



PJX RESOURCES INC.
Condensed Interim Financial Statements
Three and nine months ended September 30, 2020 and 2019
(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 23, 2020

Notice of Disclosure of Non-auditor Review of Condensed Interim Financial Statements

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the interim periods ended September 30, 2020 and 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS") accounting principles and are the responsibility of the Company's management.

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

PJX Resources Inc.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

		September 30,	December 31,
	Note	2020	2019
		(Unaudited)	(Audited)
ASSETS			
Current assets			
Cash		\$ 1,113,036	\$ 1,259,561
Amounts receivable	6(a)	10,319	18,564
British Columbia mining tax refunds receivable	6(b)	-	40,000
Prepayments	7(a)	32,505	39,152
Total current assets		1,155,860	1,357,277
Non-current assets			
Deposits	7(b)	196,352	174,950
Property and equipment	8(a)	2,333	2,991
Right-of-use asset	8(a)	23,522	30,137
Total non-current assets		222,207	208,078
Total assets		1,378,067	1,565,355
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	14(c)	58,918	84,191
Flow-through premium liability	10(b)(i)	56,013	196,650
Current lease liabilities	8(b)	8,492	8,161
Total current liabilities		123,423	289,002
Non-current liabilities			
Reclamation obligation	7(c)	24,500	24,500
Non-current lease liabilities	8(b)	15,991	22,402
Total non-current liabilities		40,491	46,902
Total liabilities		163,914	335,904
SHAREHOLDERS' EQUITY			
Share capital	10(b)	11,179,292	11,156,342
Shares to be issued	10(c)	805,250	-
Warrants	11	2,021,689	2,060,933
Contributed surplus		4,459,853	4,142,472
Accumulated deficit		(17,251,931)	(16,130,296)
Total shareholders' equity		1,214,153	1,229,451
Total shareholders' equity and liabilities		\$ 1,378,067	\$ 1,565,355

Going concern (Note 1)

Commitments and contingencies (Note 9 and 13)

Subsequent event (Note 15)

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	
		2020	2019	2020	2019
Expenses					
Exploration	12(a)	\$ 165,551	\$ 691,409	\$ 680,139	\$ 1,467,825
General and administration	12(b)	88,976	165,505	297,305	498,039
Share based compensation	10(b)(ii)	271,625	3,862	278,136	576,346
Depreciation	8(a)	2,424	2,294	7,272	6,969
Total operating expenses		528,576	863,070	1,262,852	2,549,179
Interest revenue		(580)	-	(580)	(14)
Other revenues		-	(15,000)	-	(15,000)
Loss before income taxes		(527,996)	(848,070)	(1,262,272)	(2,534,165)
Deferred flow-through tax recoveries	10(b)(i)	29,079	102,207	140,637	308,563
Net loss and comprehensive loss for the period		\$ (498,917)	\$ (745,863)	\$ (1,121,635)	\$ (2,225,602)
Basic and diluted loss per share		(\$0.00)	(\$0.01)	(\$0.01)	(\$0.02)
Weighted average number of shares outstanding		108,224,294	98,895,433	108,162,688	98,870,810

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	
		2020	2019	2020	2019
Share capital					
Balance, beginning of the period		\$ 11,179,292	\$ 10,340,501	\$ 11,156,342	\$ 10,311,876
Warrants exercised	11	-	-	-	12,500
Shares issued on property option payment	10(b)(iii)	-	7,250	22,950	23,375
Balance, end of the period		11,179,292	10,347,751	11,179,292	10,347,751
Share capital to be issued					
Balance, beginning of the period		-	-	-	-
Shares to be issued	10(c)	805,250	-	805,250	-
Balance, end of the period		805,250	-	805,250	-
Warrants					
Balance, beginning of the period		2,021,689	1,967,879	2,060,933	1,970,313
Compensation warrants expired	11	-	-	(39,244)	-
Warrants exercised	11	-	-	-	(2,434)
Balance, end of the period		2,021,689	1,967,879	2,021,689	1,967,879
Contributed surplus					
Balance, beginning of the period		4,188,228	3,934,823	4,142,472	3,359,905
Warrants exercised		-	-	-	2,434
Warrants expired		-	-	39,244	-
Share based compensation	10(b)(ii)	271,625	3,862	278,137	576,346
Balance, end of the period		4,459,853	3,938,685	4,459,853	3,938,685
Accumulated deficit					
Balance, beginning of the period		(16,753,014)	(15,145,375)	(16,130,296)	(13,665,636)
Net loss for the period		(498,917)	(745,863)	(1,121,635)	(2,225,602)
Balance, end of the period		(17,251,931)	(15,891,238)	(17,251,931)	(15,891,238)
Total shareholders' equity		\$ 1,214,153	\$ 363,077	\$ 1,214,153	\$ 363,077

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	2020	2019
Cash flows from operating activities			
Net loss for the period		\$ (1,121,635)	\$ (2,225,602)
<i>Items not involving cash:</i>			
Depreciation	8(a)	7,272	6,969
Flow through premium recoveries	10(b)(i)	(140,637)	(308,563)
Share based compensation	10(b)(ii)	278,137	576,346
Shares issued on option payment	10(b)(iii)	22,950	23,375
Gain on disposition of equipment		-	(15,000)
<i>Changes in non-cash working capital:</i>			
Deposits		(21,402)	(24,597)
Amounts receivable and prepayments		14,893	(38,560)
Mining tax refunds receivable		40,000	-
Accounts payable and accrued liabilities		(25,273)	(7,668)
Net cash used in operating activities		(945,695)	(2,013,300)
Cash flow from investing activities			
Proceeds on disposition of vehicle		-	15,000
Purchase of equipment		-	(3,500)
Net cash generated by investing activities		-	11,500
Cash flow from financing activities			
Payment of lease liability		(6,080)	(2,746)
Cash received on shares to be issued		805,250	-
Proceeds on issuance of shares and warrants		-	12,500
Net cash generated by financing activities		799,170	9,754
Net change in cash		(146,525)	(1,992,046)
Cash, beginning of the period		1,259,561	2,224,670
Cash, end of the period		\$ 1,113,036	\$ 232,624

See accompanying notes to the unaudited condensed interim financial statements.

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

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1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

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

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

The unaudited condensed interim financial statements have been prepared using generally accepted accounting principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due in the foreseeable future. For the nine months ended September 30, 2020, the Company incurred a loss of \$1,121,635 or \$0.01 per share, (September 30, 2019: \$2,225,602 or \$0.02 per share), and reported an accumulated deficit of \$17,251,931 (December 31, 2019: \$16,130,296). As at September 30, 2020 the working capital of the Company was \$1,032,437 (December 31, 2019: \$1,068,275). Additional financing is currently required to allow the Company to continue operating and to fund its planned exploration and development programs. The Company will continue to explore financing alternatives to raise capital. Although PJX has been successful in these activities in the past, the Company has no assurance on the success or sufficiency of these initiatives in the immediate future or that such financing will be available on acceptable terms. The above conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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

These unaudited condensed interim financial statements were approved by the Board of Directors for issue on November 23, 2020.

PJX Resources Inc.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

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

Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretation issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of November 23, 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2019. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2020 could result in restatement of these unaudited condensed interim financial statements.

Changes in accounting policies:

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

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

3. CAPITAL MANAGEMENT

The Company considers its capital to be shareholders' equity, which is comprised of share capital, warrants, contributed surplus and accumulated deficit, which as at September 30, 2020 totaled \$1,214,153 (December 31, 2019: \$1,229,451). When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its exploration properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

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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 three and nine months ended September 30, 2020. The Company is not subject to externally imposed capital requirements.

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

4. FINANCIAL RISK FACTORS

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

Credit risk

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

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At September 30, 2020, the Company had a cash balance of \$1,113,036 (December 31, 2019: \$1,259,561) to settle current liabilities of \$123,423 (December 31, 2019: \$289,002). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. In addition, refer to Note 3 for the Company's approach to capital management.

Market risk

Interest rate risk

The Company's current policy is to invest excess cash in interest bearing accounts at major Canadian chartered banks. The Company periodically monitors its cash management policy. At September 30, 2020 and 2019, the Company did not have any amounts invested in interest bearing accounts.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market affecting PJX's capacity to obtain future financings. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity

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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, 2020, the Company was not in the production phase. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

5. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As at September 30, 2020 and December 31, 2019, the carrying values approximate the fair value amounts of the Company's financial instruments. The Company has not disclosed the fair value of amounts receivable, accounts payable and accrued liabilities because the carrying values approximate fair values.

6. AMOUNTS RECEIVABLE

- a) Amounts receivable corresponds to the sale taxes recoverable paid on taxable purchases of material and services.
- b) The Company accrued an estimated receivable amount for \$40,000 in relation to the 2018 British Columbia refundable tax credit. During the current fiscal year PJX received the final assessment and payment on this receivable and wrote off \$16,875 of the estimated amount.

7. REPAYMENTS AND DEPOSITS

- a) Prepayments totalling \$32,505 (December 31, 2018: \$39,152) represents advanced payments to suppliers.
- b) At September 30, 2020, the Company has deposits with the British Columbia Ministry of Finance for \$162,900 (December 31, 2019: \$148,900) representing remediation cost bonds associated with its properties; and other advances totalling \$33,452 (December 31, 2019: \$26,050).
- c) During the year ended December 31, 2018, the Company assumed obligations relating to an excavated trail located in the Zinger Property, in exchange for cash consideration of \$25,000. The decommissioning liabilities are assessed based on the estimated costs to reclaim the excavation trails and the estimated timing of the costs to be incurred in future periods. Management of the Company has estimated that the total undiscounted cash flows required to settle the obligations will be approximately \$27,000. These obligations have been discounted using a risk-free rate of 3% and an inflation rate of 2% per year. Most of this obligation is not expected to be paid until approximately 5 years in the future and have already been fully funded with a refundable deposit, held on account with the British Columbia Ministry of Finance. Included under deposits disclosed in Note 7(b) are \$24,500 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, RIGHT OF USE ASSET AND LEASE LIABILITY

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

	Vehicles	Right of Use	Total	December 31, 2019
Balance, beginning of the year	\$ 3,500	\$ 35,282	\$ 38,782	\$ 45,684
Acquisitions	-	-	-	3,500
Dispositions	-	-	-	(45,684)
Right of use asset	-	-	-	35,282
	\$ 3,500	\$ 35,282	\$ 38,782	\$ 38,782
Accumulated depreciation				
Balance, beginning of the year	510	5,145	5,655	41,800
Dispositions	-	-	-	(45,684)
Depreciation	657	6,615	7,272	9,538
	1,167	11,760	12,927	5,654
Net book value	\$ 2,333	\$ 23,522	\$ 25,855	\$ 33,128

b) *Lease liability:*

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

Periods ending	September 30, 2020	December 31, 2019
Lease liability	\$ 24,483	\$ 30,563
Less: Current portion	(8,492)	(8,161)
Long-term portion	\$ 15,991	\$ 22,402

	September 30, 2020	December 31, 2019
Undiscounted lease liability	\$ 26,371	\$ 33,563
No later than one year	(9,589)	(9,589)
Later than one year and no later than five years	(16,782)	(23,974)
	\$ -	\$ -

9. MINERAL EXPLORATION PROPERTIES

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

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a) DD Property Agreement:

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

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

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

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

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

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

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

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

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

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

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

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

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b) Gold Shear Property Agreement:

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

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

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

Under the Agreement, the Optionor retains a 2% NSR. PJX will have the right to purchase 50% of such NSR (being a 1% NSR) for \$1,000,000, and the remaining 50% of such NSR (being a 1% NSR) for \$1,000,000.

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

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

c) Other Properties:

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

10. SHARE CAPITAL

(a) Authorized capital

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

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(b) Issued capital

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

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

(i) Private placements

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

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

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

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

	September 30,	December 31,
	2020	2019
Unamortized premium balance - opening	\$ 196,650	\$ 314,889
Premium on issued flow-through shares	-	196,650
Premium amortization	(140,637)	(314,889)
Unamortized premium balance - ending	\$ 56,013	\$ 196,650

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(ii) Share based compensation

The Company has a stock option plan (the "Plan") to provide incentive for the directors, officers, employees, consultants and service providers of the Company. The maximum number of shares which may be set aside for issuance under the Plan is 10% of the outstanding common shares.

On January 4, 2019 the Company granted an aggregate of 2,960,000 incentive stock options to employees, officers, directors and consultants of the Company, pursuant to the Company's Plan, at an exercise price of \$0.25 per share. Out of the options granted, 2,820,000 were fully vested on granting and 140,000 vested every quarter over a period of 1 year, with the first quarter vesting on granting. All options granted are exercisable until January 3, 2024. The fair value of each option was estimated on the date of the grant using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield of 0%, expected volatility of 99%; risk-free interest rate of 1.84%; and an expected average life of 5 years. The fair value of all these options was estimated at \$550,670 of which \$544,158 has been vested as of December 31, 2019, and \$6,511 during the nine months ended September 30, 2020. The amounts were recorded as share-based compensation within the statement of loss and credited to contributed surplus.

On August 11, 2020 the Company granted an aggregate of 2,792,500 incentive stock options to employees, officers, directors and consultants of the Company, pursuant to the Company's Plan, at an exercise price of \$0.20 per share. Out of the options granted, 2,632,500 were fully vested on granting and 170,000 vest every quarter over a period of 1 year, with the first quarter vesting three months after granting. All options granted are exercisable until August 11, 2025. The fair value of each option was estimated on the date of the grant using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield of 0%, expected volatility of 109%; risk-free interest rate of 0.38%; and an expected average life of 5 years. The fair value of all these options was estimated at \$289,233 of which \$271,625 has been vested on granting, and \$17,608 deferred.

During fiscal 2019, the Company cancelled 255,000 stock options exercisable at \$0.20 per share and 225,000 stock options exercisable at \$0.19. On July 20, 2020, 1,380,000 options exercisable at \$0.19, expired unexercised.

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

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
November 17, 2021	\$0.20	1.13	3,135,000	3,135,000
August 19, 2023	\$0.25	2.88	1,925,000	1,925,000
January 3, 2024	\$0.25	3.26	2,960,000	2,960,000
August 11, 2025	\$0.20	4.87	2,792,500	2,632,500
Balance at September 30, 2020	\$0.22	2.99	10,812,500	10,652,500

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

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

	Number of stock options	Weighted average exercise price
Balance at December 31, 2018	6,920,000	\$ 0.21
Options granted	2,960,000	0.25
Options cancelled	(480,000)	0.20
Balance at December 31, 2019	9,400,000	\$ 0.22
Options granted	2,792,500	0.20
Options expired	(1,380,000)	0.19
Balance at September 30, 2020	10,812,500	\$ 0.22

(iii) Shares issued on property option payments

DD Agreement:

Option Payments:

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

The following shares were issued under the terms of this agreement:

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

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

Option payments received:

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

Gold Shear Agreement:

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

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

- 25,000 common shares valued at \$3,500 were issued on January 22, 2018 and \$10,000 cash paid on January 29, 2018;

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

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

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

(c) Shares to be issued

Subsequent to September 30, 2020, the Company completed a non-brokered private placement for gross proceeds of \$1,230,800, through the issuance of 2,480,000 Flow Through Units at a price of \$0.15 per Unit and 6,470,400 Non-Flow Through Units at a price of \$0.125 per Unit. Subscriptions totaling \$805,250 were received on account of this financing by September 30, 2020. The shares related to these subscriptions were issued subsequent to quarter end (see Subsequent Events – Note 15).

11. WARRANTS

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

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

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

** Warrants expiry date extended to August 29, 2021.

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

**** Warrants expiry date extended for one year to May 15, 2020.

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

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

Warrants issued:

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

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

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

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

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

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

(2) Compensation warrants

Warrants extended:

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

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

On May 5, 2020, the Company announced that it has extended the term of 12,296,276 share purchase

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

In August 2020, the Company extended the term of 6,833,284 share purchase warrants exercisable at \$0.25 and expiring on August 29, 2020, for one additional year to August 29, 2021. All other terms, including the exercise price will remain unchanged. The extension of the warrants has been accepted by the TSX Venture Exchange.

Warrants exercised:

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

Warrants expired:

During the nine months ended September 30, 2020, 836,454 compensation warrants exercisable at \$0.25 expired unexercised.

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

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

12. EXPLORATION AND GENERAL AND ADMINISTRATION EXPENSES

a) Exploration Expenses:

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

Periods ended September 30,	Three months		Nine months		Balance since inception
	2020	2019	2020	2019	
Dewdney Trail Property	\$ 5,845	\$ 6,524	\$ 16,495	\$ 28,810	\$ 1,326,589
Eddy Property	24,682	53,541	46,568	125,597	801,613
Zinger Property	8,983	500	9,283	23,036	1,025,525
Vine Property	13,097	431,691	428,113	1,045,836	5,919,707
DD Property	-	7,250	(14,250)	8,694	44,443
Gold Shear Property	92,936	153,200	164,892	186,632	541,635
Parker Copper Property	-	38,703	-	49,220	60,605
Others	20,008	-	29,038	-	81,016
	\$ 165,551	\$ 691,409	\$ 680,139	\$ 1,467,825	9,801,133
<i>BC refundable tax credits received</i>	-	-	-	-	(149,878)
Total exploration expenses	\$ 165,551	\$ 691,409	\$ 680,139	\$ 1,467,825	\$ 9,651,255

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

Periods ended September 30,	Three months		Nine months		Balance since inception
	2020	2019	2020	2019	
Geology, geophysics and geochemistry	\$ 123,269	\$ 132,829	\$ 260,029	\$ 320,430	\$ 2,983,401
Exploration-other accommodation	-	-	-	-	2,440
Permitting	-	-	-	1,160	54,574
Land rights, claims and environment	-	8,231	5,590	11,844	148,980
Drilling	3,350	503,753	304,613	1,018,005	5,118,633
Laboratory	10,509	24,758	27,080	28,368	379,777
Roads and surface preparation	-	-	-	-	70,944
Camp cost and exploration supplies	403	1,037	981	5,602	29,914
Exploration - travel and transportation	3,518	7,272	13,244	26,308	267,856
Exploration- meals	3,069	3,150	4,740	6,643	50,087
Rent - field office	-	2,488	3,500	7,001	57,171
Insurances	1,424	-	4,272	-	4,474
Surface sampling and mapping	-	-	-	-	50,505
Option payments (receipts)	-	7,250	27,050	34,375	511,261
Reclamation provision	-	-	-	-	24,500
Legal expenses-exploration	-	-	-	-	1,898
Non-flow-through exploration expenses	20,009	641	29,040	8,089	44,718
	\$ 165,551	\$ 691,409	\$ 680,139	\$ 1,467,825	\$ 9,801,133
<i>BC refundable tax credits received</i>	-	-	-	-	(149,878)
Total exploration expenses	\$ 165,551	\$ 691,409	\$ 680,139	\$ 1,467,825	\$ 9,651,255

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, 2020 and 2019:

Periods ended September 30,	Three months		Nine months	
	2020	2019	2020	2019
Insurance	\$ 2,810	\$ 4,300	\$ 10,979	\$ 13,533
Interest, bank charges and penalties	627	528	1,538	742
Investor relations	10,634	53,823	46,179	178,135
Listing and regulatory fees	19,348	13,253	38,113	29,200
Office expenses	2,635	2,724	8,388	11,907
Professional fees	4,720	12,791	23,440	25,653
Rent	3,687	3,687	5,232	9,862
Salaries and benefits	44,267	66,309	150,456	208,592
Taxes and levies	18	-	9,243	-
Travel and transportation	230	8,090	3,737	20,415
	\$ 88,976	\$ 165,505	\$ 297,305	\$ 498,039

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13. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments up to \$812,000 to be made upon the occurrence of certain events such as change of control. As the triggering event has not occurred, the contingent payment has not been provided for in these financial statements.

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

Pursuant to the terms of the flow-through share agreements, the Company needs to comply with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada) by incurring qualified exploration expenditures before December 31 of the year following the year in which the agreement is entered into. The Company indemnifies the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments. As at September 30, 2020, the Company has approximately \$214,000 in estimated commitments related to previous flow-through share agreements entered into to be incurred by December 31, 2020.

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

Periods ended September 30,	Three months		Nine months	
	2020	2019	2020	2019
Fee paid to a director for geological services rendered	-	-	-	4,551
	\$ -	-	\$ -	\$ -

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,	Three months		Nine months	
	2019	2018	2019	2018
Salaries	\$ 66,000	\$ 66,000	\$ 198,000	\$ 198,000
Stock-based compensation	256,348	-	256,348	421,374
	\$ 322,348	\$ 66,000	\$ 454,348	\$ 619,374

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

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

	September 30,	December 31,
	2020	2019
Payable to officers of the Company	\$ 10,848	\$ 19,564
Payable to a law firm where a director of the Company is a partner	-	261
	\$ 10,848	\$ 19,825

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

15. SUBSEQUENT EVENT

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

Each Flow-through Unit consists of one common share issued as a “flow-through share” within the meaning of the Income Tax Act (Canada) (the “Flow-through Shares”) and one common share purchase warrant. Each Unit consists of one common share and one common share purchase warrant. Each warrant, whether acquired as part of a Flow-through Unit or Unit, entitles the holder to purchase one common share at an exercise price of \$0.20 for 24 months following completion of the Offering.

The Company also issued 301,120 compensation warrants related to this transaction with similar terms and conditions as the above-mentioned warrants.

On November 18, 2020, 12,457,431 Warrants, exercisable at \$0.25, expired unexercised.