

JAXON MINING INC.
(Formerly Jaxon Minerals Inc.)
(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED JULY 31, 2017

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed interim financial statements of Jaxon Mining Inc. (formerly Jaxon Minerals Inc.) are the responsibility of the Company's management. These condensed financial statements are prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect management's best estimates and judgment based on information currently available.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Jaxon Mining Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars - unaudited)

		July 31,	January 31,
	Notes	2017	2017
		-\$-	-\$-
ASSETS			
Current assets			
Cash		282,633	119,173
Investments held for sale		300,000	-
Receivables	4	33,914	6,234
		616,547	125,407
Exploration and evaluation asset	3	669,248	80,668
TOTAL ASSETS		1,285,796	206,075
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		58,436	101,274
Provision for indemnity on flow through shares	7	15,500	15,500
TOTAL LIABILITIES		73,936	116,774
SHAREHOLDERS' EQUITY			
Share capital	5	9,135,243	7,485,076
Share-based payment reserve	5	529,602	529,602
Deficit		(8,452,985)	(7,925,377)
TOTAL SHAREHOLDERS' EQUITY		1,211,860	89,301
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,285,796	206,075
Nature of business and going concern	1		
Subsequent events	8		

Approved and authorized on behalf of the Board of Directors on September 28, 2017

"John King Burns"

John King Burns, Director

"Jason Cubitt"

Jason Cubitt, President & Director

The accompanying notes are an integral part of these financial statements.

Jaxon Mining Inc.
Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars - unaudited)

	Three months ended July 31,		Six months ended July 31,	
	2017 -\$-	2016 -\$-	2017 -\$-	2016 -\$-
Expenses				
Consulting fees	6,512	18,475	22,313	22,475
Finder's fees	-	-	-	15,000
Regulatory filing fees	8,401	158	21,961	158
Bank charges	1,590	-	1,590	131
Marketing and IR	159,586	-	173,588	-
Management fees (Note 6)	88,000	-	106,000	-
Corporate development	46,017	-	141,300	-
Office and miscellaneous	11,439	880	15,975	10,880
Professional fees	10,824	18,705	15,781	21,927
Shareholders communication	5,743	-	5,743	-
Filing and transfer agent fees	9,489	2,642	12,460	5,596
Advertising	4,583	-	4,583	-
Travel and entertainment	6,314	-	6,314	-
Loss from operations	(352,183)	(40,860)	(527,608)	(76,167)
Loss and comprehensive loss for the period	(352,183)	(40,860)	(527,608)	(76,167)
Basic and diluted loss per share	(0.01)	(0.002)	(0.01)	(0.00)
Weighted average number of common shares outstanding	50,140,407	23,052,744	44,888,336	21,890,451

The accompanying notes are an integral part of these financial statements.

Jaxon Mining Inc.
Condensed Interim Statements of Changes in Equity
For the six months ended July 31, 2017 and 2016
(Expressed in Canadian dollars - unaudited)

	Number of shares	Share capital -\$-	Contributed surplus -\$-	Share subscription receivable \$	Deficit -\$-	Total shareholder's equity -\$-
Balance, January 31, 2016	18,927,744	6,704,410	431,240	-	(7,366,653)	(231,003)
Net loss for the period	-	-	-	-	(76,167)	(76,167)
Common shares issued for asset acquisition (net of share issuance cost)	3,750,000	147,538	-	35,000	-	182,538
Common shares issued for finder's fees	375,000	15,000	-	-	-	15,000
Balance, July 31, 2016	23,052,744	6,866,948	431,240	35,000	(7,442,820)	(109,632)
Balance, January 31, 2017	36,177,744	7,485,076	529,602	-	(7,925,377)	89,301
Net loss for the year	-	-	-	-	(527,608)	(527,608)
Common shares issued (net of share issuance cost)	15,547,995	1,395,995	-	-	-	1,395,995
Common shares issued for asset acquisition (net of share issuance cost)	500,000	28,000	-	-	-	28,000
Common shares issued for the exercise of warrants	1,991,059	162,772	-	-	-	162,772
Common shares issued for the exercise of stock options	1,025,000	63,400	-	-	-	63,400
Balance, July 31, 2017	55,241,798	9,135,243	529,602	-	(8,452,985)	1,211,860

The accompanying notes are an integral part of these financial statements.

Jaxon Mining Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars - unaudited)

	Six months ended July 31,	
	2017	2016
	-\$-	-\$-
Cash provided from:		
Operating Activities		
Net income (loss) from operations	(527,608)	(76,167)
Items not involving cash:		
Net change in non-cash working capital		
Decrease (increase) in investments held for sale	(300,000)	-
Decrease in prepaid expenses and receivables	(27,681)	6,185
Decrease in accounts payable and accrued liabilities	(42,838)	(1,971)
Cash used in operating activities	(898,127)	(71,952)
Investing Activities		
Exploration and evaluation assets	(588,580)	(160,297)
Cash provided by (used in) investment activities	(588,580)	(160,297)
Financing Activities		
Shares issued for cash, net of costs	1,645,167	197,538
Shares issued for acquisitions, net of costs	5,000	-
Share-based payments	-	-
Loan from shareholders (repayment)	-	42,000
Cash provided by financing activities	1,650,167	239,538
Change in cash for the year	163,460	7,289
Cash, beginning	119,173	3,421
Cash, ending	282,633	10,710

The accompanying notes are an integral part of these financial statements.

Jaxon Mining Inc.

Notes to the Condensed Interim Financial Statements

For the six-month period ended July 31, 2017

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Jaxon Mining Inc. (the "Company"), (formerly Jaxon Minerals Inc.) was incorporated pursuant to the provisions of the *British Columbia Business Corporations Act* on November 6, 2006. The Company trades on the TSX Venture Exchange ("TSX-V") as a mineral exploration and development company. The Company's head office and registered and records office address is Suite 502 – 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

The Company is in the exploration stage and its principal business activity is the exploration and evaluation of exploration and evaluation assets that it believes contain mineralization that will be economically recoverable in the future. There has been no determination whether the Company's interests in exploration and evaluation assets contain mineral reserves that are economically recoverable.

The business of mining exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its debts and liabilities, and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. The carrying value of the Company's exploration and evaluation assets may not reflect current or future values.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including exploration and development of its exploration and evaluation assets, is dependent on the Company's ability to obtain the necessary financing. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, management will be required to curtail the Company's operations.

On August 30, 2017 the Company changed its name to Jaxon Mining Inc. and completed a share split on the basis 1.25 new common shares for every existing common share as previously announced on August 10, 2017. Outstanding common shares, options and warrants in these condensed financial statements have been adjusted on the basis of the same ratio.

The Company had working capital of \$542,611 as at July 31, 2017 (January 31, 2017 – \$8,633), and an accumulated deficit of \$8,452,985 (January 31, 2017 – \$7,925,377).

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Corporation be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying audited financial statements.

2. BASIS OF PREPARATION

The Company is following the same accounting policies and methods of computation in these condensed interim financial statements as it did in the audited consolidated financial statements for the year ended January 31, 2017.

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended January 31, 2017, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed interim financial statements were authorized for issue by the Board of Directors on September 28, 2017.

Jaxon Mining Inc.

Notes to the Condensed Interim Financial Statements

For the six-month period ended July 31, 2017

(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS

At July 31, 2017 and January 31, 2017, the Company's interests in exploration and evaluation assets cumulative expenditures incurred are as follows:

	January 31, 2017	Addition (disposals)	July 31, 2017
	\$	\$	\$
ST Silver-Gold Project, Yukon			
Acquisition costs	28,500	-	155,130
Geological services	5,000	-	5,000
Field expenses	840	-	840
Filling fees	(711)	169	(542)
	33,629	169	33,798
Hazelton Project (FKA Price Creek), British Columbia			
Acquisition costs	12,000	72,833	84,833
Property examination	-	366,220	366,220
Field expenses	1,603	1,750	3,353
Geological services	33,436	117,698	151,134
Assay & analysis	-	2,910	2,910
	47,039	561,411	608,450
Wishbone Property			
Acquisition costs	-	22,000	22,000
	-	22,000	22,000
Foremore Property			
Acquisition costs	-	5,000	5,000
	-	5,000	5,000
Balance, ending	80,668	588,580	669,248

ST Silver-Gold Prospect, Yukon.

The Company entered into a purchase agreement to acquire 100% of the mineral rights to the ST silver-gold prospect located in southern Yukon.

In order to earn a 100% interest in the ST prospect the Company paid the non-arm's length vendor \$1,000 cash (paid) and issued 500,000 common shares (issued at a value of \$27,500). The vendor retains a 2% Net Smelter Royalties ("NSR") on future production.

Hazelton Property (FKA Price Creek), British Columbia.

On October 7, 2016, the Company entered into an agreement to purchase the Hazelton property ("Property"). The Property is located in the Price Creek valley of north-central British Columbia, approximately 55 kilometres north of the town of Smithers. The original project size of 2,396 hectares (ha) has been increased to 44,482 ha.

The terms of the agreement are: payment of \$5,000 on signing the letter of intent; issuance of 100,000 shares upon TSX-V approval (issued with a fair value of \$7,000, Note 5) and, issuance of 125,000 (100,000 pre-split) shares for each of the next subsequent four years on the anniversary of the TSX-V acceptance and, make cash payments of:

\$10,000 on year one anniversary of TSX-V acceptance date;

\$15,000 on year two of anniversary of TSX-V acceptance date;

Jaxon Mining Inc.

Notes to the Condensed Interim Financial Statements

For the six-month period ended July 31, 2017

(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

\$20,000 on year three of anniversary of TSX-V acceptance date; and
\$25,000 on year four of anniversary of TSX-V acceptance date.

An advance royalty of \$5,000 per year is to commence in year five. An NSR of 2% on production can be purchased for \$1,000,000 for each percent. In the event of commercial production, a further 250,000 (200,000 pre-split) shares will be issued to the vendor.

Wishbone Property

On March 14, 2017, the Company signed a definitive agreement to purchase the gold-silver Wishbone Property. The 3,900 ha property is located in northwestern British Columbia, Canada, approximately 30 kilometres southeast of the Nova Gold/Teck-owned Galore Creek property.

The property has seen some historic exploration which includes:

The most consistent channel samples in a single vein averaging 7.8 g/t Au over an average vein width of 2.4 metres and a strike length of 78 metres. Mineralized boulder train and outcrop consisting of disseminated massive sulphides in quartz carbonate vein material with assay values up to 6.7 kg/t Ag, and 8.2% Cu.

The terms of the purchase agreement are as follows:

- \$10,000 and 125,000 (100,000 pre-split) Jaxon shares on signing
- \$15,000 and 125,000 (100,000 pre-split) Jaxon shares on 1st anniversary
- \$25,000 and 125,000 (100,000 pre-split) Jaxon shares on 2nd anniversary
- \$25,000 and 125,000 (100,000 pre-split) Jaxon shares on 3rd anniversary
- \$50,000 and 250,000 (200,000 pre-split) Jaxon shares on 4th anniversary
- \$50,000 and 250,000 (200,000 pre-split) Jaxon shares on 5th anniversary
- \$20,000 per year advanced royalty payments beginning 6th anniversary
- 2% NSR with \$1,000,000 per 1% buy out
- 250,000 Jaxon shares on commercial production

Foremore Property

On August 16, 2017, the Company acquired a 100% interest in the Foremore Property. The property is located 45 kilometres north of Barrick Gold Corporation's legendary historic Eskay Creek Mine, in the heart of British Columbia's famed Golden Triangle. The property adjoins Jaxon's recently acquired Wishbone property, and the combined properties are now known as the More Creek Project.

The properties consist of contiguous claims covering 15,531.8 ha. The terms of the Letter of Intent to acquire a 100% interest are as follows:

- \$5,000 on signing (paid)
- \$45,000 and 350,000 Jaxon shares on TSX-V Approval (paid/issued)
- \$50,000 and 437,500 (350,000 pre-split) Jaxon shares on 1st anniversary (2018)
- \$75,000 and 500,000 (400,000 pre-split) Jaxon shares on 2nd anniversary (2019)
- \$125,000 and 562,500 (450,000 pre-split) Jaxon shares on 3rd anniversary (2020)
- \$200,000 and 625,000 (500,000 pre-split) Jaxon shares on 4th anniversary (2021)
- \$200,000 and 625,000 (500,000 pre-split) Jaxon shares on 5th anniversary (2022)

Additionally, on commencement of commercial production from the Property, \$2,500,000 and 3,125,000 (pre split 2,500,000) Jaxon shares are payable.

Jaxon Mining Inc.

Notes to the Condensed Interim Financial Statements

For the six-month period ended July 31, 2017

(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental matters be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

4. RECEIVABLES

At July 31, 2017, the Company's receivables comprised of \$33,914 in GST receivable (January 31, 2017 - \$6,234).

5. SHARE CAPITAL

Authorized:

An unlimited number of common shares without par value. On August 30, 2017, the Company completed a common share split on the basis of 1.25 new common shares for every existing common share. All the share capital disclosure on these condensed interim financial statements are on a post share split basis.

Share capital transactions were as follows:

Six months ended July 31, 2017

In July 2017, the Company issued 2,919,125 Units (2,335,300 Units pre-split) as part of a private placement at \$0.20 (\$0.25) per unit for gross proceeds of \$583,825. Each unit comprised of 1 common share and 1 common share purchase warrant for two years.

In June 2017, the Company issued 2,518,500 Units (2,014,800 Units pre-split) as part of a private placement at \$0.20 (\$0.25) per unit for gross proceeds of \$503,700. Each unit comprised of 1 common share and 1 common share purchase warrant for two years.

In April 2017, the Company issued 10,578,930 Units (8,463,144 Units pre-split) at \$0.056 (\$0.07) per unit for gross proceeds of \$592,420 as part of the private placement announced on March 14, 2017. Each unit consists of one common share and one share purchase warrant at \$0.10 (\$0.12) per share for a period of two years. The Company paid \$27,831 in finder's fees.

During the six months ended July 31, 2017, the Company issued 375,000 common shares (300,000 common shares pre-split) at a fair value of \$21,000 as part of the acquisition purchase of claims related to the Hazelton Project and issued a further 125,000 common shares (100,000 common shares pre-split) at a fair value of \$7,000 for additional claims related to the Wishbone Project.

During the six months ended July 31, 2017, the company issued 1,991,059 common shares for the exercise of warrants and 1,025,000 common shares for the exercise of stock options.

Year ended January 31, 2017

On March 23, 2016, the Company issued 3,000,000 common shares at a fair value of \$75,000 as part of the acquisition for the Hot Bath project, and a further 300,000 common shares at a fair value of \$7,500 for finders' fees (Notes 6 and 11).

Jaxon Mining Inc.

Notes to the Condensed Interim Financial Statements

For the six-month period ended July 31, 2017

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

On October 28, 2016, the Company issued 100,000 common shares at a fair value of \$7,000 as part of the acquisition for the Price Creek property in British Columbia (Notes 6 and 11).

On October 28, 2016, the Company issued 10,400,000 units at \$0.07 per unit for gross proceeds of \$728,000. Each unit consists of one common share and a half share purchase warrant. Each share purchase warrant entitles the holder to purchase a common share of the Company at \$0.10 per share for a period of one year. The Company incurred \$36,834 in share issuance costs in relation to the share transactions above.

Warrants

The following is a summary of warrants transactions during the six months ended July 31, 2017 and the year ended January 31, 2017:

	July 31, 2017		January 31, 2017	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning	6,500,000	\$ 0.08	-	\$ -
Issued	16,008,679	\$ 0.29	6,500,000	\$ 0.08
Exercised	(1,991,059)	0.08	-	-
Balance, ending	20,517,620	\$ 0.23	6,500,000	\$ 0.08

The following summarizes information about the warrants outstanding at July 31, 2017 and January 31, 2017:

Expiry date	Exercise Price	Warrants outstanding	Weighted average exercise price	Weighted average remaining contractual life in years
October 28, 2017	\$0.08	4,321,875	\$0.08	0.24
April 7, 2018	\$0.10	10,360,996	\$0.10	1.68
June 19, 2019	\$0.28	781,250	\$0.28	1.88
June 28, 2019	\$0.28	696,750	\$0.28	1.91
July 18, 2019	\$0.28	3,951,749	\$0.28	1.96

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors.

The following is a summary of stock option transactions during the six months ended July 31, 2017 and the year ended January 31, 2017:

Jaxon Mining Inc.

Notes to the Condensed Interim Financial Statements

For the six-month period ended July 31, 2017

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

	July 31, 2017		January 31, 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning	2,612,500	\$ 0.06	256,250	\$ 1.20
Issued	2,617,009	\$ 0.10	2,612,500	\$ 0.06
Exercised	(1,025,000)	\$ 0.09	-	-
Cancelled	-	\$ -	(256,250)	(1.20)
Balance, ending	4,204,509	\$ 0.08	2,612,500	\$ 0.06

The following summarizes information about stock options outstanding at July 31, 2017 and January 31, 2017:

Expiry date	Exercise Price	Options outstanding	Weighted average exercise price	Weighted average remaining contractual life in years
September 1, 2018	\$0.06	1,775,000	\$0.06	1.09
November 10, 2018	\$0.06	312,500	\$0.06	1.28
February 16, 2019	\$0.06	1,106,250	\$0.06	1.55
April 23, 2019	\$0.07	500,000	\$0.07	1.73
May 15, 2019	\$0.11	250,000	\$0.11	1.79
June 15, 2019	\$0.25	260,759	\$0.25	1.87

6. RELATED PARTY TRANSACTIONS

During the six-month period ended July 31, 2017, the Company entered into the following transactions with related parties not disclosed elsewhere in the financial statements:

- Paid \$106,000 (2016 - \$nil) in management fees to the president of the Company; and
- Repaid \$65,000 (2016 - \$nil) in office and administrative fees to a company with an officer in common with the Company.

7. FLOW-THROUGH SHARE INDEMNIFICATION

During the fiscal 2012, the Company completed a flow-through share arrangement and renounced the expenditures to investors in accordance with Canadian tax legislation. The Company was required to incur eligible Canadian exploration expenditures in order to ensure investors were eligible for the tax deductions. As at April 30, 2014, the Company determined that a portion of the required expenditures did not fall within the prescribed time schedule and therefore investors are no longer eligible to receive the full tax deductions. Consequently, the Company has recorded a provision of \$15,500 towards potential indemnification of tax liabilities to purchasers of the flow-through shares.

Jaxon Mining Inc.

Notes to the Condensed Interim Financial Statements

For the six-month period ended July 31, 2017

(Expressed in Canadian dollars)

8. SUBSEQUENT EVENTS

- a) On August 30, 2017 the Company changed its name to Jaxon Mining Inc. and completed a share split on the basis 1.25 new common shares for every existing common share as previously announced on August 10, 2017. Outstanding common shares, options and warrants in these condensed financial statements have been adjusted on the basis of the same ratio.
- b) In August of 2017 the Company issued 2,116,995 common shares from the exercise of warrants for total proceeds of \$192,277, issued 5,000,000 as part of the closing of private placements for gross proceeds of \$1,597,800.
- c) On August 15, 2017, the Company announced the appointment of Dr. Yingting (Tony) Guo to its Board of Directors. Mr. Guo is a member of the Technical Committee of the Zijin Midas Exploration Fund, a strategic investor in Jaxon and a subsidiary of Hong Kong listed Zijin Mining Group (HKEX:2899), the Fund's manager and major investor.
- d) On August 18, 2017, the Company announced that it has signed a definitive option agreement to acquire a 100% interest in the Foremore Property, located 30 km north of Eskay Creek and 75 km north of Pretium's Brucejack property in the Golden Triangle, northwest British Columbia. The Foremore Property extends north to Jaxon's 3,900-hectare Wishbone Property, expanding the Company's contiguous land holdings in the region to almost 20,000 ha. Jaxon has renamed the new consolidated property the More Creek Property.
- e) On August 29, 2017, the company announced the addition of Neil Moloney and Wenhong (Wilson) Jin to its technical advisory board and also announced the resignation of Garry Stock and Emma Fairhurst from the Board of Directors.
- f) On Aug 29, 2017, the Company announced it has entered into a binding Letter of Intent to acquire a 75% interest in the Stock properties in British Columbia's Golden Triangle. The properties have been explored intermittently since 1921, with numerous tunnels and crosscuts, one extending 300 metres. Mineralization on the property includes silver, gold, tungsten, copper, lead and zinc in beds of a siltstone complex.
- g) On September 1, 2017, the Company announced that it has entered into a binding Letter of Intent (LOI) to acquire the historic Cronin silver-zinc-lead-gold Mine, located 27 kilometres north of Smithers, British Columbia, in BC's Skeena Arch.