782,489	\$ 7,637,883	\$ 7,778,989	\$ 7,646,928
Shares issued under private placement	\$ 1,849,726		1,849,726	-
Flow-through shares issued			-	-
Share premium on flow-through shares			-	-
Warrants exercised and other adjustments	-	132,856	-	123,811
Shares issued on property option payment	-	-	3,500	-
Balance, end of the period	9,632,215	7,770,739	9,632,215	7,770,739
Warrants				
Balance, beginning of the period	1,387,195	1,913,620	1,387,195	1,913,620
Warrants issued on private placement	530,000	-	530,000	-
Compensation warrants issued	76,944		76,944	-
Warrants exercised	-	(34,156)	-	(34,156)
Warrants expired	-	(281,624)	-	(281,624)
Balance, end of the period	1,994,139	1,597,840	1,994,139	1,597,840
Contributed surplus				
Balance, beginning of the period	2,765,628	2,265,452	2,765,628	2,252,452
Warrants exercised	-		-	-
Warrants expired and other adjustments	-	281,624	-	290,669
Share based compensation	-	3,955	-	7,910
Balance, end of the period	2,765,628	2,551,031	2,765,628	2,551,031
Accumulated deficit				
Balance, beginning of the period	(11,454,801)	(9,586,641)	(11,226,055)	(9,021,358)
Net loss for the period	(532,128)	(622,220)	(760,874)	(1,187,503)
Balance, end of the period	(11,986,929)	(10,208,861)	(11,986,929)	(10,208,861)
Total shareholders' equity	\$ 2,405,053	\$ 1,710,749	\$ 2,405,053	\$ 1,710,749

See accompanying notes to the unaudited condensed interim financial statements.

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

Six months ended June 30,	2018	2017
Cash flows from operating activities		
Net loss for the period	\$ (760,874)	\$(1,187,503)
<i>Items not involving cash:</i>		
Depreciation	5,825	5,825
Deferred tax recoveries	-	(96,482)
Share based compensation	-	7,910
Shares issued on option payment	3,500	-
<i>Changes in non-cash working capital:</i>		
Deposits	(61,250)	(2,946)
Accounts receivable and prepayments	(6,954)	(56,228)
Accounts payable and accrued liabilities	150,408	(81,507)
Net cash used in operating activities	(669,345)	(1,410,931)
Cash flow from financing activities		
Proceeds on issuance of shares and warrants	977,850	98,700
Proceeds on issuance of flow-through shares and warrants	1,622,517	-
Share issue cost	(28,163)	-
Share issue cost allocated to warrants	(115,514)	-
Net cash generated by financing activities	2,456,690	98,700
Net change in cash	1,787,345	(1,312,231)
Cash, beginning of the period	572,866	2,987,455
Cash, end of the period	\$ 2,360,211	\$ 1,675,224

Supplementary information:

Compensation warrants issued

Units	836,454	-
Value	\$ 76,944	\$ -

See accompanying notes to the unaudited condensed interim financial statements.

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

Three and six months ended June 30, 2018 and 2017
(UNAUDITED)

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, 2018, the Company incurred a loss of \$760,874 or \$0.01 per share, (June 30, 2017: \$1,187,503 or \$0.02 per share), and reported an accumulated deficit of \$11,986,929 (December 31, 2017: \$11,226,055). As at June 30, 2018 the working capital of the Company was \$2,233,207 (December 31, 2017: \$589,336). Management believes that the working capital is sufficient to support operations for the next twelve months.

These financial statements were approved by the Board of Directors for issue on August 13, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in the periods presented, unless otherwise stated. These financial statements are expressed in Canadian dollars, which is the Company's presentation and functional currency.

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 13, 2018, the date the Board of Directors approved the statements.

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

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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, 2017. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2018 could result in restatement of these unaudited condensed interim 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, 2018 totaled \$2,405,053 (December 31, 2017 – \$705,757). 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, 2018 and 2017. 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.

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, 2018, the Company had a cash balance of \$2,360,211 (December 31, 2017: \$572,886) to settle current liabilities of \$213,698 (December 31, 2017: \$63,290). All of the

PJX Resources Inc.
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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, 2018 and 2017, 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, 2018, and 2017, 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, 2018 and 2017, the carrying values approximate 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. AMOUNTS RECEIVABLE

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

7. PREPAYMENTS & DEPOSITS

- a) Prepayments totalling \$57,182 (December 31, 2017: \$52,941) represents advanced payments to suppliers.
- b) At June 30, 2018, the Company has deposits with the British Columbia Ministry of Finance for \$134,900 (December 31, 2017: \$100,500) representing remediation cost bonds associated with its properties; and other advances totalling \$27,238 (December 31, 2017: \$388).

PJX Resources Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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8. PROPERTY AND EQUIPMENT

Periods ended,	June 30,	December 31,
	2018	2017
Vehicle		
Balance, beginning of the year	\$ 45,684	\$ 45,684
Balance end of the period	\$ 45,684	\$ 45,684
Accumulated depreciation		
Balance, beginning of the year	\$ 30,151	\$ 18,502
Depreciation expense	5,825	11,649
Balance end of the period	\$ 35,976	\$ 30,151
Net book value	\$ 9,708	\$ 15,533

9. MINERAL EXPLORATION PROPERTIES

The Company has, or is earning, 100% ownership in six properties: the Dewdney Trail Property, the Eddy Property, the Zinger Property, the Vine Property, the West Basin Property and the DD Property, currently optioned to Teck Resources Limited. All properties are located in the Cranbrook area of British Columbia, Canada. In addition, the Company had entered into the following arrangements during the six months ended June 30, 2018:

Gold Shear Property:

On January 17, 2018, the Company entered into an option agreement (the "Agreement") with Mr. Louis Davis to earn a 100% interest in the Gold Shear Property (the "Property"), located in the province of British Columbia, Canada.

To earn its interest in the Property, the Company is required to realize the following scheduled payments:

- Within 30 days of the signing of the Agreement, pay \$10,000 cash (paid) and issue 25,000 common shares of PJX (issued) to the Optionor and,
- Within 12 months of the signing of the Agreement, pay an additional \$10,000 cash and issue an additional 75,000 common shares of PJX to the Optionor; and
- Within 24 months of the signing of the Agreement, to pay an additional \$25,000 cash and issue an additional 100,000 common shares of PJX to the Optionor.

Once PJX has fully earned its interest in the Property, it will grant a NSR of 2% to the Optionor of the Gold Shear Property. PJX will have the right to purchase 50% of such NSR (being a 1% NSR) for \$1,000,000, and the remaining 50% of such NSR (being a 1% NSR) for \$1,000,000.

10. SHARE CAPITAL

(a) Authorized capital

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

PJX Resources Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(b) Issued capital

The following schedule describes the share transactions since December 31, 2016:

	# of Shares	Value
Balance, December 31, 2016	75,419,896	\$ 7,646,928
Shares issued on exercise of w arrants and other adjustments	493,500	123,811
Shares issued on property option payment	50,000	\$ 8,250
Balance at December 31, 2017	75,963,396	\$ 7,778,989
Shares issued on property option payment (Note 10(b)(iii))	25,000	3,500
Shares issued on private placement	15,296,276	2,600,367
Value allocated to w arrants		(530,000)
<i>Share issue cost</i>		(220,641)
Balance at June 30, 2018	91,284,672	\$ 9,632,215

(i) Private placements

On May 17, 2018, the Company completed a private placement where 3,000,000 flow-through shares and 12,296,276 units were issued for gross proceeds of \$2,600,367. Under this transaction, PJX issued 3,000,000 flow-through shares at a price of \$0.17, 6,544,217 flow-through units at a price of \$0.17 per flow-through unit, and 5,752,059 non-flow-through units at a price of \$0.17 per unit. Each unit consisted of one common share of the Company and one non-transferable common share purchase warrant exercisable at \$0.25 for 24 months following completion of the Offering. 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 for 24 months following completion of the Offering.

In connection with the offering the Company paid finder fees for a total of \$143,697 and issued 836,454 Compensation warrants, valued at \$76,944, exercisable at \$0.25 for 24 months following completion of the Offering.

As proceeds received by the Company for flow-through units and non-flow though units at the time of the transaction were not different, no premium on flow-through shares was recorded on this transaction.

The following schedule describes the flow-through premiums and amortization for the six months ended June 30, 2018 and the year ended December 31, 2017:

	June 30, 2018	December 31, 2017
Premium Balance - Opening	\$ -	\$ 159,949
Premium amortization		(159,949)
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.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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The following schedules describe the options outstanding at June 30, 2018 and December 31, 2017:

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
November 15, 2018	\$0.15	0.38	1,018,500	1,018,500
July 20, 2020	\$0.19	2.06	1,615,000	1,615,000
November 17, 2021	\$0.20	3.39	3,390,000	3,390,000
Balance at June 30, 2018	\$0.19	2.52	6,023,500	6,023,500

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
November 15, 2018	\$0.15	0.87	1,018,500	1,018,500
July 20, 2020	\$0.19	2.55	1,615,000	1,615,000
November 17, 2021	\$0.20	3.88	3,390,000	3,390,000
Balance at December 31, 2017	\$0.19	3.02	6,023,500	6,023,500

There have been no option transactions during the year ended December 31, 2017 or the six months period ended June 30, 2018.

(iii) **Shares issued on property option payments**

Under the DD Property Agreement (the "DD Agreement"), entered on July 2016 between PJX and Doug Anderson and Dave Pighin (the "Optionors"), to acquire 100% of the DD Property, near Cranbrook, British Columbia., 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; 50,000 shares valued at \$9,000 were issued on July 18, 2016, and additional 50,000 shares, valued at \$8,250, were issued on July 10, 2017, based on the price of Company shares at the closing day before the transaction.

As part of the Gold Shear Agreement entered on January 17, 2018 (See Note 9), the Company is required to issue 200,000 PJX shares to the Optionor within a period of 24 month of the signing of the Agreement. In accordance to the terms of the Agreement, on January 22, 2018 the Company issued 25,000 common shares valued at \$3,500, based on the price of the Company shares at the closing day before the day of the transaction.

11. WARRANTS

Warrants issued:

As part of the May 17, 2018, financing the Company issued 12,296,276 warrants valued at \$530,000. Each warrant, will entitle the holder to purchase one common share at an exercise price of \$0.25 until May 17, 2023.

As part of the May 17, 2018, financing the Company issued 836,454 compensation warrants valued at \$76,944. Each warrant, will entitle the holder to purchase one common share at an exercise price of \$0.25 until May 17, 2023.

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Warrants exercised:

On April 7, 2017, 493,500 warrants were exercised at \$0.20 per warrant for net proceeds of \$98,700.

Warrants expired:

During the year ended December 31, 2017 the following warrants expired unexercised:

Expiry Date	Number of Warrants	Exercise price	Value
April 7, 2017	4,069,000	\$ 0.20	\$ 281,624
October 25, 2017	3,262,500	0.25	210,644
	7,331,500	\$ 0.22	\$ 492,268

There were no warrants expired during the three and six months period ended June 30, 2018.

Warrants extended:

During the third quarter of fiscal 2017 certain warrants expiring September 27 and November 4, 2017 were extended until September 22, 2018 and November 4, 2018, respectively.

The following schedule describes the extended warrants and their revised expiry date.

Revised expiry date	Number of Warrants	Exercise price
September 22, 2018	2,840,000	\$ 0.20
November 4, 2018	2,999,245	0.20
	5,839,245	\$ 0.20

The following schedule describes the warrants transactions since December 31, 2016:

	Number of Warrants	Exercise price	Value
Balance at December 31, 2016	36,400,071	0.24	\$ 1,913,620
Warrants expired	(7,331,500)	0.22	(492,269)
Warrants exercised	(493,500)	0.20	(34,156)
Balance December 31, 2017	28,575,071	0.24	1,387,195
Warrants issued on private placement	12,296,276	0.25	530,000
Compensation warrants issued	836,454	0.25	76,944
Balance at December 31, 2017 and June 30, 2018	41,707,801	0.24	\$ 1,994,139

PJX Resources Inc.
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The following schedule describes the warrants outstanding at June 30, 2018 and December 31, 2017:

Expiry Date	Number of Warrants	Exercise price	Value
September 22, 2018	2,840,000	\$ 0.20	\$ 114,721
November 4, 2018	2,999,245	0.20	139,817
August 30, 2019	6,883,284	0.25	335,045
October 31, 2019	2,795,293	0.25	135,561
November 18, 2019	13,057,249	0.25	662,051
May 17, 2023	12,296,276	0.25	530,000
May 17, 2023	836,454	0.25	76,944
Balance at June 30, 2018	41,707,801	\$ 0.24	\$ 1,994,139

Expiry Date	Number of Warrants	Exercise price	Value
September 22, 2018	2,840,000	\$ 0.20	\$ 114,721
November 4, 2018	2,999,245	0.20	139,817
August 30, 2019	6,883,284	0.25	335,045
October 31, 2019	2,795,293	0.25	135,561
November 18, 2019	13,057,249	0.25	662,051
Balance at December 31, 2017	28,575,071	\$ 0.24	\$ 1,387,195

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 27, 2018 ⁽¹⁾	2,840,000	Nil	111%	0.57%	1	\$ 114,721
November 4, 2018 ⁽¹⁾	2,999,245	Nil	125%	1.03%	1	139,817
August 30, 2019	6,883,284	Nil	117%	0.57%	3	335,045
October 31, 2019 ⁽²⁾	207,058	Nil	113%	0.55%	3	24,661
October 31, 2019	2,588,235	Nil	112%	0.55%	3	110,900
November 18, 2019 ⁽²⁾	599,818	Nil	114%	0.69%	3	77,077
November 18, 2019	12,457,431	Nil	114%	0.69%	3	584,974
May 17, 2023	12,296,276	Nil	104%	2.06%	2	530,000
May 17, 2023 ⁽²⁾	836,454	Nil	104%	2.06%	2	76,944
	41,707,801					\$ 1,994,139

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

(1) Warrants extended by one year

(2) Compensation warrants

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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, 2018 and 2017, and since inception, segregated by nature:

Periods ended June 30,	Three months		Six months		Balance since inception
	2018	2017	2018	2017	
Geology, geophysics and geochemistry	\$ 198,576	\$ 42,821	\$ 218,790	\$ 100,512	\$ 2,029,918
Exploration-other accommodation	-	-	-	-	2,440
Permitting	-	9,240	-	9,240	53,414
Land rights, claims and environment	3,256	5,128	12,342	5,128	112,718
Drilling	99,438	456,646	157,580	837,385	3,142,691
Laboratory	13,204	-	15,462	(2,129)	258,681
Roads and surface preparation	-	-	-	-	70,944
Camp cost and exploration supplies	694	27	2,306	3,347	21,601
Exploration - travel and transportation	8,045	3,976	10,954	11,886	200,086
Exploration- meals	1,636	720	2,755	3,189	32,804
Rent - field office	800	2,845	1,586	7,272	37,645
Surface sampling and mapping	-	-	-	-	50,505
Option payments	-	-	13,500	-	433,750
	\$ 325,649	\$ 521,403	\$ 435,275	\$ 975,830	\$ 6,447,197
<i>BC refundable tax credits received</i>	-	-	-	-	(149,878)
Total exploration expenses	\$ 325,649	\$ 521,403	\$ 435,275	\$ 975,830	\$ 6,297,319

The following schedules describe exploration expenses incurred by property during the three and six months ended June 30, 2018 and 2017, and since inception:

Periods ended June 30,	Three months		Six months		Balance since inception
	2018	2017	2018	2017	
Dewdney Trail Property	\$ 31,995	\$ 13,051	\$ 38,772	\$ 21,706	\$ 1,222,327
Eddy Property	10,694	8,690	17,405	10,505	546,906
Zinger Property	5,337	7,885	11,449	13,030	680,995
Vine Property	258,689	491,047	324,508	929,859	3,876,249
DD Property	-	-	6,900	-	32,498
Gold Shear	18,934	-	36,241	-	36,241
Others	-	730	-	730	51,981
	\$ 325,649	\$ 521,403	435,275	975,830	6,447,197
<i>BC refundable tax credits received</i>	-	-	-	-	(149,878)
Total exploration expenses	\$ 325,649	\$ 521,403	\$ 435,275	\$ 975,830	\$ 6,297,319

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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, 2018 and 2017:

Periods ended June 30,	Three months		Six months	
	2018	2017	2018	2017
Insurance	\$ 2,083	\$ 3,125	\$ 6,249	\$ 6,250
Interest, bank charges and penalties	556	15	615	76
Investor relations	89,033	37,930	115,785	83,297
Listing and regulatory fees	21,103	13,427	33,165	26,747
Office expenses	2,170	3,509	14,682	9,103
Professional fees	10,431	10,030	16,931	16,030
Rent	6,312	2,922	9,270	5,844
Salaries and benefits	69,783	66,368	144,734	142,398
Travel and transportation	2,095	3,808	3,343	4,675
	\$ 203,566	\$ 141,134	\$ 344,774	\$ 294,420

13. OTHER REVENUES

During the first quarter of fiscal 2018, the Company was reimbursed by the previous property owners of the Zinger Property, for funds related to security deposits with the British Columbia Ministry of Finance. The security deposits had been paid by the previous property owner 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 is required to provide new security deposits with the BC Government that have subsequently been refunded by the prior previous property owner to the Company. PJX recorded \$25,000 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 \$416,000 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.

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Pursuant to the terms of the flow-through share agreements, the Company needs to comply with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada) by incurring qualified exploration expenditures before December 31, of the year following the year in which the agreement is entered into. The Company indemnifies the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a

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result of the Company not meeting its expenditure commitments. As at June 30, 2018 the Company has approximately \$1.4 million (December 31, 2017: \$Nil) commitments related to previous flow-through share agreements entered into, based on exploration expenses incurred as at the date of this report.

15. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

a) 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:

Periods ended June 30,	Three months		Six months	
	2018	2017	2018	2017
Salaries	\$ 66,000	\$ 66,000	\$ 132,000	\$132,000
	\$ 66,000	\$ 66,000	\$ 132,000	\$132,000

b) Purchase of services:

During the three and six months ended June 30, 2017 and 2016 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	
	2018	2017	2018	2017
Fees paid to legal firm where a director of PJX is a partner	\$ 2,231	\$ 1,255	\$ 2,231	\$ 1,255
	\$ 2,231	\$ 1,255	\$ 2,231	\$ 1,255

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

As of June 30,	2018	2017
Payable to officers of the Company	\$ 22,684	\$ 3,925
	\$ 22,684	\$ 3,925

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