



**PJX RESOURCES INC.**  
**Financial Statements**  
**Three months ended March 31, 2021 and 2020**  
**(UNAUDITED)**

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

These unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim 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  
May 18, 2021

#### **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 March 31, 2021 and 2020 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)**

<b>As at</b>	<b>Note</b>	<b>March 31, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 2,731,913	\$ 1,061,346
Amounts receivable	6	19,421	17,847
Prepayments	7(a)	26,413	30,423
<b>Total current assets</b>		<b>2,777,747</b>	<b>1,109,616</b>
<b>Non-current assets</b>			
Deposits	7(b)	188,936	189,207
Property and equipment	8(a)	1,896	2,115
Right-of-use asset	8(a)	19,112	21,317
<b>Total non-current assets</b>		<b>209,944</b>	<b>212,639</b>
<b>Total assets</b>		<b>2,987,691</b>	<b>1,322,255</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	15(c)	142,366	166,033
Flow-through premium liability	10(b)(i)	53,840	48,805
Current lease liabilities	8(b)	8,721	8,606
<b>Total current liabilities</b>		<b>204,927</b>	<b>223,444</b>
<b>Non-current liabilities</b>			
Reclamation obligation	7(c)	24,500	24,500
Non-current lease liabilities	8(b)	11,572	13,796
<b>Total non-current liabilities</b>		<b>36,072</b>	<b>38,296</b>
<b>Total liabilities</b>		<b>240,999</b>	<b>261,740</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10(b)	12,931,350	11,947,758
Warrants	11	1,760,417	1,786,069
Contributed surplus		5,062,411	5,053,323
Accumulated deficit		(17,007,486)	(17,726,635)
<b>Total shareholders' equity</b>		<b>2,746,692</b>	<b>1,060,515</b>
<b>Total shareholders' equity and liabilities</b>		<b>\$ 2,987,691</b>	<b>\$ 1,322,255</b>

Going concern (Note 1)

Commitments and contingencies (Note 9 and 14)

Subsequent events (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)

<b>Three months ended March 31,</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Expenses</b>			
Exploration	12(a)	\$ 109,705	\$ 406,898
General and administration	12(b)	154,599	125,461
Share based compensation	10(b)(ii)	9,088	-
Depreciation	8(a)	2,424	2,424
<b>Total operating expenses</b>		<b>(275,816)</b>	<b>(534,783)</b>
Other revenues	13	1,000,000	-
Loss before income taxes		724,184	(534,783)
Flow-through premium recoveries	10(b)(i)	(5,035)	85,012
<b>Net Income (loss) and comprehensive loss for the period</b>		<b>\$ 719,149</b>	<b>\$ (449,771)</b>
<b>Basic and diluted earnings (loss) per share</b>		<b>\$0.01</b>	<b>(\$0.00)</b>
<b>Weighted average number of shares outstanding (basic and diluted)</b>		<b>119,866,361</b>	<b>108,054,294</b>

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 ended March 31,	Note	2021	2020
<b>Share capital</b>			
Balance, beginning of the period		\$ 11,947,758	\$ 11,156,342
Shares issued under private placement	10(b)(i)	1,000,000	-
Reallocation of issue cost to warrants		25,652	-
Shares issued on property option payment	10(b)(iii)	-	16,300
Share issue cost	10(b)	(42,060)	-
Balance, end of the period		12,931,350	11,172,642
<b>Warrants</b>			
Balance, beginning of the period		1,786,069	2,060,933
Reallocation of issue cost to warrants	11	(25,652)	-
Balance, end of the period		1,760,417	2,060,933
<b>Contributed surplus</b>			
Balance, beginning of the period		5,053,323	4,142,472
Share based compensation	10(b)(ii)	9,088	-
Balance, end of the period		5,062,411	4,142,472
<b>Accumulated deficit</b>			
Balance, beginning of the period		(17,726,635)	(16,130,296)
Net income (loss) for the period		719,149	(449,771)
Balance, end of the period		(17,007,486)	(16,580,067)
<b>Total shareholders' equity</b>		<b>\$ 2,746,692</b>	<b>\$ 795,980</b>

See accompanying notes to the unaudited condensed interim financial statements.

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

Three months ended March 31,	Note	2021	2020
<b>Cash flows from operating activities</b>			
Net income (loss) for the year		\$ 719,149	\$ (449,771)
<i>Items not involving cash:</i>			
Depreciation	8(a)	2,424	2,424
Flow through premium recoveries	10(b)(i)	5,035	(85,012)
Share based compensation	10(b)(ii)	9,088	-
Shares issued on option payment	10(b)(iii)	-	16,300
<i>Changes in non-cash working capital:</i>			
Deposits		271	(12,836)
Amounts receivable and prepayments		2,437	1,902
Accounts payable and accrued liabilities		(23,668)	(10,171)
Net cash generated by (used) in operating activities		714,736	(537,164)
<b>Cash flow from financing activities</b>			
Payment of lease liability	8(b)	(2,109)	(2,000)
Proceeds on issuance of shares and warrants	13	1,000,000	-
Cash portion of issue costs	10(b)(i)	(42,060)	-
Net cash generated by financing activities		955,831	(2,000)
Net change in cash		1,670,567	(539,164)
Cash, beginning of the period		1,061,346	1,259,561
<b>Cash, end of the period</b>		<b>\$ 2,731,913</b>	<b>\$ 720,397</b>

See accompanying notes to the unaudited condensed interim financial statements.

**PJX Resources Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

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**Three months ended March 31, 2021 and 2020**

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**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.

These 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 three months ended March 31, 2021, the Company generated a net income of \$719,149 or \$0.01 per share, (March 31, 2020: net loss of \$449,771 or \$0.00 per share), and reported an accumulated deficit of \$17,007,486 (December 31, 2020: \$17,726,635). As at March 31, 2021 the working capital of the Company was \$2,572,820 (December 31, 2020: \$886,172). Management believes that the working capital is sufficient to support operations for the next twelve months. However, additional funding will be required to allow the Company to continue operating and to fund future 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 or that such financing will be available on acceptable terms.

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 May 18, 2021.

**PJX Resources Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

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**Three months ended March 31, 2021 and 2020**

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## **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 unaudited condensed interim 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 May 18, 2021, 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, 2020. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2021 could result in restatement of these unaudited condensed interim financial statements.

### **Changes in accounting policies:**

During the three months ended March 31, 2021, the Company adopted a number of amendments and improvements of existing standards. These included IAS 1 – Presentation of Financial Statements, and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The adoption of these new amendments did not have any material impact on the Company's financial statements.

### **Future accounting changes**

Certain pronouncements were issued by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023. The Company is currently evaluating the impact of the amendments on its 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 March 31, 2021 totaled \$2,746,692 (December 31, 2020: \$1,060,515). 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



**PJX Resources Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

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**Three months ended March 31, 2021 and 2020**

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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 months ended March 31, 2021. 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. As of March 31, 2021, the Company believes it is compliant with the policies of the TSXV.

#### **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 March 31, 2021, the Company had a cash balance of \$2,731,913 (December 31, 2020: \$1,061,346) to settle current liabilities of \$204,927 which includes a non-cash flow through premium liability (December 31, 2020: \$223,444). 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 March 31, 2021 and December 31, 2020, 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

**PJX Resources Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

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**Three months ended March 31, 2021 and 2020**

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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 March 31, 2021, 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 March 31, 2021 and 2020, the carrying values approximate the fair value amounts of the Company's financial instruments due to their short-term nature.

#### **6. AMOUNTS RECEIVABLE**

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

#### **7. PREPAYMENTS AND DEPOSITS**

- a) Prepayments totalling \$26,413 (December 31, 2020: \$30,423) represents advanced payments to suppliers.
- b) At March 31, 2021, the Company has deposits with the British Columbia Ministry of Finance for \$162,900 (December 31, 2020: \$162,900) representing remediation cost bonds associated with its properties; and other advances totalling \$26,036 (December 31, 2020: \$26,307).
- 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 \$24,500 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.

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

a) *Property, equipment and right of use asset*

The following schedules describe the transactions for Vehicles and Right of Use arising during the three months period ended March 31, 2021 and the year ended December 31, 2020:

**PJX Resources Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in Canadian dollars)  
(Unaudited)

**Three months ended March 31, 2021 and 2020**

	Vehicles	Right of Use Asset	Total March 31, 2021
Balance, December 31, 2019 and 2020	\$ 3,500	\$ 35,282	\$ 38,782
	\$ 3,500	\$ 35,282	\$ 38,782
<b>Accumulated depreciation</b>			
Balance, December 31, 2020	1,385	13,965	15,350
Depreciation	219	2,205	2,424
Balance, March 31, 2021	1,604	16,170	17,774
<b>Net book value</b>	<b>\$ 1,896</b>	<b>\$ 19,112</b>	<b>\$ 21,008</b>

	Vehicles	Right of Use Asset	Total December 31, 2020
Balance, December 31, 2019 and 2020	\$ 3,500	\$ 35,282	\$ 38,782
	\$ 3,500	\$ 35,282	\$ 38,782
<b>Accumulated depreciation</b>			
Balance, December 31, 2019	510	5,145	5,655
Depreciation	875	8,820	9,695
Balance, December 31, 2020	1,385	13,965	15,350
<b>Net book value</b>	<b>\$ 2,115</b>	<b>\$ 21,317</b>	<b>\$ 23,432</b>

*b) Lease liability:*

The Company has one lease agreement for a vehicle lease entered into during September 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.

<b>Periods ended</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Lease liability	\$ 20,293	\$ 22,402
Less: Current portion	(8,721)	(8,606)
<b>Long-term portion</b>	<b>\$ 11,572</b>	<b>\$ 13,796</b>

<b>Periods ended</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Undiscounted lease liability	\$ 21,576	\$ 23,974
No later than one year	(9,589)	(10,389)
Later than one year and no later than five years	(11,987)	(13,585)
	<b>\$ -</b>	<b>\$ -</b>

**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.

**PJX Resources Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

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**Three months ended March 31, 2021 and 2020**

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*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 Net Smelter Royalty ("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 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 and cash payments of \$250,000 inclusive of the \$20,000 non-refundable deposit.
  
- 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.
  - Upon DLP's exercise of the Option and acquisition of a 50% or 75% interest in the DD Property, as applicable, the parties will enter into a joint venture agreement for the further development of the Property.

On July 13, 2020, the Company and DLP entered into an Option Agreement. On August 17, 2020 the Company and DLP signed an addendum (the "Addendum") to the Option Agreement where three additional properties (Moby Dick, NZOU and LMC (NZOU)), where DLP has an option to earn a 100% interest from a third party (the "Third Party"), will be added to the Option Agreement.

Under the terms of the Addendum, PJX will acquire:

- 50% of the Moby Dick property by paying 50% of staking costs of the Moby Dick property, representing approximately \$461;
- 50% of the NZOU property by reimbursing DLP for 50% of DLP's option commitment on the NZOU properties (NZOU and LMC (NZOU)), by incurring \$32,500 in exploration work commitments and reimbursing 50% of DLP's share option commitments with the Third Party, representing 200,000 shares of DLP.

**PJX Resources Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

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**Three months ended March 31, 2021 and 2020**

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PJX has the option to reimburse 50% of DLP's share payment by:

- Paying DLP 50% of the share option commitment in cash at DLP's share market price, or
- If DLP's share market price exceeds \$0.50, then PJX can elect to pay 50% of the value of the option commitment in cash to a maximum of \$0.50 per DLP share price. Any value of the option commitment above a DLP share price of \$0.50 owed by PJX would then be applied as part of DLP's earn in commitment as part of the DD Option Agreement.

Should DLP exercise their option in the NZOU option agreement, a 2% NSR will be granted to the Third Party, where DLP has the right to purchase back 50% of this 2% NSR for \$1 million. This right would be shared 50:50 with PJX.

***b) Gold Shear Property Agreement:***

On January 17, 2018, the Company entered into an option 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 2, 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 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.

### **(b) Issued capital**

The following schedule describes the share transactions since December 31, 2019:

**PJX Resources Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

**Three months ended March 31, 2021 and 2020**

	# of Shares		Value
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
Shares issued on private placement (Note 10(b)(i))	9,350,400		1,230,800
Value allocated to warrants			(332,443)
Share premium on flow-through shares (Note 10(b)(i))			(62,000)
Share issue cost (Note 10(b)(i))			(67,891)
Balance at December 31, 2020	117,574,694	\$	11,947,758
Shares issued on private placement (Note 10(b)(i))	6,250,000		1,000,000
Reallocation of value from warrant			25,652
Share issue cost			(42,060)
<b>Balance at March 31, 2021</b>	<b>123,824,694</b>	<b>\$</b>	<b>12,931,350</b>

**(i) Private placements**

On October 6, 2020, the Company closed a non-brokered private placement for gross proceeds of \$1,230,800, through the issuance of 2,480,000 flow-through units at a price of \$0.15 per unit and 6,870,400 units at a price of \$0.125 per unit.

Each flow-through unit consists of one common share issued as a “flow-through share” within the meaning of the Income Tax Act (Canada) and one common share purchase warrant. Each unit consists of one common share and one 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 at an exercise price of \$0.20 for 24 months following completion of the offering.

As the proceeds received by the Company on October 6, 2020 for a flow-through unit and non-flow through unit at the time of the transaction were different, a premium on flow-through shares of \$62,000 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 \$50,980 and issued 301,120 compensation warrants, valued at \$16,911. Each of the finder’s warrants entitles the finder to purchase one common share of the Company at a price of \$0.20 for 24 months.

On March 1, 2021 the Company announced the completion of an investment agreement with Osisko Gold Royalties Ltd (“Osisko”) pursuant to which Osisko purchased 6,250,000 common shares of PJX at a subscription price equal to \$0.16 per share, for gross proceeds of \$1,000,000.

The following schedule describes the flow-through premium liabilities as at March 31, 2021 and December 31, 2020:

Periods ending	March 31, 2021	December 31, 2020
Unamortized premium balance - opening	\$ 48,805	\$ 196,650
Premium on issued flow-through shares	-	62,000
Premium amortization and adjustments	5,035	(209,845)
Unamortized premium balance - ending	\$ 53,840	\$ 48,805

**PJX Resources Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

**Three months ended March 31, 2021 and 2020**

**(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 20, 2020, 1,380,000 options exercisable at \$0.19, expired unexercised.

On August 11, 2020, the Company granted an aggregate of 2,792,500 incentive stock options to employees, officers, directors and consultants of the Company, pursuant to the Company's Plan, at an exercise price of \$0.20 per share. Out of the options granted, 2,632,500 were fully vested on granting and 160,000 vest every quarter over a period of 1 year, with the first quarter vesting three months after granting. All options granted are exercisable until August 11, 2025. 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: share price of \$0.14, expected dividend yield of 0%, expected volatility of 109%; risk-free interest rate of 0.38%; and an expected average life of 5 years. The fair value of all these options was estimated at \$289,233 of which \$285,591 has been vested as of March 31, 2021.

The following schedules describe the options outstanding at March 31, 2021:

<b>Expiry Date</b>	<b>Exercise price</b>	<b>Life remaining in years</b>	<b>Number outstanding</b>	<b>Number vested</b>
November 17, 2021	\$0.20	0.63	3,135,000	3,135,000
August 19, 2023	\$0.25	2.39	1,925,000	1,925,000
January 3, 2024	\$0.25	2.76	2,960,000	2,960,000
August 11, 2025	\$0.20	4.37	2,792,500	2,757,336
<b>Balance at March 31, 2021</b>	<b>\$0.22</b>	<b>2.49</b>	<b>10,812,500</b>	<b>10,777,336</b>

The following schedule describes the options transactions since December 31, 2019:

	<b>Number of stock options</b>	<b>Weighted average exercise price</b>
Balance at December 31, 2019	9,400,000	\$ 0.22
Options granted	2,792,500	0.20
Options expired	(1,380,000)	0.19
<b>Balance at December 31, 2020 and March 31, 2021</b>	<b>10,812,500</b>	<b>\$ 0.22</b>

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

*DD Agreement:*

Under the DD Property Agreement, PJX was 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. The last and final issuance of 50,000 shares, with a fair value of \$4,750 were issued on June 2, 2020 (see Note 9(a)).

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

*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. The last and final

**PJX Resources Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

**Three months ended March 31, 2021 and 2020**

issuance of 100,000 shares, with a fair value of \$16,300 were issued on June 2, 2020 (see Note 9(a)).

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

**11. WARRANTS**

The following schedule describes the warrants outstanding at March 31, 2021 and December 31, 2020:

<b>Expiry Date</b>	<b>Warrants</b>	<b>price</b>	<b>Value</b>
August 29, 2021 **	6,833,284	\$ 0.25	\$ 332,611
May 15, 2021 ***	12,296,276	0.25	537,320
December 17, 2021 *	4,574,131	0.30	241,972
December 17, 2021 *	332,600	0.30	19,120
December 5, 2022	5,802,157	0.25	274,893
December 5, 2022	649,733	0.25	30,799
October 5, 2022	9,350,400	0.20	332,443
October 5, 2022	301,120	0.20	16,911
<b>Balance at December 31, 2020</b>	<b>40,139,701</b>	<b>\$ 0.24</b>	<b>\$ 1,786,069</b>

\* Exercisable at \$0.25 until December 17, 2020 and at \$0.30 from then until December 17, 2021.

\*\* Warrants expiry date extended from August 29, 2020 to August 29, 2021.

\*\*\* Warrants expiry date extended from May 15, 2020 to May 15, 2021.

The following schedule describes the warrant transactions since December 31, 2019:

	<b>Number of Warrants</b>	<b>Exercise price</b>	<b>Value</b>
Balance at December 31, 2019	43,782,066	\$ 0.26	\$ 2,060,933
Warrants issued on private placement	9,350,400	0.20	332,443
Compensation warrants issued	301,120	0.20	16,911
Warrants expired	(12,457,431)	0.25	(584,974)
Compensation w warrants expired	(836,454)	0.25	(39,244)
Balance at December 31, 2020	40,139,701		1,786,069
Reallocation of issue cost to w warrants			(25,652)
<b>Balance at March 31, 2021</b>	<b>40,139,701</b>	<b>\$ 0.24</b>	<b>\$ 1,760,417</b>

\* Average exercise price reflects the increase in exercise price in year 3 for 4,906,732 w warrants expiring on December 17, 2021.

**Warrants issued:**

As part of the financing announced October 6, 2020, the Company issued 9,350,400 warrants valued at \$332,443. Each warrant, whether acquired as part of a flow-through unit or unit, entitles the holder to purchase one common share of the Company at a price of \$0.20 per share for 24 months.

As part of the financing announced on October 6, 2020, the Company issued 301,120 compensation warrants valued at \$16,911. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.20 per share for 24 months.



**PJX Resources Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

**Three months ended March 31, 2021 and 2020**

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, 2021	6,833,284	Nil	117%	0.57%	3	\$ 332,611
May 15, 2021	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
October 5, 2022	9,350,400	Nil	112%	0.23%	2	306,791
October 5, 2022 (2)	301,120	Nil	112%	0.23%	2	16,911
	40,139,701					\$ 1,760,417

\* 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

**Warrants extended:**

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 completed in May 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 remain unchanged.

In August 2020, the Company extended the term of 6,833,284 share purchase warrants exercisable at \$0.25 and expiring on August 29, 2020, for one additional year to August 29, 2021. All other terms remain unchanged.

See also Note 16, Subsequent Event.

**Reallocation of issue cost to warrants:**

During the first quarter of fiscal 2021, the Company reclassified \$25,652 in share issue cost from capital stock to warrants, corresponding to the allocated value of share issue cost to warrants on the December 2019 financing (warrants expiring December 5, 2022).

**Warrants expired:**

The following schedules describe the warrants expired during the years ended December 31, 2020. No warrants expired during the three months ended March 31, 2021.

**Expired During 2020:**

Expiry Date	Number of Warrants	Exercise price	Value
May 17, 2020	836,454	0.25	39,244
November 18, 2020	12,457,431	0.25	584,974
	13,293,885	\$ 0.25	\$ 624,218

**12. EXPLORATION AND GENERAL AND ADMINISTRATION EXPENSES**

**a) Exploration Expenses:**

The following schedules describe exploration expenses incurred in each property during the three months

**PJX Resources Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

**Three months ended March 31, 2021 and 2020**

ended March 31, 2021 and 2020, and since inception:

<b>Three months ended March 31,</b>	<b>2021</b>	2020	Balance since inception
Dewdney Trail Property	\$ 4,500	\$ 8,100	\$ 1,339,920
Eddy Property	2,971	1,866	821,299
Zinger Property	1,500	-	1,029,828
Vine Property	8,279	340,190	5,930,161
DD Property	11,250	-	65,529
Gold Shear Property	81,205	50,347	899,607
Parker Copper Property	-	-	60,605
Others	-	6,395	66,836
	<b>\$ 109,705</b>	<b>\$ 406,898</b>	<b>10,213,785</b>
<i>BC refundable tax credits received</i>	-	-	(272,274)
Total exploration expenses	<b>\$ 109,705</b>	<b>\$ 406,898</b>	<b>\$ 9,941,511</b>

The following schedule describes exploration expenses incurred during the three months ended March 31, 2021 and 2020, and since inception, segregated by nature:

<b>Three months ended March 31,</b>	<b>2021</b>	2020	Balance since inception
Geology, geophysics and geochemistry	\$ 27,006	\$ 28,296	\$ 2,978,681
Exploration-other accommodation	833	-	3,273
Permitting	-	-	55,435
Land rights, claims and environment	11,250	1,690	181,122
Drilling	24,228	296,842	5,394,165
Laboratory	33,378	8,380	418,676
Roads and surface preparation	-	-	70,944
Camp cost and exploration supplies	232	306	30,908
Exploration - travel and transportation	4,587	7,991	274,366
Exploration- meals	484	1,008	51,989
Rent - field office	2,445	200	59,912
Insurances	-	1,424	2,728
Surface sampling and mapping	-	-	50,505
Option payments (receipts)	-	41,300	511,261
Reclamation provision	-	-	24,500
Legal expenses-exploration	-	-	1,898
Non-flow-through exploration expenses	5,262	19,461	103,422
	<b>\$ 109,705</b>	<b>\$ 406,898</b>	<b>\$ 10,213,785</b>
<i>BC refundable tax credits received</i>	-	-	(272,274)
Total exploration expenses	<b>\$ 109,705</b>	<b>\$ 406,898</b>	<b>\$ 9,941,511</b>

**b) General and administration:**

The following is a breakdown of the Company's general and administration expenses incurred during the three months ended March 31, 2021 and 2020:

**PJX Resources Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

**Three months ended March 31, 2021 and 2020**

<b>Three months ended March 31,</b>	<b>2021</b>	<b>2020</b>
Insurance	\$ 2,269	\$ 2,875
Interest, bank charges and penalties	346	534
Investor relations	15,379	28,157
Listing and regulatory fees	18,566	12,322
Office expenses	4,283	2,677
Professional fees	42,241	7,500
Rent	3,687	1,158
Salaries and benefits	59,760	57,768
Taxes and levies	3,386	9,225
Travel and transportation	4,682	3,245
	<b>\$ 154,599</b>	<b>\$ 125,461</b>

**13. OTHER REVENUES**

On March 1, 2021, the Company announced the completion of an investment agreement with Osisko pursuant to which Osisko agreed to acquire a 0.5% net smelter return royalty on the Company's Gold Shear, Eddy, Zinger and Dewdney Trail properties for aggregate cash consideration of \$1,000,000.

**14. COMMITMENTS AND CONTINGENCIES**

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments up to \$792,000 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 unaudited condensed interim 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 March 31, 2021, the Company has approximately \$181,000 in estimated commitments related to previous flow-through share agreements entered into to be incurred by December 31, 2021.

The Novel Coronavirus ("COVID-19") pandemic is causing a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the Company's business, operations and financial results, as well as a deterioration of general

**PJX Resources Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

**Three months ended March 31, 2021 and 2020**

economic conditions including a possible national or global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Company's business, operations or financial results, including the Company's ability to secure financing; however, the impact could be material.

Management is also closely evaluating the impact of COVID-19 on the Company's business. In order for the Company to continue as a going concern and fund its operations, the Company will require additional financing. The availability of financing will be affected by, among other things, the state of the capital markets considering the impact of COVID-19 and strategic partnership arrangements.

**15. RELATED PARTY TRANSACTIONS**

The following transactions were carried out with related parties:

**a) Purchase of services:**

During the three months ended March 31, 2021 and 2020, the Company incurred legal fees with a legal firm where the partner is a director of the Company, as described below:

<b>Three months ended March 31,</b>	<b>2021</b>	<b>2020</b>
Professional fees incurred with a legal firm where a director of the Company is a partner	<b>63,462</b>	-
	<b>\$ 63,462</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 to key management for employee services is shown below:

<b>Three months ended March 31,</b>	<b>2021</b>	<b>2020</b>
Salaries	<b>\$ 66,000</b>	66,000
	<b>\$ 66,000</b>	66,000

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

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

<b>As of March 31,</b>	<b>2021</b>	<b>2020</b>
Payable to officers of the Company	<b>\$ 8,498</b>	\$ 5,351
Payable to a law firm where a director of the Company is a partner	<b>53,462</b>	261
	<b>\$ 61,960</b>	\$ 5,612

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

**16. SUBSEQUENT EVENT**

Subsequent to March 31, 2021, the Company extended the term of 12,296,276 share purchase warrants exercisable at \$0.25 and expiring on May 15, 2021, for one additional year to May 15, 2022. All other terms remain unchanged.