



PJX RESOURCES INC.
Condensed Interim Financial Statements
Three and nine months ended September 30, 2019 and 2018
(UNAUDITED)

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

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

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

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

(signed)
John Keating
President and Chief Executive Officer

(signed)
Linda Brennan
Chief Financial Officer

Toronto, Canada
November 21, 2019

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 September 30, 2019 and 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS") accounting principles and are the responsibility of the Company's management.

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

PJX Resources Inc.**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION****(Expressed in Canadian dollars)**

	Note	September 30, 2019 (Unaudited)	December 31, 2018
ASSETS			
Current assets			
Cash		\$ 232,624	\$ 2,224,670
Amounts receivable	6	57,157	19,591
Prepayments	7(a)	44,003	43,009
Total current assets		333,784	2,287,270
Non-current assets			
Deposits	7(b)	186,650	162,053
Property and equipment	8	3,355	3,884
Right-of-use assets	8	32,343	-
Total non-current assets		222,348	165,937
Total assets		556,132	2,453,207
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	15(c)	129,694	137,360
Flow-through premium liability	10(b)(i)	6,326	314,889
Current lease liabilities	2	8,053	-
Total current liabilities		144,073	452,249
Reclamation obligation	7(c)	24,500	24,500
Non-current lease liabilities	2	24,483	-
Total liabilities		193,056	476,749
SHAREHOLDERS' EQUITY			
Share capital	10(b)	10,347,751	10,311,876
Warrants	11	1,967,879	1,970,313
Contributed surplus		3,938,684	3,359,905
Accumulated deficit		(15,891,238)	(13,665,636)
Total shareholders' equity		363,076	1,976,458
Total shareholders' equity and liabilities		\$ 556,132	\$ 2,453,207

Going concern (Note 1)

Commitments and contingencies (Notes 9 and 14)

Approved by the Board of Directors:

(Signed) John Keating
John Keating, Director

(Signed) Linda Brennan
Linda Brennan, Director

See accompanying notes to the unaudited condensed interim financial statements.

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

Periods ended September 30,	Note	Three months		Nine months	
		2019	2018	2019	2018
Expenses					
Exploration	12(a)	\$ 691,409	\$ 753,688	\$ 1,467,825	\$ 1,188,963
General and administration	12(b)	165,505	167,724	498,039	512,498
Share based compensation	10(b)(ii)	3,862	313,642	576,346	313,642
Depreciation	8	2,294	2,912	6,969	8,737
Total operating expenses		863,070	1,237,966	2,549,179	2,023,840
Interest revenue		-	(5,208)	(14)	(5,208)
Other revenues	13	(15,000)	-	(15,000)	(25,000)
Loss before income taxes		(848,070)	(1,232,758)	(2,534,165)	(1,993,632)
Deferred flow-through tax recoveries	10(b)(i)	102,207	-	308,563	-
Net loss and comprehensive loss for the period		\$ (745,863)	\$(1,232,758)	\$ (2,225,602)	\$(1,993,632)
Basic and diluted loss per share		(\$0.01)	(\$0.01)	(\$0.02)	(\$0.02)
Weighted average number of shares outstanding		98,895,433	92,264,129	98,870,810	83,936,577

See accompanying notes to the unaudited condensed interim financial statements.

PJX Resources Inc.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)
(Unaudited)

Periods ended September 30,	Note	Three months		Nine months	
		2019	2018	2019	2018
Share capital					
Balance, beginning of the period		\$ 10,340,501	\$ 9,632,215	\$ 10,311,876	\$ 7,778,989
Shares issued under private placement	10(b)(i)	-	-	-	1,849,726
Share premium on flow-through shares	10(b)(i)	-	-	-	-
Warrants exercised	11	-	17,000	12,500	17,000
Shares issued on property option payment	10(b)(iii)	7,250	11,000	23,375	14,500
Share issue cost	10(b)(i)	-	-	-	-
Balance, end of the period		10,347,751	9,660,215	10,347,751	9,660,215
Share capital to be issued					
Warrants					
Balance, beginning of the period		1,967,879	1,387,195	1,970,313	1,387,195
Warrants issued on private placement	11	-	530,000	-	530,000
Compensation warrants issued	11	-	76,944	-	76,944
Warrants exercised	11	-	(3,606)	(2,434)	(3,606)
Warrants expired	11	-	(112,297)	-	(112,297)
Balance, end of the period		1,967,879	1,878,236	1,967,879	1,878,236
Contributed surplus					
Balance, beginning of the period		3,934,823	2,765,628	3,359,905	2,765,628
Warrants exercised	11	-	3,606	2,434	3,606
Warrants expired and other adjustments		-	112,297	-	112,297
Share based compensation	10(b)(ii)	3,862	313,642	576,346	313,642
Balance, end of the period		3,938,685	3,195,173	3,938,685	3,195,173
Accumulated deficit					
Balance, beginning of the period		(15,145,375)	(11,986,929)	(13,665,636)	(11,226,055)
Net loss for the period		(745,863)	(1,232,758)	(2,225,602)	(1,993,632)
Balance, end of the period		(15,891,238)	(13,219,687)	(15,891,238)	(13,219,687)
Total shareholders' equity		\$ 363,077	\$ 1,513,937	\$ 363,077	\$ 1,513,937

See accompanying notes to the unaudited condensed interim financial statements.

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

Nine months ended September 30,	Note	2019	2018
Cash flows from operating activities			
Net loss for the period		\$ (2,225,602)	\$ (1,993,632)
<i>Items not involving cash:</i>			
Depreciation	8	6,969	8,737
Deferred tax recoveries	10(b)(i)	(308,563)	-
Share based compensation	10(b)(ii)	576,346	313,642
Shares issued on option payment	10(b)(iii)	23,375	14,500
Gain on disposition of capital assets		(15,000)	
<i>Changes in non-cash working capital:</i>			
Deposits		(24,597)	(60,800)
Amounts receivable and prepayments		(38,560)	(21,418)
Accounts payable and accrued liabilities		(7,668)	89,553
Net cash used in operating activities		(2,013,300)	(1,649,418)
Cash flow from investing activities			
Purchase of equipment		(3,500)	-
Proceeds on disposition of vehicle		15,000	-
Net cash generated by investing activities		11,500	-
Cash flow from financing activities			
Payment of lease liability		(2,746)	-
Proceeds on issuance of shares and warrants	10(b)(i)	-	994,850
Proceeds on issuance of flow-through shares and warrants	10(b)(i)	-	1,622,517
Proceeds on issuance of exercised warrants	11	12,500	-
Issue costs	10(b)(i)	-	(28,163)
Issue cost allocated to warrants		-	(115,514)
Net cash generated by financing activities		9,754	2,473,690
Net change in cash		(1,992,046)	824,272
Cash, beginning of the period		2,224,670	572,866
Cash, end of the period		\$ 232,624	\$ 1,397,138

Supplementary information:

Compensation warrants issued:

Units		-	836,454
Value	10(b)(i)	\$ -	\$ 76,944

See accompanying notes to the unaudited condensed interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

PJX Resources Inc. (the "Company" or "PJX") is a Canadian corporation incorporated under the laws of Alberta on April 22, 2010, originally under the name of 1532063 Alberta Inc. On March 7, 2011, the Company obtained a Certificate of Continuance from the Registrar of Corporations for the Province of Alberta changing its jurisdiction to the Province of Ontario. On the same date the Company changed its name to PJX Resources Inc. The Company's corporate offices are located at 5600 One First Canadian Place, Toronto, Ontario, M5X 1C9.

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

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

The unaudited condensed interim financial statement has 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 nine months ended September 30, 2019, the Company incurred a loss of \$2,225,602 or \$0.02 per share, (September 30, 2018: \$1,993,632 or \$0.02 per share), and reported an accumulated deficit of \$15,891,238 (December 31, 2018: \$13,665,636). As at September 30, 2019 the working capital of the Company was \$189,711 (December 31, 2018: \$1,835,021). Additional financing is currently required to allow the Company to continue operating and to fund its planned exploration and development programs. The Company will continue to explore financing alternatives to raise capital. Although PJX has been successful in these activities in the past, the Company has no assurance on the success or sufficiency of these initiatives in the immediate future or that such financing will be available on acceptable terms. The above conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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

These unaudited condensed interim financial statements were approved by the Board of Directors for issue on November 21, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The principal accounting policies applied in the preparation of these unaudited condensed interim 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.

PJX Resources Inc.
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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 November 21, 2019, 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, 2018. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2019 could result in restatement of these unaudited condensed interim financial statements.

Adoption of new accounting policy – IFRS 16 Leases:

Impact of application of IFRS 16 Leases:

Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective application method, where the comparative numbers for 2018 are not restated and the cumulative effect of applying IFRS 16 has been recorded on January 1, 2019 for any differences identified. The Company has determined that the adoption of IFRS 16 resulted in no adjustments to the opening accumulated deficit balance.

IFRS 16 introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases under IFRS 17 and requiring the recognition of a right-of-use asset ("ROU asset") and a lease liability at the lease commencement for all leases, except for short-term leases (lease term of 12 months or less) and leases of low value assets.

In applying IFRS 16 for all leases, except as noted above, the Company (i) recognizes the ROU asset and lease liabilities in the statement of financial position, initially measures at the present value of the future lease payment; (ii) recognizes the depreciation of ROU assets and interest on lease liabilities in the statement of operations and comprehensive loss; and (iii) separates the total amount of cash paid into a principal portion (presented in financing activities) and interest (presented in operating activities) in the statement of cash flows. For short-term leases and leases of low value assets, the Company has opted to recognize a lease expense on a straight-line basis, and this expense is presented within general and administrative in the statement of operations and comprehensive loss. The Company has opted to use the following practical expedients available on transition to IFRS 16: (a) Measure the ROU assets equal to the lease liability calculated for each lease; (b) Apply the recognition exemptions for low value leases and leases that end within 12 months of the date of initial application, and account for them as low value and short-term leases, respectively; and (c) Accounting for non-lease components and lease components as a single lease component.

New accounting policy for leases under IFRS 16:

The Company assesses whether a contract is or contains a lease, at the beginning of a contract. The Company recognizes a ROU asset and a corresponding lease liability with respect to all lease arrangements in which the lessee, at the commencement of the lease, with the following exceptions (i) the Company has elected not to recognize the ROU assets and liabilities for leases where the total lease

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term is less than to equal to 12 months, or (ii) for leases of low value. The payments for short-term leases or leases of low value are recognized in the statement of operations and comprehensive loss on a straight-line basis over the lease term. The ROU asset is initially measured based on the present value of the lease payments, lease payments made at or before the commencement date, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying assets. The ROU asset is subject to testing for impairment if there is and indicator for impairment. The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments. ROU assets are included in property and equipment, and the lease liability is presented as a separate line in the statement of financial position. Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the statement of operations and comprehensive loss. Lease liabilities The Company has one lease agreement for office space. The Company did not incur any variable lease payments and there were no leases with residual value guarantees or no leases not yet commenced to which the Company is committed.

Lease liability:

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

	September 30, 2019	December 31, 2018
Lease liabilities	\$ 32,536	\$ -
Less: Current portion	(8,053)	-
Long-term portion	\$ 24,483	\$ -

	September 30, 2019	December 31, 2018
Undiscounted lease liability	\$ 35,960	\$ -
No later than one year	(9,589)	-
Later than one year and no later than five years	(26,371)	-
	\$ -	\$ -

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 September 30, 2019 totaled \$363,076 (December 31, 2018 – \$1,976,458). 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.

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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 nine-month period ended September 30, 2019 and 2018. The Company is not subject to externally imposed capital requirements.

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

4. FINANCIAL RISK FACTORS

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

Credit risk

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

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At September 30, 2019, the Company had a cash balance of \$232,624 (December 31, 2018: \$2,224,670) to settle current liabilities of \$144,073 (December 31, 2017: \$452,249). 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 September 30, 2019 and 2018, 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

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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 September 30, 2019, and 2018, 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 September 30, 2019 and 2018, the carrying values approximate the fair value amounts of the Company's financial instruments. The Company has not disclosed the fair value of amounts receivable, accounts payable, accrued liabilities and cash because the carrying values approximate fair values.

6. AMOUNTS RECEIVABLE

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

7. PREPAYMENTS AND DEPOSITS

- a) Prepayments totalling \$44,003 (December 31, 2018: \$43,009) represents advanced payments to suppliers.
- b) At September 30, 2019, the Company has deposits with the British Columbia Ministry of Finance for \$148,900 (December 31, 2018: \$134,900) representing remediation cost bonds associated with its properties; and other advances totalling \$37,750 (December 31, 2018: \$27,153).
- 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 \$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 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.

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8. PROPERTY AND EQUIPMENT

Periods ending	September 30, 2019	December 31, 2018
Vehicle		
Balance, beginning of the year	\$ 45,684	\$ 45,684
Acquisitions	3,500	-
Dispositions	(45,682)	-
Right of use	35,283	-
Balance end of the period	\$ 38,785	\$ 45,684
Accumulated depreciation		
Balance, beginning of the year	\$ 41,800	\$ 30,151
Depreciation expense:		
- Vehicle	4,029	11,649
- Right of use	2,940	-
	48,769	41,800
Dispositions	(45,682)	-
Balance end of the period	\$ 3,087	\$ 41,800
Net book value		
- Vehicle	\$ 3,355	\$ 3,884
- Right of use	32,343	-
	\$ 35,698	\$ 3,884

9. MINERAL EXPLORATION PROPERTIES

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

a) DD Property Agreement:

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

Under the DD Property Agreement (the "DD Agreement"), PJX is required to issue to the Optionors on or before each anniversary day of the DD Agreement, 50,000 PJX common shares over a 5-year period to a maximum of 250,000 shares. See Note 10 for a detail of shares issued under this agreement.

Upon the deemed exercise of the option, the Optionors will be granted an aggregate NSR of 2% in respect of the DD Property and on certain claims owned by PJX, under certain predefined terms. The Company will have the right to purchase 50% of such NSR (being a 1% NSR - 0.5% from each individual comprising the Optionors) for \$1,000,000, and the remaining 50% of such NSR (being a 1% NSR - 0.5% from each individual comprising the Optionors) for \$1,000,000.

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

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

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

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

See also Subsequent Events, Note 16.

b) Gold Shear Property Agreement:

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

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

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

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

10. SHARE CAPITAL

(a) Authorized capital

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

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(b) Issued capital

The following schedule describes the share transactions since December 31, 2017:

	# of Shares	Value
Balance at December 31, 2017	75,963,396	\$ 7,778,989
Shares issued on property option payment (Note 10(b)(iii))	75,000	14,500
Shares issued on private placement (Note 10(b)(i))	22,620,407	3,966,902
Shares issued on exercise of warrants and other adjustments (Note 11)	85,000	20,606
Value allocated to warrants	-	(779,292)
Share premium on flow-through shares (Note 10(b)(i))	-	(420,153)
Share issue cost (Note 10(b)(i))	-	(269,676)
Balance at December 31, 2018	98,743,803	\$ 10,311,876
Shares issued on property option payment (Note 10(b)(iii))	125,000	23,375
Shares issued on exercise of warrants (Note 11)	50,000	\$ 12,500
Balance at September 30, 2019	98,918,803	\$ 10,347,751

(i) Private placements

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

In connection with the offering the Company paid finder fees for a total of \$143,697 and issued 836,454 compensation warrants, valued at \$39,244, exercisable at \$0.25 for 24 months following completion of the offering.

As certain flow-through shares issued by the Company on May 17, 2018 were not issued with a warrant, a premium on flow-through shares of \$141,000 was recorded. The premium has been deducted from capital and a tax liability premium for the same amount was recorded. The premium is subsequently amortized as the flow-through funds are utilized in qualified exploration programs.

On December 17, 2018, the Company announced the completion of a private placement where 3,321,631 flow-through units at a price of \$0.19 per flow-through unit, 2,750,000 flow-through shares at a price of \$0.19 per share and 1,252,500 units at a price of \$0.17 per unit, were issued for gross proceeds of \$1,366,535. Under this transaction, each flow-through unit consisted of one flow-through common share of the Company and one non-transferable common share purchase warrant. Each unit consists of one common share and one non-transferable common share purchase warrant. Each warrant, whether acquired as part of a flow-through unit or unit, entitles the holder to purchase one common share of the Issuer at a price of \$0.25 per share until the second anniversary of the issuance of the warrants and a price of \$0.30 per share thereafter until the third anniversary of the issuance of the warrants.

As the proceeds received by the Company on December 17, 2018 for a flow-through unit, flow-through share and non-flow through unit at the time of the transaction were different, a premium on flow-through shares of \$279,153 was recorded. The premium has been deducted from capital and a tax liability

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premium 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 \$67,616 and issued 332,600 compensation warrants, valued at \$19,120. Each of the finder's warrants entitles the finder to purchase one common share of the Issuer at a price of \$0.25 per share until the second anniversary of the issuance of the warrants and a price of \$0.30 per share thereafter until the third anniversary of the issuance of the warrants.

See also subsequent event (Note – 16).

The following schedule describes the flow-through premiums and amortization for the nine months ended September 30, 2019 and year ended December 31, 2018:

Periods ending	September 30, 2019	December 31, 2018
Premium Balance - opening	\$ 314,889	\$ -
Premium on issued flow-through shares	-	420,153
Premium amortization	(308,563)	(105,264)
Unamortized premium balance - ending	\$ 6,326	\$ 314,889

(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 August 20, 2018, the Company granted an aggregate of 1,925,000 incentive stock options to employees, officers, directors and consultants of the Company, pursuant to the Company's Plan, at an exercise price of \$0.25 per share. Out of the options granted, 1,675,000 were fully vested on granting and 250,000 vest every quarter over a period of 1 year. All options granted are exercisable until August 19, 2023. The fair value of each option was estimated on the date of the grant using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield of 0%, expected volatility of 113%; risk-free interest rate of 2.18%; and an expected average life of 5 years. The fair value of all these options was estimated at \$369,116 of which \$343,345 vested during fiscal 2018 and \$25,771 during the nine months ended September 30, 2019 was recorded as share-based compensation within the statement of loss and credited to contributed surplus.

During the third quarter of fiscal 2018, the Company cancelled 10,000 stock options exercisable at \$0.19 per share and, on November 15, 2018, a total of 1,018,500 stock options exercisable at \$0.15 expired unexercised.

On January 4, 2019 the Company granted an aggregate of 2,960,000 incentive stock options to employees, officers, directors and consultants of the Company, pursuant to the Company's Plan, at an exercise price of \$0.25 per share. Out of the options granted, 2,820,000 were fully vested on granting and 140,000 vest every quarter over a period of 1 year. All options granted are exercisable until January 3, 2024. The fair value of each option was estimated on the date of the grant using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield of 0%, expected volatility of 99.07%; risk-free interest rate of 1.84%; and an expected average life of 5 years. The fair value of all

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these options was estimated at \$550,670 of which \$550,575 has been vested as of September 30, 2019, was recorded as share-based compensation within the statement of loss and credited to contributed surplus.

The following schedules describe the options outstanding at September 30, 2019 and December 31, 2018:

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
July 20, 2020	\$0.19	0.81	1,605,000	1,605,000
November 17, 2021	\$0.20	2.13	3,390,000	3,390,000
August 19, 2023	\$0.25	3.89	1,925,000	1,862,500
January 3, 2024	\$0.25	4.26	2,960,000	2,890,000
Balance at September 30, 2019	\$0.22	2.90	9,880,000	9,747,500

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
July 20, 2020	\$0.19	1.55	1,605,000	1,605,000
November 17, 2021	\$0.20	2.88	3,390,000	3,390,000
August 19, 2023	\$0.25	4.64	1,925,000	1,737,500
Balance at December 31, 2018	\$0.21	3.06	6,920,000	6,732,500

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

	Number of stock options	Weighted average exercise price
Balance at December 31, 2016 and 2017	6,023,500	\$ 0.19
Options granted	1,925,000	0.25
Options cancelled	(10,000)	0.19
Options expired	(1,018,500)	0.15
Balance at December 31, 2018	6,920,000	\$ 0.21
Options granted	2,960,000	0.25
Balance at September 30, 2019	9,880,000	\$ 0.22

(iii) Shares issued on property option payments

DD Agreement: Under the DD Property Agreement, PJX is required to issue to the Optionors on or before each anniversary day of the DD Agreement, 50,000 PJX common shares over a 5-year period to a maximum of 250,000 shares (see Note 9a).

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

- 50,000 shares valued at \$9,000 were issued on July 18, 2016;
- 50,000 shares valued at \$8,250 were issued on July 10, 2017;

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- 50,000 shares valued at \$11,000 were issued on July 6, 2018 and,
- 50,000 shares valued at \$7,250 were issued on August 12, 2019.

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

See also Note 16(d).

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

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

- 25,000 common shares valued at \$3,500 were issued on January 22, 2018 and \$10,000 cash paid on January 29, 2018;
- 75,000 common shares valued at \$16,125 were issued on January 1, 2019 and \$10,000 cash paid on March 31, 2019.

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

11.WARRANTS

The following schedule describes the warrants outstanding at September 30, 2019:

Expiry Date	Number of Warrants	Exercise price	Value
August 29, 2020 **	6,833,284	0.25	332,611
October 31, 2019	2,795,293	0.25	135,561
November 18, 2019	13,057,249	0.25	662,051
May 17, 2020	12,296,276	0.25	537,320
May 17, 2020	836,454	0.25	39,244
December 17, 2021 *	4,574,131	0.25	241,972
December 17, 2021 *	332,600	0.25	19,120
Balance at September 30, 2019	40,725,287	\$ 0.25	\$ 1,967,879

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

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

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The following schedules describe the warrants outstanding at December 31, 2018:

Expiry Date	Number of Warrants	Exercise price	Value
August 30, 2019	6,883,284	0.25	\$ 335,045
October 31, 2019	2,795,293	0.25	135,561
November 18, 2019	13,057,249	0.25	662,051
May 17, 2020	12,296,276	0.25	537,320
May 17, 2020	836,454	0.25	39,244
December 17, 2021 *	4,574,131	0.25	241,972
December 17, 2021 *	332,600	0.25	19,120
Balance at December 31, 2018	40,775,287	\$ 0.25	\$ 1,970,313

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

The following schedule describes the warrant transactions since December 31, 2017:

	Number of Warrants	Exercise price	Value
Balance December 31, 2017	28,575,071	0.24	1,387,195
Warrants issued on private placement	13,132,730	0.25	576,564
Warrants issued on private placement *	4,906,731	0.25	261,092
Warrants exercised	(85,000)	0.20	(3,606)
Warrants expired	(5,754,245)	0.20	(250,932)
Balance at December 31, 2018	40,775,287	\$ 0.25	\$ 1,970,313
Warrants exercised	(50,000)	0.20	(2,434)
Balance at September 30, 2019	40,725,287	\$ 0.25	\$ 1,967,879

Warrants issued:

As part of the May 17, 2018, financing the Company issued 12,296,276 warrants valued at \$537,320. Each warrant, will entitle the holder to purchase one common share at an exercise price of \$0.25 until May 17, 2020.

As part of the May 17, 2018, financing the Company issued 836,454 compensation warrants valued at \$39,244. Each warrant, will entitle the holder to purchase one common share at an exercise price of \$0.25 until May 17, 2020.

As part of the financing announced December 17, 2018, the Company issued 4,574,131 warrants valued at \$241,972. Each warrant, whether acquired as part of a flow-through unit or unit, entitles the holder to purchase one common share of the Issuer at a price of \$0.25 per share until the second anniversary of the issuance of the warrants and a price of \$0.30 per share thereafter until the third anniversary of the issuance of the warrants.

As part of the financing announced on December 17, 2018, the Company issued 332,600 compensation warrants valued at \$19,120. Each warrant entitles the holder to purchase one common share of the Issuer at a price of \$0.25 per share until the second anniversary of the issuance of the warrants and a price of \$0.30 per share thereafter until the third anniversary of the issuance of the warrants.

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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
August 29, 2020 ⁽³⁾	6,833,284	Nil	117%	0.57%	3	\$ 332,611
October 31, 2019 ⁽²⁾	207,058	Nil	113%	0.55%	3	24,661
October 31, 2019	2,588,235	Nil	112%	0.55%	3	110,900
November 18, 2019 ⁽²⁾	599,818	Nil	114%	0.69%	3	77,077
November 18, 2019	12,457,431	Nil	114%	0.69%	3	584,974
May 17, 2020	12,296,276	Nil	104%	2.06%	2	537,320
May 17, 2020 ⁽²⁾	836,454	Nil	104%	2.06%	2	39,244
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
	40,725,287					\$ 1,967,879

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

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

(2) Compensation warrants

(3) Expiry date was extended from August 29, 2019

Warrants extended:

During the third quarter of fiscal 2016 the Company extended the expiry date of 5,839,245 warrants by one year. The warrants originally issued on September 22, 2014 and November 4, 2014 had an exercise price of \$0.20 and expiry 24 months after their issuance date.

During the third quarter of fiscal 2017 the above-mentioned warrants were further extended for another year until September 22, 2018 and November 4, 2018 respectively, dates in which they expired, to the exception of 85,000 warrants that were exercised during the third quarter of fiscal 2018.

During the third quarter of fiscal 2019 the Company extended the expiry date of 6,883,284 warrants originally expiring on August 29, 2019 to August 29, 2020. No other terms on these warrants were changed.

See also Note 16, Subsequent events.

Warrants exercised:

During the third quarter of fiscal 2018, 85,000 warrants with a grant date fair value of \$3,606 were exercised at \$0.20 per warrant for net proceeds of \$17,000.

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

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Warrants expired:

The following schedules describe the warrants expired during the year ended December 31, 2018. No warrant expired during the nine months ended September 30, 2019.

Expiry Date	Number of Warrants	Exercise price	Value
September 23, 2018	2,780,000	\$ 0.20	\$ 112,567
November 5, 2018	2,974,245	0.20	138,365
	5,754,245	\$ 0.20	\$ 250,932

12. EXPLORATION AND GENERAL AND ADMINISTRATION EXPENSES

a) Exploration Expenses:

The following schedules describe exploration expenses incurred by property during the three and nine months ended September 30, 2019 and 2018, and since inception:

Periods ended September 30,	Three months		Nine months		Balance since inception
	2019	2018	2019	2018	
Dewdney Trail Property	\$ 6,524	\$ 36,372	\$ 28,810	\$ 75,144	\$ 1,289,774
Eddy Property	53,541	40,805	125,597	58,210	732,857
Zinger Property	500	236,478	23,036	247,927	1,013,551
Vine Property	431,691	380,134	1,045,836	704,642	5,446,084
DD Property	7,250	11,201	8,694	18,101	58,693
Gold Shear Property	153,200	39,194	186,632	75,435	296,931
Parker Copper Property	38,703	9,504	49,220	9,504	59,975
Others	-	-	-	-	51,981
	\$ 691,409	\$ 753,688	\$ 1,467,825	\$ 1,188,963	8,949,846
<i>BC refundable tax credits received</i>	-	-	-	-	(149,878)
Total exploration expenses	\$ 691,409	\$ 753,688	\$ 1,467,825	\$ 1,188,963	\$ 8,799,968

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The following schedule describes exploration expenses incurred during the three and nine months ended September 30, 2019 and 2018, and since inception, segregated by nature:

Periods ended September 30,	Three months		Nine months		Balance since inception
	2019	2018	2019	2018	
Geology, geophysics and geochemistry	\$ 132,829	\$ 130,502	\$ 320,430	\$ 349,292	\$ 2,650,661
Exploration-other accommodation	-	-	-	-	2,440
Permitting	-	-	1,160	-	54,574
Land rights, claims and environment	8,231	10,916	11,844	23,258	135,552
Drilling	503,753	561,216	1,018,005	718,796	4,757,555
Laboratory	24,758	22,180	28,368	37,642	333,708
Roads and surface preparation	-	-	-	-	70,944
Camp cost and exploration supplies	1,037	627	5,602	2,933	28,761
Exploration - travel and transportation	7,272	8,966	26,308	19,920	244,420
Exploration- meals	3,150	3,145	6,643	5,900	44,177
Rent - field office	2,488	5,050	7,001	6,636	52,726
Insurances	-	-	-	-	202
Surface sampling and mapping	-	-	-	-	50,505
Option payments	7,250	11,086	34,375	24,586	484,211
Reclamation provision	-	-	-	-	24,500
Legal expenses-exploration	-	-	-	-	1,898
Non-flow-through exploration expenses	641	-	8,089	-	13,012
	\$ 691,409	\$ 753,688	\$ 1,467,825	\$ 1,188,963	\$ 8,949,846
<i>BC refundable tax credits received</i>	-	-	-	-	(149,878)
Total exploration expenses	\$ 691,409	\$ 753,688	\$ 1,467,825	\$ 1,188,963	\$ 8,799,968

b) General and administration:

The following is a breakdown of the Company's general and administration expenses incurred during the three and nine months ended September 30, 2019 and 2018:

Periods ended September 30,	Three months		Nine months	
	2019	2018	2019	2018
Insurance	\$ 4,300	\$ 2,083	\$ 13,533	\$ 8,332
Interest, bank charges and penalties	528	182	742	797
Investor relations	53,823	72,329	178,135	188,114
Listing and regulatory fees	13,253	9,724	29,200	42,889
Office expenses	2,724	5,394	11,907	20,076
Professional fees	12,791	7,875	25,653	24,806
Rent	3,687	(138)	9,862	9,132
Salaries and benefits	66,309	69,153	208,592	213,887
Travel and transportation	8,090	1,122	20,415	4,465
	\$ 165,505	\$ 167,724	\$ 498,039	\$ 512,498

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13. OTHER REVENUES

Including under Other Revenues for the third quarter of fiscal 2019, are \$15,000 that corresponds to a gain in the disposition of capital assets.

During the year ended December 31, 2018, the Company assumed the obligation in connection with the reclamation liability described in Note 7(c) in exchange for cash consideration received of \$25,000.

14. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments up to \$852,000 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 September 30, 2019, the Company has approximately \$41,796 in commitments related to previous flow-through share agreements entered into to be incurred by December 31, 2019.

15. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

a) Purchase of services:

During the three and nine months ended September 30, 2019 and 2018, the Company contracted professional services from directors of PJX as follows:

Periods ended September 30,	Three months		Nine months	
	2019	2018	2019	2018
Fees to a law firm where a director of the Company is a partner	\$ -	\$ -	\$ -	\$ 2,231
Fee paid to a director for geological services rendered	-	-	4,551	-
	\$ -	-	\$ -	\$ 2,231

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b) Key management compensation:

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

Periods ended September 30,	2019	2018	2019	2018
Salaries	\$ 66,000	\$ 66,000	\$ 198,000	\$198,000
Stock-based compensation	-	-	421,374	-
	\$ 66,000	\$ 66,000	\$ 619,374	\$198,000

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

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

As of September 30,	2019	2018
Payable to officers of the Company	\$ 11,107	\$ 15,014
	\$ 11,107	\$ 15,014

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

16. SUBSEQUENT EVENTS

- a) On October 15, 2019 the Company announced a non-brokered private placement of up to ten million units through the issuance of Flow Through ("Flow Through Unit") and Non-flow Through Units ("Unit") at a price of \$0.17 per Flow Through Unit and \$0.15 per Unit.

Each Flow-through-Unit will consist of one common share to be issued as a "flow-through share" within the meaning of the *Income Tax Act* (Canada) and one common share purchase warrant. Each Unit will consist of one common share and one common share purchase warrant. Each warrant, whether acquired as part of a Flow-through-Unit or Unit, will entitle the holder to purchase one common share at an exercise price of \$0.25 for 36 months following completion of the Offering.

The Offering is expected to close on or before November 29, 2019. Closing of the Offering is subject to certain conditions customary for financings of this kind, including, but not limited to, the receipt of all necessary approvals including approval and acceptance by the TSX Venture Exchange.

- b) On October 31, 2019, 207,058 compensation warrants and 2,588,235 warrants, all exercisable at \$0.25, expired unexercised.
- c) On November 5, 2019 the Company announced that Teck Resources Limited has informed PJX that they are terminating their option on the DD Property. Teck has offered to transfer the exploration permit to PJX. The multi-year area-based permit allows PJX to drill and explore without having to acquire a new permit.
- d) On November 18, 2019, 599,818 compensation warrants exercisable at \$0.25, expired unexercised.
- e) On November 18, 2019, 12,457,431 warrants expiring on that date an exercisable at \$0.25, were extended until November 18, 2020. All remaining terms of these warrants remained unchanged.