PJX RESOURCES INC.

Financial Statements

Three and six months ended June 30, 2021 and 2020

(UNAUDITED)

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

These unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the end of the reporting period. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

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

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

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

(signed)
John Keating
President and Chief Executive Officer

(signed)
Linda Brennan
Chief Financial Officer

Toronto, Canada
August 18, 2021

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

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

The accompanying unaudited condensed interim financial statements of the Company for the interim periods ended June 30, 2021 and 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") accounting principles and are the responsibility of the Company's management.

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

PJX Resources Inc.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)		**June 30,**	December 31,
As at	**Note**	**2021**	2020
		(Unaudited)	(Audited)
ASSETS			
Current assets			
Cash		**$ 1,981,209**	$ 1,061,346
Amounts receivable	**6**	**41,327**	17,847
Prepayments	**7(a)**	**37,450**	30,423
Total current assets		**2,059,986**	1,109,616
Non-current assets			
Deposits	**7(b)**	**188,936**	189,207
Property and equipment	**8(a)**	**1,677**	2,115
Right-of-use asset	**8(a)**	**16,907**	21,317
Total non-current assets		**207,520**	212,639
Total assets		**2,267,506**	1,322,255
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**15(c)**	**88,214**	166,033
Flow-through premium liability	**10(b)(i)**	**-**	48,805
Current lease liabilities	**8(b)**	**8,837**	8,606
Total current liabilities		**97,051**	223,444
Non-current liabilities			
Reclamation obligation	**7(c)**	**24,500**	24,500
Non-current lease liabilities	**8(b)**	**9,319**	13,796
Total non-current liabilities		**33,819**	38,296
Total liabilities		**130,870**	261,740
SHAREHOLDERS' EQUITY			
Share capital	**10(b)**	**12,922,577**	11,947,758
Warrants	**11**	**1,760,417**	1,786,069
Contributed surplus		**5,065,058**	5,053,323
Accumulated deficit		**(17,611,416)**	(17,726,635)
Total shareholders' equity		**2,136,636**	1,060,515
Total shareholders' equity and liabilities		**$ 2,267,506**	$ 1,322,255

Going concern (Note 1)
Commitments and contingencies (Note 9 and 14)
Subsequent events (Note 16)

Approved by the Board of Directors:

(Signed) John Keating
John Keating, Director

(Signed) Linda Brennan
Linda Brennan, Director

See accompanying notes to the unaudited condensed interim financial statements.

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

		Three months		Six Months	
Periods ended June 30,	**Note**	**2021**	2020	**2021**	2020
Expenses					
Exploration	**12(a)**	**$ 558,834**	$ 107,690	**$ 663,668**	$ 514,588
General and administration	**12(b)**	**98,754**	82,868	**253,353**	208,329
Share based compensation	**10(b)(ii)**	**2,647**	6,511	**11,735**	6,511
Depreciation	**8(a)**	**2,424**	2,424	**4,848**	4,848
Total operating expenses		**(662,659)**	(199,493)	**(933,604)**	(734,276)
Other revenues	**13**	**18**	-	**1,000,018**	-
Loss before income taxes		**(662,641)**	(199,493)	**66,414**	(734,276)
Flow-through premium recoveries	**10(b)(i)**	**53,840**	26,546	**48,805**	111,558
Net Income (loss) and comprehensive loss for the period		**$ (608,801)**	$ (172,947)	**$ 115,219**	$ (622,718)
Basic and diluted earnings (loss) per share		**($0.00)**	($0.00)	**$0.00**	($0.01)
Weighted average number of shares outstanding (basic and diluted)		**123,824,694**	108,175,832	**121,856,462**	108,131,547

See accompanying notes to the unaudited condensed interim financial statements.

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

		Three months		Six Months	
Periods ended June 30,	**Note**	**2021**	2020	**2021**	2020
Share capital					
Balance, beginning of the period		**$ 12,931,350**	$ 11,172,642	**$ 11,947,758**	$ 11,156,342
Shares issued under private placement	**10(b)(i)**	**-**	-	**1,000,000**	-
Reallocation of issue cost to warrants	**11**	**-**	-	**25,652**	-
Shares issued on property option paymer	**10(b)(iii)**	**-**	6,650	**-**	22,950
Share issue cost	**10(b)**	**(8,773)**	-	**(50,833)**	-
Balance, end of the period		**12,922,577**	11,179,292	**12,922,577**	11,179,292
Warrants					
Balance, beginning of the period		**1,760,417**	2,060,933	**1,786,069**	2,060,933
Reallocation of issue cost to warrants	**11**	**-**	-	**(25,652)**	-
Compensation warrants expired	**11**	**-**	(39,244)	**-**	(39,244)
Balance, end of the period		**1,760,417**	2,021,689	**1,760,417**	2,021,689
Contributed surplus					
Balance, beginning of the period		**5,062,411**	4,142,472	**5,053,323**	4,142,472
Warrants expired		**-**	39,244	**-**	39,244
Share based compensation	**10(b)(ii)**	**2,647**	6,512	**11,735**	6,512
Balance, end of the period		**5,065,058**	4,188,228	**5,065,058**	4,188,228
Accumulated deficit					
Balance, beginning of the period		**(17,002,615)**	(16,580,067)	**(17,726,635)**	(16,130,296)
Net income (loss) for the period		**(608,801)**	(172,947)	**115,219**	(622,718)
Balance, end of the period		**(17,611,416)**	(16,753,014)	**(17,611,416)**	(16,753,014)
Total shareholders' equity		**$ 2,136,636**	$ 636,195	**$ 2,136,636**	$ 636,195

See accompanying notes to the unaudited condensed interim financial statements.

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

Six months ended June 30,	**Note**	**2021**	**2020**
Cash flows from operating activities			
Net income (loss) for the year		**$ 115,219**	$ (622,718)
Items not involving cash:			
Depreciation	**8(a)**	**4,848**	4,848
Flow through premium recoveries	**10(b)(i)**	**(48,805)**	(111,558)
Share based compensation	**10(b)(ii)**	**11,735**	6,512
Shares issued on option payment	**10(b)(iii)**	**-**	22,950
Changes in non-cash working capital:			
Deposits		**271**	(21,402)
Amounts receivable and prepayments		**(30,506)**	6,321
Accounts payable and accrued liabilities		**(77,820)**	(42,588)
Net cash generated by (used) in operating activities		**(25,058)**	(757,635)
Cash flow from financing activities			
Payment of lease liability	**8(b)**	**(4,246)**	(4,027)
Proceeds on issuance of shares and warrants	**13**	**1,000,000**	-
Cash portion of issue costs	**10(b)(i)**	**(50,833)**	-
Net cash generated by financing activities		**944,921**	(4,027)
Net change in cash		**919,863**	(761,662)
Cash, beginning of the period		**1,061,346**	1,259,561
Cash, end of the period		**$ 1,981,209**	$ 497,899

See accompanying notes to the unaudited condensed interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

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

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

These unaudited condensed interim financial statements have been prepared using generally accepted accounting principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due in the foreseeable future. For the six months ended June 30, 2021, the Company generated a net income of $115,219 or $0.00 per share, (June 30, 2020: net loss of $622,718 or $0.01 per share), and reported an accumulated deficit of $17,611,416 (December 31, 2020: $17,726,635). As at June 30, 2021 the working capital of the Company was $1,962,935 (December 31, 2020: $886,172). Management believes that the working capital is sufficient to support operations for the next twelve months. However, additional funding will be required to allow the Company to continue operating and to fund future exploration and development programs. The Company will continue to explore financing alternatives to raise capital. Although PJX has been successful in these activities in the past, the Company has no assurance on the success or sufficiency of these initiatives or that such financing will be available on acceptable terms.

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

These unaudited condensed interim financial statements were approved by the Board of Directors for issue on August 18, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of August 18, 2021, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2020. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2021 could result in restatement of these unaudited condensed interim financial statements.

<u>Changes in accounting policies:</u>
During the six months ended June 30, 2021, the Company adopted a number of amendments and improvements of existing standards. These included IAS 1 – Presentation of Financial Statements, and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The adoption of these new amendments did not have any material impact on the Company's financial statements.

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

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

3. CAPITAL MANAGEMENT

The Company considers its capital to be shareholders' equity, which is comprised of share capital, warrants, contributed surplus and accumulated deficit, which as at June 30, 2021 totaled $2,136,636 (December 31, 2020: $1,060,515). When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its exploration properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on further external financing to fund its working capital and exploration activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and attempt to raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three and six months ended June 30, 2021. The Company is not subject to externally imposed capital requirements.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange (“TSXV”) which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of June 30, 2021, the Company believes it is compliant with the policies of the TSXV.

4. FINANCIAL RISK FACTORS

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

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

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At June 30, 2021, the Company had a cash balance of $1,981,209 (December 31, 2020: $1,061,346) to settle current liabilities of $97,051 which includes a non-cash flow through premium liability (December 31, 2020: $223,444). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. In addition, refer to Note 3 for the Company’s approach to capital management.

Market risk
Interest rate risk
The Company's current policy is to invest excess cash in interest bearing accounts at major Canadian chartered banks. The Company periodically monitors its cash management policy. At June 30, 2021 and December 31, 2020, the Company did not have any amounts invested in interest bearing accounts.

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

financings. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as it relates to the mineral commodities to determine the appropriate course of action to be taken by the Company.

Based on Management's knowledge and experience in the financial markets, the Company believes that it is “reasonably possible” that commodity price fluctuation could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of mineral commodities. As of June 30, 2021, the Company was not in the production phase. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

5. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As at June 30, 2021 and 2020, the carrying values approximate the fair value amounts of the Company's financial instruments due to their short-term nature.

6. AMOUNTS RECEIVABLE

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

7. PREPAYMENTS AND DEPOSITS

a) Prepayments totalling $37,450 (December 31, 2020: $30,423) represents advanced payments to suppliers.

b) At June 30, 2021, the Company has deposits with the British Columbia Ministry of Finance for $162,900 (December 31, 2020: $162,900) representing remediation cost bonds associated with its properties; and other advances totalling $26,036 (December 31, 2020: $26,307).

c) During the year ended December 31, 2018, the Company assumed obligations relating to an excavated trail located in the Zinger Property, in exchange for cash consideration of $25,000. The decommissioning liabilities are assessed based on the estimated costs to reclaim the excavation trails and the estimated timing of the costs to be incurred in future periods. Management of the Company has estimated that the total undiscounted cash flows required to settle the obligations will be approximately $27,000. These obligations have been discounted using a risk-free rate of 3% and an inflation rate of 2% per year. Most of this obligation is not expected to be paid until approximately 5 years in the future and have already been fully funded with a refundable deposit, held on account with the British Columbia Ministry of Finance. Included under deposits disclosed in Note 7(b) are $24,500 that the Company has made with the British Columbia Ministry of Natural Resources on this respect, funds that will be refunded to the Company once its obligation is discharged.

(Expressed in Canadian dollars)

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

a) Property, equipment and right of use asset

The following schedules describe the transactions for Vehicles and Right of Use arising during the six months period ended June 30, 2021 and the year ended December 31, 2020:

Property & equipment:		**Vehicles**		**Right of Use Asset**		**Total**
Book Value - opening	**$**	**3,500**	**$**	**35,282**	**$**	**38,782**
	$	**3,500**	**$**	**35,282**	**$**	**38,782**
Accumulated depreciation						
Balance, December 31, 2020		**1,385**		**13,965**		**15,350**
Depreciation		**438**		**4,410**		**4,848**
Accumulated depreciation - June 30, 2021		**1,823**		**18,375**		**20,198**
Net book value - June 30, 2021	**$**	**1,677**	**$**	**16,907**	**$**	**18,584**

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

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 ended		**June 30, 2021**		December 31, 2020
Lease liability	**$**	**18,156**	$	22,402
Less: Current portion		**(8,837)**		(8,606)
Long-term portion	**$**	**9,319**	$	13,796

Periods ended		**June 30, 2021**		December 31, 2020
Undiscounted lease liability	**$**	**21,576**	$	23,974
No later than one year		**(7,192)**		(10,389)
Later than one year and no later than five years		**(14,384)**		(13,585)
	$	**-**	$	-

9. MINERAL EXPLORATION PROPERTIES

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

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

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

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

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

1) *In order to earn an undivided 50% interest in the DD Property:*
   - Within 12 months of the effective date of the Option Agreement, incur work in the property for a cumulative amount of $350,000;
   - Within 24 months of the effective date of the Option Agreement, incur work in the property for a cumulative amount of $1,000,000;
   - Within 36 months of the effective date of the Option Agreement, incur work in the property for a cumulative amount of $2,500,000;
   - Within 48 months of the effective date of the Option Agreement, incur work in the property for a cumulative amount of $4,000,000 and cash payments of $250,000 inclusive of the $20,000 non-refundable deposit.

2) *In order to earn an additional undivided 25% interest in the DD property:*
   - Complete a bankable commercial feasibility study on the DD property within 96 months of the effective date of the Option Agreement.
   - Upon DLP's exercise of the Option and acquisition of a 50% or 75% interest in the DD Property, as applicable, the parties will enter into a joint venture agreement for the further development of the Property.

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

Under the terms of the Addendum, PJX will acquire:

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

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

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

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

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

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

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

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

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

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

c) *Other Properties:*
The Company also has other exploration properties, all located in British Columbia, Canada, where it has earned a 100% interest. See Note 12(a) for a detail on exploration work conducted by PJX in these properties. See also Note 16 "Subsequent Events".

(Expressed in Canadian dollars)

10. SHARE CAPITAL

(a) Authorized capital

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

(b) Issued capital

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

	# of Shares		Value
Balance at December 31, 2019	108,054,294	$	11,156,342
Shares issued on property option payment (Note 10(b)(iii))	170,000		22,950
Shares issued on private placement (Note 10(b)(i))	9,350,400		1,230,800
Value allocated to warrants			(332,443)
Share premium on flow-through shares (Note 10(b)(i))			(62,000)
Share issue cost (Note 10(b)(i))			(67,891)
Balance at December 31, 2020	117,574,694	$	11,947,758
Shares issued on private placement (Note 10(b)(i))	6,250,000		1,000,000
Reallocation of value from warrant			25,652
Share issue cost (Note 10(b)(i)			(50,833)
Balance at June 30, 2021	**123,824,694**	**$**	**12,922,577**

(i) Private placements

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

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

As the proceeds received by the Company on October 6, 2020 for a flow-through unit and non-flow though unit at the time of the transaction were different, a premium on flow-through shares of $62,000 was recorded. The premium has been deducted from capital and a flow-through premium liability for the same amount was recorded. The premium is subsequently amortized as the flow-through funds are utilized in qualified exploration programs.

In connection with the offering the Company paid finder fees for a total of $50,980 and issued 301,120 compensation warrants, valued at $16,911. Each of the finder’s warrants entitles the finder to purchase one common share of the Company at a price of $0.20 for 24 months.

On March 1, 2021 the Company announced the completion of an investment agreement with Osisko Gold Royalties Ltd (“Osisko”) pursuant to which Osisko purchased 6,250,000 common shares of PJX at a subscription price equal to $0.16 per share, for gross proceeds of $1,000,000. The company incurred $30,000 in legal fees related to this transaction that have been allocated to share issue cost.

Included under share issue cost charged during this period, there are $20,833 of legal expenses related to prior years that have been reclassified as share issue cost.

(Expressed in Canadian dollars)

The following schedule describes the flow-through premium liabilities as at June 30, 2021 and December 31, 2020:

Periods ending		June 30, 2021	December 31, 2020
Unamortized premium balance - opening	$	48,805	$ 196,650
Premium on issued flow-through shares		-	62,000
Premium amortization and adjustments		(48,805)	(209,845)
Unamortized premium balance - ending	$	-	$ 48,805

(ii) Share based compensation

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

On July 20, 2020, 1,380,000 options exercisable at $0.19, expired unexercised.

On August 11, 2020, the Company granted an aggregate of 2,792,500 incentive stock options to employees, officers, directors and consultants of the Company, pursuant to the Company's Plan, at an exercise price of $0.20 per share. Out of the options granted, 2,632,500 were fully vested on granting and 160,000 vest every quarter over a period of 1 year, with the first quarter vesting three months after granting. All options granted are exercisable until August 11, 2025. The fair value of each option was estimated on the date of the grant using the Black-Scholes option pricing model, with the following assumptions: share price of $0.14, expected dividend yield of 0%, expected volatility of 109%; risk-free interest rate of 0.38%; and an expected average life of 5 years. The fair value of all these options was estimated at $289,233 of which $288,238 has been vested as of June 30, 2021.

The following schedules describe the options outstanding at June 30, 2021:

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
November 17, 2021	$0.20	0.38	3,135,000	3,135,000
August 19, 2023	$0.25	2.14	1,925,000	1,925,000
January 3, 2024	$0.25	2.51	2,960,000	2,960,000
August 11, 2025	$0.20	4.12	2,792,500	2,762,105
Balance at June 30, 2021	**$0.22**	**2.24**	**10,812,500**	**10,782,105**

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

	Number of stock options		Weighted average exercise price
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 December 31, 2020 and June 30, 2021	**10,812,500**	**$**	**0.22**

(Expressed in Canadian dollars)

(iii) Shares issued on property option payments

DD Agreement:
Under the DD Property Agreement, PJX was required to issue to the Optionors on or before each anniversary day of the DD Agreement, 50,000 PJX common shares over a 5-year period to a maximum of 250,000 shares. The last and final issuance of 50,000 shares, with a fair value of $4,750 were issued on June 2, 2020 (see Note 9(a)).

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

Gold Shear Agreement:
Under this agreement entered on January 17, 2018, the Company is required to issue 200,000 PJX shares to the optionor within a period of 24 months of the signing of the Agreement The last and final issuance of 100,000 shares, with a fair value of $16,300 were issued on June 2, 2020 (see Note 9(a)).

Under the new purchase agreement that the Company entered to acquire the David 6 Claim (see Note 9(b)), the Company issued 20,000 common shares valued at $1,900.

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

11. WARRANTS

The following schedule describes the warrants outstanding at June 30, 2021 and December 31, 2020:

Expiry Date	Number of Warrants	Exercise price	Value
August 29, 2021	6,833,284	$ 0.25	$ 332,611
December 17, 2021 *	4,574,131	0.30	241,972
December 17, 2021 *	332,600	0.30	19,120
May 15, 2022**	12,296,276	0.25	537,320
October 5, 2022	9,350,400	0.20	332,443
October 5, 2022	301,120	0.20	16,911
December 5, 2022 ***	5,802,157	0.25	249,241
December 5, 2022	649,733	0.25	30,799
Balance at June 30, 2021	**40,139,701**	**$ 0.24**	**$ 1,760,417**

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

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

*** The fair value of these warrants was adjusted from $274,893

(Expressed in Canadian dollars)

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

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

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

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

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

	Number of Warrants	Exercise price *	Value
Balance at December 31, 2019	43,782,066	$ 0.26	$ 2,060,933
Warrants issued on private placement	9,350,400	0.20	332,443
Compensation warrants issued	301,120	0.20	16,911
Warrants expired	(12,457,431)	0.25	(584,974)
Compensation warrants expired	(836,454)	0.25	(39,244)
Balance at December 31, 2020	40,139,701		1,786,069
Reallocation of issue cost to warrants			(25,652)
Balance at June 30, 2021	**40,139,701**	**$ 0.24**	**$ 1,760,417**

* Weighted average exercise price at June 30, 2021 reflects the increase in exercise price in year 3 for 4,906,732 warrants expiring on December 17, 2021.

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

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

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

(Expressed in Canadian dollars)

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
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
May 15, 2022	12,296,276	Nil	104%	2.06%	2		537,320
October 5, 2022	9,350,400	Nil	112%	0.23%	2		306,791
October 5, 2022 (2)	301,120	Nil	112%	0.23%	2		16,911
December 5, 2022	5,802,157	Nil	103%	1.63%	3		274,893
December 5, 2022 (2)	649,733	Nil	103%	1.63%	3		30,799
	40,139,701					$	1,760,417

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

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

(2) Compensation warrants

Warrants extended:

On May 5, 2020, the Company announced that it has extended the term of 12,296,276 share purchase warrants. These warrants were originally issued pursuant to a private placement completed in May 2018. The warrants were to expire on May 15, 2020 and exercisable at $0.25 per share. The new expiration date of the warrants is May 15, 2021. All other terms of the warrants remain unchanged.

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

Reallocation of issue cost to warrants:

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

Warrants expired:

The following schedules describe the warrants expired during the years ended December 31, 2020. No warrants expired during the six months ended June 30, 2021.

Expired During 2020:

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

(Expressed in Canadian dollars)

12. EXPLORATION AND GENERAL AND ADMINISTRATION EXPENSES

a) Exploration Expenses:

The following schedules describe exploration expenses incurred in each property during the three and six months ended June 30, 2021 and 2020, and since inception:

	Three months		Six months		Balance since
Periods ended June 30,	**2021**	2020	**2021**	2020	inception
Dewdney Trail Property	**$ 170,774**	$ 2,550	**$ 175,274**	$ 10,650	$ 1,510,694
Eddy Property	**37,031**	20,020	**38,802**	21,886	857,130
Zinger Property	**125,646**	300	**127,146**	300	1,155,474
Vine Property	**199,874**	74,826	**206,588**	415,016	6,128,470
DD Property	**366**	(14,250)	**11,676**	(14,250)	65,955
Gold Shear Property	**24,148**	21,609	**103,187**	71,956	921,583
Parker Copper Property	**995**	-	**995**	-	61,601
Others	**-**	2,635	**-**	9,030	66,837
	$ 558,834	$ 107,690	**$ 663,668**	$ 514,588	10,767,744
BC refundable tax credits received	**-**	-	**-**	-	(272,274)
Total exploration expenses	**$ 558,834**	$ 107,690	**$ 663,668**	$ 514,588	$10,495,470

The following schedule describes exploration expenses incurred during the three and six months ended June 30, 2021 and 2020, and since inception, segregated by nature:

	Three months		Six months		Balance since
Periods ended June 30,	**2021**	2020	**2021**	2020	inception
Geology, geophysics and geochemistry	**$ 347,666**	$ 95,399	**$ 374,732**	$ 136,760	$ 3,326,407
Exploration-other accommodation	**452**	-	**1,285**	-	3,725
Permitting	**1,143**	-	**1,143**	-	56,578
Land rights, claims and environment	**4,353**	3,900	**15,603**	5,590	185,475
Drilling	**189,178**	4,421	**213,406**	301,263	5,583,343
Laboratory	**7,330**	8,191	**40,708**	16,571	426,006
Roads and surface preparation	**-**	-	**-**	-	70,944
Camp cost and exploration supplies	**1,249**	272	**1,481**	578	32,157
Exploration - travel and transportation	**3,167**	1,735	**7,754**	9,726	277,533
Exploration- meals	**1,366**	663	**1,850**	1,671	53,355
Rent - field office	**2,444**	3,300	**4,884**	3,500	62,351
Insurances	**486**	1,424	**486**	2,848	3,214
Surface sampling and mapping	**-**	-	**-**	-	50,505
Option payments (receipts)	**-**	(14,250)	**-**	27,050	511,261
Reclamation provision	**-**	-	**-**	-	24,500
Legal expenses-exploration	**-**	-	**-**	-	1,898
Non-flow-through exploration expenses	**-**	2,635	**336**	9,031	98,492
	$ 558,834	$ 107,690	**$ 663,668**	$ 514,588	$10,767,744
BC refundable tax credits received	**-**	-	**-**	-	(272,274)
Total exploration expenses	**$ 558,834**	$ 107,690	**$ 663,668**	$ 514,588	$10,495,470

(Expressed in Canadian dollars)

b) General and administration:

The following is a breakdown of the Company's general and administration expenses incurred during the three and six months ended June 30, 2021 and 2020:

	Three months		Six months	
Periods ended June 30,	**2021**	2020	**2021**	2020
Insurance	**$ 3,781**	$ 5,294	**$ 6,050**	$ 8,169
Interest, bank charges and penalties	**274**	377	**620**	911
Investor relations	**21,454**	7,388	**36,833**	35,545
Listing and regulatory fees	**4,822**	6,443	**23,388**	18,765
Office expenses	**3,286**	3,076	**7,569**	5,753
Professional fees	**6,026**	11,220	**48,267**	18,720
Rent	**3,688**	387	**7,375**	1,545
Salaries and benefits	**51,168**	48,421	**110,928**	106,189
Taxes and levies	**1,269**	-	**4,655**	9,225
Travel and transportation	**2,986**	262	**7,668**	3,507
	$ 98,754	$ 82,868	**$253,353**	$ 208,329

13. OTHER REVENUES

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

14. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments up to $792,000 to be made upon the occurrence of certain events such as change of control. As the triggering event has not occurred, the contingent payment has not been provided for in these unaudited condensed interim financial statements.

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

Pursuant to the terms of the flow-through share agreements, the Company needs to comply with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada) by incurring qualified exploration expenditures before December 31 of the year following the year in which the agreement is entered into. The Company indemnifies the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments. As at June 30, 2021, the Company has no commitments related to previous flow-through share agreements entered into to be incurred by December 31, 2021.

The Novel Coronavirus ("COVID-19") pandemic is causing a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the Company's business, operations and financial results, as well as a deterioration of general economic conditions including a possible national or global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Company's business, operations or financial results, including the Company's ability to secure financing; however, the impact could be material.

(Expressed in Canadian dollars)

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

15. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

a) Purchase of services:

During the three and six months ended June 30, 2021 and 2020, the Company incurred professional fees with companies where directors of the Company are partners or controlling executives, as described below:

	Three months		Six months	
Periods ended June 30,	**2021**	2020	**2021**	2020
Fee paid to a director of a company for geological services	**$ -**	$ 1,200	**$ -**	$ 1,200
Fees paid to a director of the company for legal services rendered	**43,462**	-	**43,462**	-
	$ 43,462	$ 1,200	**$ 43,462**	$ 1,200

b) Key management compensation:

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

	Three months		Six months	
Periods ended June 30,	**2021**	2020	**2021**	2020
Salaries	**$ 66,000**	$ 66,000	**$ 132,000**	$132,000
	$ 66,000	$ 66,000	**$ 132,000**	$132,000

(Expressed in Canadian dollars)

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

As of June 30,		**2021**		2020
Payable to a law firm where a director of the Company is a partner		**10,000**		-
	$	**10,000**	$	-

16. SUBSEQUENT EVENTS

a) Property Options:

On July 29, 2021 the Company announced option of the historical Estella mine crown grants (the "Estella Property") from Imperial Metals Corporation ("Imperial").

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

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

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

b) Options cancelled:

Subsequent to June 30, 2021, the following 1,150,000 stock options were cancelled:

Number of Options	**Exercise Price**	**Expiration Date**
250,000	$0.20	November 17, 2021
250,000	$0.25	August 19, 2023
350,000	$0.25	January 03, 2024
300,000	$0.20	August 11, 2025