



PJX RESOURCES INC.
Financial Statements
Three months ended March 31, 2022 and 2021
(UNAUDITED)

The accompanying unaudited condensed 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 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 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 17, 2022

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 unaudited 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, 2022 and 2021 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)

(Unaudited)

Period ended	Note	March 31, 2022	December 31, 2021
ASSETS			
Current assets			
Cash		\$ 2,388,372	\$ 2,637,608
Amounts receivable	6	12,960	9,127
Prepayments	7(a)	28,157	34,368
BC refundable tax credits	12(a)	135,000	135,000
Total current assets		2,564,489	2,816,103
Non-current assets			
Deposits	7(b)	163,789	170,677
Property and equipment	8(a)	68,897	74,082
Right-of-use asset	8(a)	10,292	12,497
Total non-current assets		242,978	257,256
Total assets		2,807,467	3,073,359
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	15(c)	89,396	65,829
Flow-through premium liability	10(b)(i)	64,933	77,916
Current lease liabilities	8(b)	9,196	9,075
Total current liabilities		163,525	152,820
Non-current liabilities			
Reclamation obligation	7(c)	24,500	24,500
Non-current lease liabilities	8(b)	2,376	4,721
Total non-current liabilities		26,876	29,221
Total liabilities		190,401	182,041
SHAREHOLDERS' EQUITY			
Share capital	10(b)	13,943,868	13,943,868
Warrants	11	1,796,164	1,796,164
Contributed surplus		5,755,186	5,752,848
Accumulated deficit		(18,878,152)	(18,601,562)
Total shareholders' equity		2,617,066	2,891,318
Total shareholders' equity and liabilities		\$ 2,807,467	\$ 3,073,359

Going concern (Note 1)

Commitments and contingencies (Note 9 and 14)

Subsequent event (Note 16)

Approved by the Board of Directors:

(Signed) John Keating

John Keating, Director

(Signed) Linda Brennan

Linda Brennan, Director

See accompanying notes to the unaudited condensed interim financial statements.

PJX Resources Inc.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited)

Three months ended March 31,	Note	2022	2021
Expenses			
Exploration	12(a)	\$ 140,119	\$ 109,705
General and administration	12(b)	139,726	154,599
Share based compensation	10(b)(ii)	2,338	9,088
Depreciation	8(a)	7,390	2,424
Total operating expenses		289,573	275,816
Gain on sale of royalty	13	-	(1,000,000)
Income (loss) before income taxes		(289,573)	724,184
Flow-through premium recoveries	10(b)(i)	12,983	(5,035)
Net income (loss) and comprehensive loss for the period		\$ (276,590)	\$ 719,149
Basic and diluted income (loss) per share		(\$0.00)	\$0.01
Weighted average number of shares outstanding (basic and diluted)		133,216,488	119,866,361

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)

March 31, 2022	Note	2022	2021
Share capital			
Balance, beginning of the period		\$ 13,943,868	\$ 11,947,758
Shares issued under private placement	10(b)(i)	-	1,000,000
Reallocation of issue cost to warrants	11	-	25,652
Share issue cost	10(b)	-	(42,060)
Balance, end of the period		13,943,868	12,931,350
Warrants			
Balance, beginning of the period		1,796,164	1,786,069
Reallocation of issue cost to warrants	11	-	(25,652)
Balance, end of the period		1,796,164	1,760,417
Contributed surplus			
Balance, beginning of the period		5,752,848	5,053,323
Share based compensation	10(b)(ii)	2,338	9,088
Balance, end of the period		5,755,186	5,062,411
Accumulated deficit			
Balance, beginning of the period		(18,601,562)	(17,726,635)
Net loss for the period		(276,590)	719,149
Balance, end of the period		(18,878,152)	(17,007,486)
Total shareholders' equity		\$ 2,617,066	\$ 2,746,692

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	2022	2021
Cash flows from operating activities			
Net income (loss) for the period		\$ (276,590)	\$ 719,149
<i>Items not involving cash:</i>			
Depreciation	8(a)	7,390	2,424
Flow-through premium recoveries	10(b)(i)	(12,983)	5,035
Share based compensation	10(b)(ii)	2,338	9,088
Deposits		6,888	271
Amounts receivable and prepayments		2,378	2,437
Accounts payable and accrued liabilities		23,567	(23,668)
Net cash used in operating activities		(247,012)	714,736
Cash flow from financing activities			
Payment of lease liability		(2,224)	(2,109)
Proceeds on issuance of shares and warrants	10	-	1,000,000
Cash portion of issue costs	10(b)(i)	-	(42,060)
Net cash generated by financing activities		(2,224)	955,831
Net change in cash		(249,236)	1,670,567
Cash, beginning of the period		2,637,608	1,061,346
Cash, end of the period		\$ 2,388,372	\$ 2,731,913

See accompanying notes to the unaudited condensed interim financial statements.

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

Three months ended March 31, 2022, and 2021

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.

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, 2022, the Company generated a net loss of \$276,590 or \$0.00 per share (March 31, 2021: net income of \$719,149 or \$0.01 per share) and reported an accumulated deficit of \$18,878,152 (December 31, 2021: \$18,601,562). As of March 31, 2022, the working capital of the Company was \$2,400,964 (December 31, 2021: \$2,663,283). 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 17, 2022.

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.

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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 17, 2022, 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, 2021. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2022 could result in restatement of these unaudited condensed interim financial statements.

Changes in accounting policies:

During the three months ended March 31, 2022, the Company did not adopt or amend any significant accounting policy or standard.

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, 2022. 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.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

The Company is currently evaluating the impact of these amendments on its financial statements.

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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, 2022 totaled \$2,617,066 (December 31, 2021: \$2,891,318). 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 months ended March 31, 2022. 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 to maintain operations and cover general and administrative expenses for a period of 6 months. As of March 31, 2022, 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 and tax credits receivables from the BC provincial government. 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. Credit risk related to the BC refundable tax credit is also assessed to be 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, 2022, the Company had a cash balance of \$2,388,372 (December 31, 2021: \$2,637,608) to settle current liabilities of \$163,525 which includes a non-cash flow through premium liability of \$64,933 (December 31, 2021: \$152,820 and \$77,916, respectively). All of the Company's financial liabilities, other than lease 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.

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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, 2022 and December 31, 2021, 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 March 31, 2022, 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, 2022 and December 31, 2021, 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 \$28,157 (December 31, 2021: \$34,368) represents advanced payments to suppliers.
- b) At March 31, 2022, the Company has deposits with the British Columbia Ministry of Finance for \$162,900 (December 31, 2021: \$162,900) representing remediation cost bonds associated with its properties; and other advances totalling \$889 (December 31, 2021: \$7,777).
- 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

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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 (December 31, 2021: \$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 Asset arising during the three months ended March 31, 2022, and the year ended December 31, 2021:

<i>Property & equipment:</i>	Vehicles	Right of Use Asset	Total
Book Value - opening	\$ 82,964	\$ 35,282	\$ 118,246
Acquisitions	-	-	-
	\$ 82,964	\$ 35,282	\$ 118,246
Accumulated depreciation			
Balance, December 31, 2021	\$ 8,882	\$ 22,785	\$ 31,667
Depreciation	5,185	2,205	7,390
Accumulated depreciation - March 31, 2022	14,067	24,990	39,057
Net book value - March 31, 2022	\$ 68,897	\$ 10,292	\$ 79,189

<i>Property & equipment:</i>	Vehicles	Right of Use Asset	Total
Book Value - opening	\$ 3,500	\$ 35,282	\$ 38,782
Acquisitions	79,464	-	79,464
	\$ 82,964	\$ 35,282	\$ 118,246
Accumulated depreciation			
Balance, December 31, 2020	\$ 1,385	\$ 13,965	\$ 15,350
Depreciation	7,497	8,820	16,317
Accumulated depreciation - December 31, 2021	8,882	22,785	31,667
Net book value - December 31, 2021	\$ 74,082	\$ 12,497	\$ 86,579

b) Lease liability:

The Company has one lease agreement for a vehicle lease entered 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.

Periods ended,	March 31, 2022	December 31, 2021
Lease liability	\$ 11,572	\$ 13,796
Less: Current portion	(9,196)	(9,075)
Long-term portion	\$ 2,376	\$ 4,721

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Periods ended,		March 31, 2022	December 31, 2021
Undiscounted lease liability	\$	11,987	\$ 14,384
No later than one year		(9,589)	(9,589)
Later than one year and no later than five years		(2,397)	(4,795)
	\$	-	\$ -

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. The Company is also earning a 100% interest in the Estella Mine crown grants, which are part of the Company's Dewdney Trail Property. All properties are located in the Cranbrook area of British Columbia, Canada.

In 2021, Osisko Gold Royalties Ltd. ("OR") acquired a 0.5% net smelter return royalty on the Company's Gold Shear, Eddy, Zinger and Dewdney Trail properties. See Note 13.

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. As of June 2, 2020, the Company has fully earned its interest in this property. See Note 10(b)(iii) for a detail of shares issued under this agreement.

Upon the deemed exercise of the option, the Optionors have been 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 July 13, 2020, the Company entered into an Option Agreement 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:

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 (completed);
- Within 24 months of the effective date of the Option Agreement, incur work in the property for a cumulative amount of \$1,000,000 (completed);
- 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.

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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 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"), was 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 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 paid \$45,000 and issued 200,000 common shares of PJX over a period of 24 months.

As of September 2, 2020, the Company had fully earned its interest in this property (see Note 10(b) (iii)).

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.

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

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the remaining 50% of such NSR (being 1%) for \$1,000,000.

The Company has included the David 6 Claim as part of its Gold Shear Property.

c) Estella Mine Crown Grants:

On July 29, 2021, the Company announced the option of the historical Estella Mine crown grants (“the Estella”) from Imperial Metals Corporation (“Imperial”).

PJX can earn a 100% interest in the Estella by making cash payments, or share equivalent payments, to Imperial totaling \$250,000 over a 5-year period as follows:

- \$15,000 on signing the agreement (paid); and
- \$20,000 on or before July 26, 2022; and
- \$25,000 on or before July 26, 2023; and
- \$30,000 on or before July 26, 2024; and
- \$35,000 on or before July 26, 2025; and
- \$125,000 on or before July 26, 2026

Upon exercise of the option by PJX, Imperial will retain a NSR of 2% in respect of the Estella. PJX will have the right to buy back 50% of the NSR (being a 1% NSR) for \$1,000,000, and the remaining 50% of the NSR (being a 1% NSR) for an additional \$1,000,000.

The Company has included the Estella as part of its Dewdney Trail Property.

d) 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, 2020:

	# of Shares	Value
Balance at December 31, 2020	117,574,694	\$ 11,947,758
Shares issued on private placement (Note 10(b)(i))	15,641,794	2,486,685
Value allocated to warrants		(387,478)
Share premium on flow-through shares (Note 10(b)(i))		(77,916)
Reallocation of issue cost to warrant		25,652
Share issue cost (Note 10(b)(i))		(50,833)
Balance at December 31, 2021 and March 31, 2022	133,216,488	\$ 13,943,868

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(i) Private placements

On March 1, 2021, the Company announced the completion of an investment agreement with OR pursuant to which OR 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 Company incurred \$30,000 in legal fees related to this transaction that have been allocated to share issue cost.

Included under share issue cost are \$20,833 of legal expenses related to prior years that have been reclassified as share issue cost.

On December 22, 2021, the Company closed a non-brokered private placement for gross proceeds of \$1,486,685, through the issuance of 3,895,794 flow-through units at a price of \$0.17 per unit and 5,496,000 units at a price of \$0.15 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 \$0.25 for 24 months following completion of the offering.

As the proceeds received by the Company on December 22, 2021, 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 \$77,916 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.

The following schedule describes the flow-through premium liabilities as at March 31, 2022 and December 31, 2021:

Periods ended	March 31, 2022	December 31, 2021
Unamortized premium balance - opening	\$ 77,916	\$ 48,805
Premium on issued flow-through shares	-	77,916
Premium amortization and adjustments	(12,983)	(48,805)
Unamortized premium balance - ending	\$ 64,933	\$ 77,916

(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 September 13, 2021, the Company granted an aggregate of 2,685,000 incentive stock options to employees, officers, directors, and consultants of the Company, pursuant to the Company's Plan, at an exercise price of \$0.20 per share. Out of the options granted, 2,645,000 were fully vested on granting and 40,000 vest every quarter over a period of 1 year, with the first quarter vesting three months after granting. All options granted are exercisable until September 12, 2026. 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 \$0.17, expected dividend yield of 0%, expected volatility of 106%; risk-free interest rate of 0.82%; and an expected average life of 5 years. The fair value of all these options was

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estimated at \$342,315 of which \$341,021 has been vested as of March 31, 2022.

During fiscal 2021, a total of 1,150,000 options with a weighted average exercise price of \$0.23 were cancelled and 2,885,000 options with an exercise price of \$0.20 expired on November 17, 2021.

The following schedule describes the options outstanding at March 31, 2022:

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
August 19, 2023	\$0.25	1.63	1,675,000	1,675,000
January 3, 2024	\$0.25	2.01	2,610,000	2,610,000
August 11, 2025	\$0.20	3.61	2,492,500	2,492,500
September 12, 2026	\$0.20	4.70	2,685,000	2,677,204
Balance at March 31, 2022	\$0.22	1.79	9,462,500	9,454,704

The following schedule describes the options transactions since December 31, 2020:

	Number of stock options	Weighted average exercise price
Balance at December 31, 2020	10,812,500	\$ 0.22
Options granted	2,685,000	0.20
Options expired	(2,885,000)	0.20
Options cancelled	(1,150,000)	0.23
Balance at December 31, 2021 and March 31, 2022	9,462,500	\$ 0.22

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

Under the new purchase agreement that the Company entered to acquire the David 6 Claim and on June 2, 2020, the Company issued 20,000 common shares valued at \$1,900.

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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, 2022 and December 31, 2021:

The following schedule describes the warrant transactions since December 31, 2020:

	Number of Warrants	Exercise price	Value
Balance at December 31, 2020	40,139,701	0.24	1,786,069
Warrants issued on private placement	9,391,794	0.25	387,478
Warrants expired	(7,165,884)	0.25	(351,731)
Reallocation of issue cost to warrants	-	-	(25,652)
Balance at December 31, 2021 and March 31, 2022	42,365,611	\$ 0.24	\$ 1,796,164

Warrants issued:

As part of the financing closed on December 21, 2021, the Company issued 9,391,794 warrants valued at \$387,478. 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 \$0.25 per share for 24 months.

Expiry Date	Number of Warrants	Exercise price	Value
December 17, 2022 *	4,574,131	\$ 0.30	\$ 241,972
May 15, 2022**	12,296,276	0.25	537,320
October 5, 2022	9,350,400	0.20	332,443
October 5, 2022	301,120	0.20	16,911
December 5, 2022	5,802,157	0.25	249,241
December 5, 2022	649,733	0.25	30,799
December 20, 2023	9,391,794	0.25	387,478
Balance at December 31, 2021 and March 31, 2022	42,365,611	\$ 0.24	\$ 1,796,164

* Exercisable at \$0.25 until December 17, 2020 and at \$0.30 from then until December 17, 2021 and subsequently extended to December 17, 2022

** Warrants originally expiring on May 15, 2021 and extended to May 15, 2022 and subsequently extended to May 15, 2023

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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
December 17, 2022 ⁽¹⁾	4,574,131	Nil	108%	2.02%	3	\$ 241,972
May 15, 2022	12,296,276	Nil	104%	2.06%	2	537,320
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
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
December 20, 2023	9,391,794	Nil	109%	0.96%	2	387,478
	42,365,611					\$ 1,796,164

* 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 3, 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 remained unchanged.

On November 22, 2021, the Company extended the term of 4,574,131 share purchase warrants exercisable at \$0.30 and expiring on December 17, 2021, for one additional year to December 17, 2022. All other terms remained unchanged.

Subsequent to March 31, 2022, a total of 12,296,276 warrants expiring on May 15, 2022 and exercisable at \$0.25 were extended by an additional year to May 15, 2023. All other terms remain unchanged (see Note 16 – Subsequent Event).

Reallocation of issue cost to warrants:

During the year ended December 31, 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:

No warrants expired during the three-month period ended March 31, 2022.

Expired During 2021:

Expiry Date	Number of Warrants	Exercise price	Value
December 17, 2021	332,600	\$ 0.25	\$ 19,120
August 29, 2021	6,833,284	0.25	332,611
	7,165,884	\$ 0.25	\$ 351,731

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12. EXPLORATION AND GENERAL AND ADMINISTRATION EXPENSES

a) Exploration Expenses:

The following schedule describes exploration expenses incurred during the three months ended March 31, 2022 and 2021, and since inception, segregated by nature:

Three months ended March 31,	2022	2021	Balance since inception
Geology, geophysics and geochemistry	\$ 77,628	\$ 27,006	\$ 3,603,767
Exploration-other accommodation	159	833	4,311
Permitting	7,274	-	67,844
Land rights, claims and environment	3,735	11,250	196,699
Drilling	6,663	24,228	5,883,899
Laboratory	24,240	33,378	456,036
Roads and surface preparation	-	-	70,944
Camp cost and exploration supplies	127	232	34,490
Exploration - travel and transportation	6,803	4,587	291,049
Exploration- meals	1,258	484	58,642
Rent - field office	2,481	2,445	69,722
Insurances	1,425	-	6,630
Surface sampling and mapping	-	-	50,505
Option payments	-	-	526,261
Reclamation provision	-	-	24,500
Legal expenses-exploration	8,326	-	10,225
Non-flow -through exploration expenses	-	5,262	31,915
	\$ 140,119	\$ 109,705	\$ 11,387,439
<i>BC refundable tax credits receivable</i>	-	-	(407,274)
Total exploration expenses	\$ 140,119	\$ 109,705	\$ 10,980,165

The following schedule describes exploration expenses incurred in each property during the three months ended March 31, 2022 and 2021, and since inception:

Three months ended March 31,	2022	2021	Balance since inception
Dewdney Trail Property	\$ 25,832	\$ 4,500	\$ 1,589,554
Eddy Property	9,743	2,971	936,813
Zinger Property	42,840	1,500	1,218,750
Vine Property	2,029	8,279	6,137,135
DD Property	8,250	11,250	74,205
Gold Shear Property	51,425	81,205	1,282,877
Parker Copper Property	-	-	62,326
Others	-	-	85,778
	\$ 140,119	\$ 109,705	\$ 11,387,438
<i>BC refundable tax credits receivable</i>	-	-	(407,274)
Total exploration expenses	\$ 140,119	\$ 109,705	\$ 10,980,164

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As at December 31, 2021, the Company recorded a British Columbia refundable tax credits receivable of \$135,000, relating to exploration expenditures incurred during the year ended December 31, 2021 of which \$135,000 was receivable as at March 31, 2022 (December 31, 2021 \$135,000).

b) General and administration:

The following is a breakdown of the Company's general and administration expenses incurred during the years ended March 31, 2022 and 2021:

Three months ended March 31,	2022	2021
Insurance	\$ 3,781	\$ 2,269
Interest, bank charges and penalties	214	346
Investor relations	21,131	15,379
Listing and regulatory fees	11,121	18,566
Office expenses	9,223	4,283
Professional fees	22,550	42,241
Rent	3,439	3,687
Salaries and benefits	64,441	59,760
Taxes and levies	-	3,386
Travel and transportation	3,826	4,682
	\$ 139,726	\$ 154,599

13. GAIN ON SALE OF ROYALTY

On March 1, 2021, the Company announced the completion of an investment agreement with OR pursuant to which OR acquired 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 \$960,000 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 March 31, 2022, the Company had \$561,748 commitments related to flow-through share agreements entered into to be incurred by

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December 31, 2022.

Pursuant to the option agreement entered on July 29, 2021, with Imperial, to earn 100% interest in the Estella Property, the Company is committed to disburse a total of \$235,000, between July 26, 2022, and July 26, 2026 (see Note 9(c)).

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 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, 2022, and 2021, the Company incurred professional fees with companies where directors of the Company are partners or controlling executives, as described below:

Three months ended March 31,	2022	2021
Professional fees incurred with a legal firm where a director of the Company is a partner	-	63,462
	\$ -	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:

Three months ended March 31,	2022	2021
Salaries *	\$ 80,000	66,000
	\$ 80,000	66,000

* For the three-month period ended March 31, 2022, there are \$17,765 in salaries allocated to exploration (Q1F2021: \$6,644).

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

As of March 31,	2022	2021
Payable to officers and directors	\$ 9,851	\$ 8,498
Payable to a law firm where a director of the Company is a partner	-	53,462
	\$ 9,851	\$ 61,960

16. SUBSEQUENT EVENT

Subsequent to March 31, 2022, a total of 12,296,276 warrants expiring on May 15, 2022, and exercisable at \$0.25 were extended by an additional year to May 15, 2023. All other terms remain unchanged (see Note 11 – Warrants Extended).