PJX RESOURCES INC.

Condensed Interim Financial Statements

Three and six months ended June 30, 2020 and 2019

(UNAUDITED)

The accompanying unaudited condensed interim financial statements ("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 04, 2020

Notice of Disclosure of Non-auditor Review of Condensed 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 condensed interim 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, 2020 and 2019 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 LLP, have not performed a review of these condensed interim 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, 2020 (Unaudited)	December 31, 2019 (Audited)
ASSETS			
Current assets			
Cash		$ **497,899**	$ 1,259,561
Amounts receivable	**6(a)**	**10,728**	18,564
British Columbia mining tax refunds receivable	**6(b)**	**40,000**	40,000
Prepayments	**7(a)**	**40,668**	39,152
Total current assets		**589,295**	1,357,277
Non-current assets			
Deposits	**7(b)**	**196,352**	174,950
Property and equipment	**8(a)**	**2,552**	2,991
Right-of-use asset	**8(a)**	**25,727**	30,137
Total non-current assets		**224,631**	208,078
Total assets		**813,926**	1,565,355
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**14(c)**	**41,603**	84,191
Flow-through premium liability	**10(b)(i)**	**85,092**	196,650
Current lease liabilities	**8(b)**	**8,380**	8,161
Total current liabilities		**135,075**	289,002
Non-current liabilities			
Reclamation obligation	**7(c)**	**24,500**	24,500
Non-current lease liabilities	**8(b)**	**18,156**	22,402
Total non-current liabilities		**42,656**	46,902
Total liabilities		**177,731**	335,904
SHAREHOLDERS' EQUITY			
Share capital	**10(b)**	**11,179,292**	11,156,342
Warrants	**11**	**2,021,689**	2,060,933
Contributed surplus		**4,188,228**	4,142,472
Accumulated deficit		**(16,753,014)**	(16,130,296)
Total shareholders' equity		**636,195**	1,229,451
Total shareholders' equity and liabilities		$ **813,926**	$ 1,565,355

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**	**2020**	2019	**2020**	2019
Expenses					
Exploration	**12(a)**	**$ 107,690**	$ 233,675	**$ 514,588**	$ 776,416
General and administration	**12(b)**	**82,868**	143,410	**208,329**	332,534
Share based compensation	**10(b)(ii)**	**6,511**	7,963	**6,511**	572,484
Depreciation	**8(a)**	**2,424**	1,763	**4,848**	4,675
Total operating expenses		**199,493**	386,811	**734,276**	1,686,109
Interest revenue		**-**	(14)	**-**	(14)
Loss before income taxes		**(199,493)**	(386,797)	**(734,276)**	(1,686,095)
Deferred flow-through tax recoveries	**10(b)(i)**	**26,546**	49,574	**111,558**	206,356
Net loss and comprehensive loss for the period		**$ (172,947)**	$ (337,223)	**$ (622,718)**	$ (1,479,739)
Basic and diluted loss per share		**($0.00)**	($0.00)	**($0.01)**	($0.01)
Weighted average number of shares outstanding		**108,175,832**	98,868,803	**108,131,547**	98,858,295

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**	**2020**	2019	**2020**	2019
Share capital					
Balance, beginning of the period		**$ 11,172,642**	$ 10,340,501	**$ 11,156,342**	$ 10,311,876
Warrants exercised	**11**	**-**	-	**-**	12,500
Shares issued on property option payment	**10(b)(iii)**	**6,650**	-	**22,950**	16,125
Balance, end of the period		**11,179,292**	10,340,501	**11,179,292**	10,340,501
Warrants					
Balance, beginning of the period		**2,060,933**	1,967,879	**2,060,933**	1,970,313
Warrants issued on private placement	**11**	**-**	-	**-**	-
Compensation warrants expired	**11**	**(39,244)**	-	**(39,244)**	-
Warrants exercised	**11**	**-**	-	**-**	(2,434)
Balance, end of the period		**2,021,689**	1,967,879	**2,021,689**	1,967,879
Contributed surplus					
Balance, beginning of the period		**4,142,472**	3,926,860	**4,142,472**	3,359,905
Warrants exercised		**-**	-	**-**	2,434
Warrants expired		**39,244**	-	**39,244**	-
Share based compensation	**10(b)(ii)**	**6,512**	7,963	**6,512**	572,484
Balance, end of the period		**4,188,228**	3,934,823	**4,188,228**	3,934,823
Accumulated deficit					
Balance, beginning of the period		**(16,580,067)**	(14,808,152)	**(16,130,296)**	(13,665,636)
Net loss for the period		**(172,947)**	(337,223)	**(622,718)**	(1,479,739)
Balance, end of the period		**(16,753,014)**	(15,145,375)	**(16,753,014)**	(15,145,375)
Total shareholders' equity		**$ 636,195**	$ 1,097,828	**$ 636,195**	$ 1,097,828

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

Six months ended June 30,	Note	2020	2019
Cash flows from operating activities			
Net loss for the period		$ **(622,718)**	$ (1,479,739)
Items not involving cash:			
Depreciation	**8(a)**	**4,848**	4,675
Flow through premium recoveries	**10(b)(i)**	**(111,558)**	(206,356)
Share based compensation	**10(b)(ii)**	**6,512**	572,484
Shares issued on option payment	**10(b)(iii)**	**22,950**	16,125
Changes in non-cash working capital:			
Deposits		**(21,402)**	(24,597)
Amounts receivable and prepayments		**6,321**	(11,145)
Accounts payable and accrued liabilities		**(42,588)**	(55,215)
Net cash used in operating activities		**(757,635)**	(1,183,768)
Cash flow from investing activities			
Purchase of equipment		**-**	(3,500)
Net cash generated by investing activities		**-**	(3,500)
Cash flow from financing activities			
Payment of lease liability	**8(b)**	**(4,027)**	(799)
Proceeds on issuance of shares and warrants	**11**	**-**	12,500
Net cash generated by financing activities		**(4,027)**	11,701
Net change in cash		**(761,662)**	(1,175,567)
Cash, beginning of the period		**1,259,561**	2,224,670
Cash, end of the period		$ **497,899**	$ 1,049,103

See accompanying notes to the unaudited condensed interim financial statements.

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, M5X 1C9.

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.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

The unaudited condensed interim 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, 2020, the Company incurred a loss of $622,718 or $0.01 per share, (June 30, 2019: $1,479,739 or $0.01 per share), and reported an accumulated deficit of $16,753,014 (December 31, 2019: $16,130,296). As at June 30, 2020 the working capital of the Company was $454,220 (December 31, 2019: $1,068,275). Additional financing is currently required to allow the Company to continue operating and to fund its planned exploration and development programs. The Company will continue to explore financing alternatives to raise capital. Although PJX has been successful in these activities in the past, the Company has no assurance on the success or sufficiency of these initiatives in the immediate future or that such financing will be available on acceptable terms. The above conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These unaudited condensed interim financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial positions classifications that might be necessary were the going concern assumption is inappropriate. These adjustments could be material.

These unaudited condensed interim financial statements were approved by the Board of Directors for issue on August 04, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The principal accounting policies applied in the preparation of these financial statement 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 04, 2020, 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, 2019. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2020 could result in restatement of these unaudited condensed interim financial statements.

<u>Changes in accounting policies:</u>

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

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, 2020 totaled $636,195 (December 31, 2019 – $1,229,451). 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 three and six months ended June 30, 2020. 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, 2020, the Company had a cash balance of $497,899 (December 31, 2019: $1,259,561) to settle current liabilities of $135,075 (December 31, 2019: $289,002). 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, 2020 and 2019, 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, 2020, 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, 2020 and December 31, 2019, the carrying values approximate the fair value amounts of the Company's financial instruments. The Company has not disclosed the fair value of amounts receivable, accounts payable and accrued liabilities because the carrying values approximate fair values.

6. AMOUNTS RECEIVABLE

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

b) The Company has accrued an estimated receivable amount for $40,000 in relation to the 2018 British Columbia refundable tax credit.

7. REPAYMENTS AND DEPOSITS

a) Prepayments totalling $40,668 (December 31, 2018: $39,152) represents advanced payments to suppliers.

b) At June 30, 2020, the Company has deposits with the British Columbia Ministry of Finance for $162,900 (December 31, 2019: $148,900) representing remediation cost bonds associated with its properties; and other advances totalling $33,452 (December 31, 2019: $26,050).

c) During the year ended December 31, 2018, the Company assumed obligations relating to an excavated trail located in the Zinger Property, in exchange for cash consideration of $25,000. The decommissioning liabilities are assessed based on the estimated costs to reclaim the excavation trails and the estimated timing of the costs to be incurred in future periods. Management of the Company has estimated that the total undiscounted cash flows required to settle the obligations will be approximately $27,000. These obligations have been discounted using a risk-free rate of 3% and an inflation rate of 2% per year. Most of this obligation is not expected to be paid until approximately 5 years in the future and have already been fully funded with a refundable deposit, held on account with the British Columbia Ministry of Finance. Included under deposits disclosed in Note 7(b) are $24,400 that the Company has made with the British Columbia Ministry of Natural Resources on this respect, funds that will be refunded to the Company once its obligation is discharged.

(Expressed in Canadian dollars)

8. PROPERTY AND EQUIPMENT, RIGHT OF USE ASSET AND LEASE LIABILITY

a) Property, equipment and right of use:

	Vehicles	Right of Use	Total	December 31, 2019
Balance, beginning of the year	**$ 3,500**	**$ 35,282**	**$ 38,782**	$ 45,684
Acquisitions	**-**	**-**	**-**	3,500
Dispositions	**-**	**-**	**-**	(45,684)
Right of use asset	**-**	**-**	**-**	35,282
	$ 3,500	**$ 35,282**	**$ 38,782**	$ 38,782
Accumulated depreciation				
Balance, beginning of the year	**510**	**5,145**	**5,655**	41,800
Dispositions	**-**	**-**	**-**	(45,684)
Depreciation	**438**	**4,410**	**4,848**	9,538
	948	**9,555**	**10,503**	5,654
Net book value	**$ 2,552**	**$ 25,727**	**$ 28,279**	**$ 33,128**

b) Lease liability:

The Company has one lease agreement for a vehicle lease entered into during June 2019. The Company did not incur any variable lease payments and there were no leases with residual value guarantees or not yet commenced to which the Company is committed.

Periods ending		June 30, 2020		December 31, 2019
Lease liability	**$**	**26,536**	$	30,563
Less: Current portion		**(8,380)**		(8,161)
Long-term portion	**$**	**18,156**	$	22,402

		June 30, 2020		December 31, 2019
Undiscounted lease liability	**$**	**28,768**	$	33,563
No later than one year		**(9,589)**		(9,589)
Later than one year and no later than five years		**(19,179)**		(23,974)
	$	**-**	$	-

9. MINERAL EXPLORATION PROPERTIES

The Company has 100% ownership in eight properties: the Dewdney Trail Property, the Eddy Property, the Zinger Property, the Vine Property, the West Basin Property, the Gold Shear Property, the Parker Copper Property and the DD Property. All properties are located in the Cranbrook area of British Columbia, Canada.

a) 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. See Note 10(b)(iii) for a detail of shares issued under this agreement.

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.

On May 10, 2016, the Company entered into an option agreement (the "Teck Agreement") with Teck Resources Limited ("Teck") whereby Teck was granted an option to acquire up to a 75% interest in the DD Property. The Teck Agreement provided for Teck to earn an interest in the property as follows:

Stage 1: Teck had 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 have elected to earn an additional 24% interest in the DD Property, thereby increasing its interest to 75%, by incurring an additional $4 million of expenditures by January 31, 2024 (the "Second Option").

On November 5, 2019 the Company announced that Teck terminated their option on the DD Property. Teck has transferred the exploration permit to PJX. The multi-year area-based permit allows PJX to drill and explore without having to acquire a new permit.

On June 17, 2020, the Company signed a letter of intent with DLP Resources Inc. ("DLP") where DLP could earn up to a 75% undivided interest in the DD property by paying a non-refundable deposit of $20,000 and executing an Option Agreement that contains the following terms:

1) *In order to earn an undivided 50% interest in the DD Property:*

   - Within 12 months of the effective date of the Option Agreement, incur work in the property for a cumulative amount of $350,000;
   - Within 24 months of the effective date of the Option Agreement, incur work in the property for a cumulative amount of $1,000,000;
   - Within 36 months of the effective date of the Option Agreement, incur work in the property for a cumulative amount of $2,500,000;
   - Within 48 months of the effective date of the Option Agreement, incur work in the property for a cumulative amount of $4,000,000;

2) *In order to earn an additional undivided 25% interest in the DD property:*

   Complete a bankable commercial feasibility study on the DD property within 96 months of the effective date of the Option Agreement.

b) Gold Shear Property Agreement:

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

To earn its interest in the Gold Shear Property, the Company was 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 (paid) and issue an additional 75,000 common shares of PJX (issued) to the optionor; and
- Within 24 months of the signing of the Agreement, to pay an additional $25,000 (paid) cash and issue an additional 100,000 common shares of PJX (issued) to the optionor.

Under the Agreement, the Optionor retains a 2% NSR. 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.

As of June 30, 2020, the Company has fully earned its interest in this property (see Note 10 (b) (iii)).

On May 29, 2020 the Company entered into an agreement with Mr. David Morgan (the "Seller") where PJX acquired a 100% interest in the "David 6" Claim by paying $2,000 cash (paid) and issuing 20,000 shares of the Company (issued). Upon the closing of the transaction, the Seller was granted a Net Smelter Royalty ("NSR") of 2% in respect of the David 6 claim. PJX will have the right to purchase 50% of such NSR for $1,000,000 and the remaining 50% of such NSR (being 1%) for $1,000,000.

c) *Other Properties:*

The Company also has other exploration properties, all located in British Columbia, Canada, where it has earned a 100% interest. See Note 12(a) for a detail on exploration work conducted by PJX in these properties.

10. SHARE CAPITAL

(a) Authorized capital

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

(Expressed in Canadian dollars)

(b) Issued capital

The following schedule describes the share transactions since December 31, 2018:

	# of Shares		Value
Balance at December 31, 2018	98,743,803	$	10,311,876
Shares issued on property option payment (Note 10(b)(iii))	125,000		23,375
Shares issued on private placement (Note 10(b)(i))	9,135,491		1,409,200
Shares issued on exercise of warrants (Note 11)	50,000		14,934
Value allocated to warrants	-		(274,893)
Share premium on flow-through shares (Note 10(b)(i))	-		(196,650)
Share issue cost (Note 10(b)(i))	-		(131,500)
Balance at December 31, 2019	108,054,294	$	11,156,342
Shares issued on property option payment (Note 10(b)(iii))	170,000		22,950
Balance at June 30, 2020	**108,224,294**	**$**	**11,179,292**

(i) Private placements

On December 30, 2019, the Company announced the completion of a private placement where 1,943,824 flow-through units at a price of $0.17 per flow-through unit, 3,333,334 flow-through shares at a price of $0.15 per share and 3,858,333 units at a price of $0.15 per unit, were issued for gross proceeds of $1,409,200. Under this transaction, each flow-through unit consisted of one flow-through common share of the Company and one non-transferable common share purchase warrant. Each unit consists of one common share and one non-transferable common share purchase warrant. Each warrant, whether acquired as part of a flow-through unit or unit, entitles the holder to purchase one common share of the Issuer at a price of $0.25 per share thereafter until the third anniversary of the issuance of the warrants.

As the proceeds received by the Company in December 6, 2019 for a flow-through unit, flow-through share and non-flow though unit at the time of the transaction were different, a premium on flow-through shares of $196,650 was recorded. The premium has been deducted from capital and a flow-through premium liability for the same amount was recorded. The premium is subsequently amortized as the flow-through funds are utilized in qualified exploration programs.

In connection with the offering the Company paid finder fees for a total of $99,226 and issued 649,733 compensation warrants, valued at $30,799, as well as incurred other cash costs for $1,475. Each of the finder's warrants entitles the finder to purchase one common share of the Issuer at a price of $0.25 for 36 months.

The following schedule describes the flow-through premium liabilities and amortization for the six months ended June 30, 2020 and year ended December 31, 2019:

		June 30, 2020	December 31, 2019
Unamortized premium balance - opening	**$**	**196,650**	$ 314,889
Premium on issued flow-through shares		**-**	196,650
Premium amortization		**(111,558)**	(314,889)
Unamortized premium balance - ending	**$**	**85,092**	$ 196,650

(Expressed in Canadian dollars)

(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 January 4, 2019 the Company granted an aggregate of 2,960,000 incentive stock options to employees, officers, directors and consultants of the Company, pursuant to the Company's Plan, at an exercise price of $0.25 per share. Out of the options granted, 2,820,000 were fully vested on granting and 140,000 vest every quarter over a period of 1 year, with the first quarter vesting on granting. All options granted are exercisable until January 3, 2024. 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 99%; risk-free interest rate of 1.84%; and an expected average life of 5 years. The fair value of all these options was estimated at $550,670 of which $544,158 has been vested as of December 31, 2019, and $6,512 during the six months ended June 30, 2020, was recorded as share-based compensation within the statement of loss and credited to contributed surplus.

During fiscal 2019, the Company cancelled 255,000 stock options exercisable at $0.20 per share and 225,000 stock options exercisable at $0.19.

The following schedules describe the options outstanding at June 30, 2020 and December 31, 2019:

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
July 20, 2020	$0.19	0.05	1,380,000	1,380,000
November 17, 2021	$0.20	1.38	3,135,000	3,135,000
August 19, 2023	$0.25	3.14	1,925,000	1,925,000
January 3, 2024	$0.25	3.51	2,960,000	2,960,000
Balance at June 30, 2020	**$0.22**	**2.22**	**9,400,000**	**9,400,000**

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
July 20, 2020	$0.19	0.55	1,380,000	1,380,000
November 17, 2021	$0.20	1.88	3,135,000	3,135,000
August 19, 2023	$0.25	3.64	1,925,000	1,925,000
January 3, 2024	$0.25	4.01	2,960,000	2,925,000
Balance at December 31, 2019	**$0.22**	**2.72**	**9,400,000**	**9,365,000**

The following schedule describes the options transactions since December 31, 2018:

	Number of stock options	Weighted average exercise price
Balance at December 31, 2018	6,920,000	$ 0.21
Options granted	2,960,000	0.25
Options cancelled	(480,000)	0.20
Balance at December 31, 2019 and June 30, 2020	**9,400,000**	**$ 0.22**

(iii) Shares issued on property option payments

DD Agreement:

Option Payments:
Under the DD Property 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 (see Note 9(a)).

The following shares have been issued under the terms of this agreement:

- 50,000 shares valued at $9,000 were issued on July 18, 2016;
- 50,000 shares valued at $8,250 were issued on July 10, 2017;
- 50,000 shares valued at $11,000 were issued on July 6, 2018;
- 50,000 shares valued at $7,250 were issued on August 12, 2019 and
- 50,000 shares valued at $4,750 were issued on June 2nd, 2020.

The value ascribed to the shares issued were based on the Company's closing shares price the day before the transaction.

Option payments received:
As indicated under Note 9(a), on June 17, 2020, the Company signed a letter of intent with DLP Resources Inc. ("DLP") where DLP could earn up to a 75% undivided interest in the DD property. DLP paid a non-refundable deposit of $20,000 that has been recorded as an option payment received.

Gold Shear Agreement:

Under this agreement entered on January 17, 2018, the Company is required to issue 200,000 PJX shares to the optionor within a period of 24 months of the signing of the Agreement (see Note 9b).

The following shares and cash payments have been issued under the terms of this agreement:

- 25,000 common shares valued at $3,500 were issued on January 22, 2018 and $10,000 cash paid on January 29, 2018;
- 75,000 common shares valued at $16,125 were issued on January 2, 2019 and $10,000 cash paid on March 31, 2019.
- 100,000 common shares valued at $16,300 were issued on January 6, 2020 and $25,000 cash paid on the same date.

Under the new purchase agreement that the company entered to acquire the David 6 Claim (see Note 9(b)), the Company issued 20,000 common shares valued at $1,900. The David 6 Claim is now included under the Gold Shear group of claims.

The value of the shares issued is based on the price of the Company shares at the closing day before the day of the transaction.

(Expressed in Canadian dollars)

11. WARRANTS

The following schedule describes the warrants outstanding at June 30, 2020:

Expiry Date	Number of Warrants	Exercise price	Value
August 29, 2020 **	6,833,284	$ 0.25	$ 332,611
November 18, 2020 ***	12,457,431	0.25	584,974
May 15, 2021 ****	12,296,276	0.25	537,320
December 17, 2021 *	4,574,131	0.25	241,972
December 17, 2021 *	332,600	0.25	19,120
December 5, 2022	5,802,157	0.25	274,893
December 5, 2022	649,733	0.25	30,799
Balance at June 30, 2020	**42,945,612**	**$ 0.25**	**$ 2,021,689**

* Exercisable at $0.25 during years 1 and 2 and at $0.30 in year 3

** Warrants expiry date extended from August 29, 2019 to August 29, 2020.

*** Warrants expiry date extended from November 18, 2019 to November 18, 2020.

**** Extended for one year from its original expiry date of May 15, 2020.

The following schedule describes the warrant transactions since December 31, 2018:

	Number of Warrants	Exercise price	Value
Balance at December 31, 2018	40,775,287	$ 0.25	$ 1,970,313
Warrants exercised	(50,000)	0.25	(2,434)
Warrants expired	(3,395,111)	0.25	(212,638)
Warrants issued on private placement	6,451,890	0.25	305,692
Balance at December 31, 2019	43,782,066	$ 0.25	$ 2,060,933
Warrants expired	(836,454)	0.25	(39,244)
Balance at June 30, 2020	**42,945,612**	**0.25**	**$ 2,021,689**

Warrants issued:
As part of the financing announced December, 2019, the Company issued 5,802,157 warrants valued at $274,893. Each warrant, whether acquired as part of a flow-through unit or unit, entitles the holder to purchase one common share of the Issuer at a price of $0.25 per share for 36 months.

As part of the financing announced on December, 2019, the Company issued 649,733 compensation warrants valued at $30,799. Each warrant entitles the holder to purchase one common share of the Issuer at a price of $0.25 per share for 36 months.

(Expressed in Canadian dollars)

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

Expiry date	Number of Warrants	Dividend yield	Volatility *	Risk free interest rate	Expected average life (years)		Value
August 29, 2020	6,833,284	Nil	117%	0.57%	3	$	332,611
November 18, 2020 (3)	12,457,431	Nil	114%	0.69%	3		584,974
May 15, 2021 (4)	12,296,276	Nil	104%	2.06%	2		537,320
December 17, 2021 (1)	4,574,131	Nil	108%	2.02%	3		241,972
December 17, 2021 (1) (2)	332,600	Nil	108%	2.02%	3		19,120
December 5, 2022	5,802,157	Nil	103%	1.63%	3		274,893
December 5, 2022 (2)	649,733	Nil	103%	1.63%	3		30,799
	42,945,612					$	2,021,689

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

(1) Exercisable at $0.25 during years 1 and 2 and at $0.30 in year 3

(2) Compensation warrants

(3) Extended for one year from its original expiry date of November 18, 2019

(4) Extended for one year from its original expiry date of November 15, 2020

Warrants extended:

During the third quarter of fiscal 2019 the Company extended the expiry date of 6,833,284 warrants originally expiring on August 29, 2019 to August 29, 2020. No other terms on these warrants were changed.

On November 18, 2019, 12,457,431 warrants expiring on that date and exercisable at $0.25, were extended until November 18, 2020. All remaining terms of these warrants remained unchanged.

On May 5, 2020, the Company announced that it has extended the term of 12,296,276 share purchase warrants. These warrants were originally issued pursuant to a private placement announced on May 1, 2018 and accepted for filing by the TSX Venture Exchange on May 17, 2018. The warrants were to expire on May 15, 2020 and exercisable at $0.25 per share. The new expiration date of the warrants is May 15, 2021. All other terms of the warrants, including the exercise price will remain unchanged. The extension of the warrants has been accepted by the TSX Venture Exchange.

Warrants exercised:

During the first quarter of fiscal 2019, 50,000 warrants with a grant date fair value of $2,434 were exercised at $0.25 per warrant for net proceeds of $12,500.

Warrants expired:

During the six months ended June 30, 2020, 836,454 compensation warrants exercisable at $0.25 expired unexercised.

The following schedules describe the warrants expired during the year ended December 31, 2019.

Expiry Date	Number of Warrants		Exercise price		Value
October 31, 2019	2,795,293	$	0.25	$	135,561
November 18, 2019	599,818		0.25		77,077
	3,395,111	$	0.25	$	212,638

(Expressed in Canadian dollars)

12. EXPLORATION AND GENERAL AND ADMINISTRATION EXPENSES

a) Exploration Expenses:

The following schedules describe exploration expenses incurred in each property during the three and six months ended June 30, 2020 and 2019, and since inception:

	Three months		Six months		Balance since
Periods ended June 30,	**2020**	2019	**2020**	2019	inception
Dewdney Trail Property	**$ 2,550**	$ 6,626	**$ 10,650**	$ 22,286	$ 1,320,744
Eddy Property	**20,020**	42,317	**21,886**	72,056	776,931
Zinger Property	**300**	8,204	**300**	22,536	1,016,542
Vine Property	**74,826**	163,489	**415,016**	614,145	5,906,610
DD Property	**(14,250)**	1,444	**(14,250)**	1,444	44,443
Gold Shear Property	**21,609**	3,437	**71,956**	33,432	448,700
Parker Copper Property	**-**	8,158	**-**	10,517	60,605
Others	**2,635**	-	**9,030**	-	61,008
	$ 107,690	$ 233,675	**$ 514,588**	$ 776,416	9,635,583
BC refundable tax credits received	**-**	-	**-**	-	(149,878)
Total exploration expenses	**$ 107,690**	$ 233,675	**$ 514,588**	$ 776,416	$ 9,485,705

The following schedule describes exploration expenses incurred during the three and six months ended June 30, 2020 and 2019, and since inception, segregated by nature:

	Three months		Six months		Balance since
Periods ended June 30,	**2020**	2019	**2020**	2019	inception
Geology, geophysics and geochemistry	**$ 95,399**	$ 110,485	**$ 136,760**	$ 187,601	$ 2,860,132
Exploration-other accommodation	**-**	-	**-**	-	2,440
Permitting	**-**	1,160	**-**	1,160	54,574
Land rights, claims and environment	**3,900**	420	**5,590**	3,613	148,980
Drilling	**4,421**	102,176	**301,263**	514,252	5,115,283
Laboratory	**8,191**	3,340	**16,571**	3,610	369,268
Roads and surface preparation	**-**	-	**-**	-	70,944
Camp cost and exploration supplies	**272**	2,133	**578**	4,565	29,511
Exploration - travel and transportation	**1,735**	8,059	**9,726**	19,036	264,338
Exploration- meals	**663**	1,957	**1,671**	3,493	47,018
Rent - field office	**3,300**	3,329	**3,500**	4,513	57,171
Insurances	**1,424**	-	**2,848**	-	3,050
Surface sampling and mapping	**-**	-	**-**	-	50,505
Option payments (receipts)	**(14,250)**	-	**27,050**	27,125	511,261
Reclamation provision	**-**	-	**-**	-	24,500
Legal expenses-exploration	**-**	-	**-**	-	1,898
Non-flow-through exploration expenses	**2,635**	616	**9,031**	7,448	24,710
	$ 107,690	$ 233,675	**$ 514,588**	$ 776,416	$ 9,635,583
BC refundable tax credits received	**-**		**-**	-	(149,878)
Total exploration expenses	**$ 107,690**	$ 233,675	**$ 514,588**	$ 776,416	$ 9,485,705

(Expressed in Canadian dollars)

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, 2020 and 2019:

	Three months		Six months	
Periods ended June 30,	**2020**	2019	**2020**	2019
Insurance	**$ 5,294**	$ 3,823	**$ 8,169**	$ 9,233
Interest, bank charges and penalties	**377**	109	**911**	214
Investor relations	**7,388**	42,650	**35,545**	124,312
Listing and regulatory fees	**6,443**	1,992	**18,765**	15,947
Office expenses	**3,076**	5,803	**5,753**	9,183
Professional fees	**11,220**	5,362	**18,720**	12,862
Rent	**387**	3,217	**1,545**	6,175
Salaries and benefits	**48,421**	70,491	**106,189**	142,283
Taxes and levies	**-**	-	**9,225**	-
Travel and transportation	**262**	9,963	**3,507**	12,325
	$ 82,868	$ 143,410	**$208,329**	$ 332,534

13. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments up to $812,000 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 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 result of the Company not meeting its expenditure commitments. As at June 30, 2020, the Company has approximately $360,000 in estimated commitments related to previous flow-through share agreements entered into to be incurred by December 31, 2020.

(Expressed in Canadian dollars)

14. 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, 2020 and 2019, the Company contracted professional services from directors of PJX as follows:

	Three months		Six months	
Periods ended June 30,	**2020**	2019	**2020**	2019
Fee paid to a director of a company for geological services	**$ 1,200**	$ 5,143	**$ 1,200**	$ 5,143
	$ 1,200	$ 5,143	**$ 1,200**	$ 5,143

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:

	Three months		Six months	
Periods ended June 30,	**2020**	2019	**2020**	2019
Salaries	**$ 66,000**	$ 66,000	**$ 132,000**	$132,000
Stock-based compensation	**-**	-	**-**	421,374
	$ 66,000	$ 66,000	**$ 132,000**	$553,374

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

Includes in accounts payables and accrual liabilities are the following amounts:

	June 30, 2020	December 31, 2019
Payable to officers of the Company	**$ 300**	$ 19,564
Payable to a law firm where a director of the Company is a partner	**-**	261
	$ 300	$ 19,825

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

15. SUBSEQUENT EVENT

On July 20, 2020, the Company announced it has signed the Definitive Option Agreement with DLP Resources Inc. for the DD Property (see Note 9(a)).