



**JAXON MINING INC.**  
(An Exploration Stage Company)

**CONDENSED INTERIM FINANCIAL  
STATEMENTS**

**THREE MONTHS ENDED APRIL 30, 2019**

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

	April 30 2019	January 31, 2019
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 546,937	\$ 83,392
Investments held for sale (Note 3)	776,707	445,762
Prepaid expenses	16,500	6,000
Receivables (Note 4)	183,568	234,493
	1,523,712	769,647
<b>Non-Current</b>		
Long-term deposits	35,000	35,000
Property and equipment	7,872	8,686
Exploration and evaluation assets (Note 5)	3,996,458	3,930,817
<b>Total Assets</b>	<b>\$ 5,563,042</b>	<b>\$ 4,744,150</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable & accrued liabilities (Note 6)	\$ 487,826	\$ 580,423
Flow-through shares premium liability (Note 7)	75,000	-
<b>Total Liabilities</b>	<b>562,826</b>	<b>580,423</b>
<b>Shareholders' Equity</b>		
Share Capital (Note 7)	15,330,437	14,637,159
Shares subscribed to be issued	-	12,500
Share-based payment reserve	1,676,550	1,293,848
Deficit	(12,006,771)	(11,779,780)
<b>Total Shareholders' Equity</b>	<b>5,000,216</b>	<b>4,163,727</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 5,563,042</b>	<b>\$ 4,744,150</b>

Nature of Operations and Going Concern - Note 1

Subsequent Events - Note 9

APPROVED ON BEHALF OF THE BOARD:

*Signed "John King Burns"*

DIRECTOR

*Signed "Yingting (Tony) Guo"*

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)

	<b>For the three months ended April 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>Expenses</b>		
Advertising	\$ 1,763	\$ 4,501
Amortization	814	2,274
Consulting fees	33,448	37,225
Corporate Development	21,437	58,209
Director fees	-	18,000
Management fees	18,000	34,000
Marketing and IR	13,381	154,283
Office and miscellaneous	9,757	14,660
Professional fees	800	2,208
Regulatory, Filing and transfer agent fees	32,758	17,812
Rent	13,500	13,447
Share-based compensation	382,702	-
Travel and entertainment	18,981	62,419
<b>Loss from operations</b>	<b>(547,341)</b>	<b>(419,038)</b>
Realized gain (loss) on investment available for sale	505	-
Unrealized gain (loss) on investment available for sale	332,345	(1,149,140)
Recovery of flow-through liability	-	17,418
Impairment	(12,500)	-
<b>Total loss and comprehensive loss for the year</b>	<b>\$ (226,991)</b>	<b>\$ (1,550,760)</b>
<b>Loss per common share, basic and diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.02)</b>
<b>Weighted average number of common shares outstanding (Note 7)</b>	<b>98,006,605</b>	<b>76,341,823</b>

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

**Jaxon Mining Inc.**  
**Condensed Interim Statements of Changes in Equity**  
For the Three Months Ended April 30, 2019 and 2018  
(Expressed in Canadian dollars)

	Share Capital		Shares subscribed to be issued	Shares subscribed to be issued	Share-based payment	Accumulated Deficit	Total
	Number	Amount					
<b>Balance - January 31, 2018</b>	<b>75,992,334</b>	<b>\$ 12,778,325</b>	<b>\$ -</b>		<b>\$ 1,344,480</b>	<b>\$ (9,037,454)</b>	<b>\$ 5,085,351</b>
Net loss for the period	-	-	-		-	(1,550,760)	(1,550,760)
Common shares issued for the exercise of warrants	297,000	46,257	-		(6,245)	-	40,012
Common shares issued for the exercise of stock options	62,500	5,853	-		(2,353)	-	3,500
Common shares issued for exploration and evaluation assets	125,000	14,375	-		-	-	14,375
Shares subscribed to be issued	-	-	24,000		-	-	24,000
<b>Balance - April 30, 2018</b>	<b>76,476,834</b>	<b>\$ 12,844,810</b>	<b>\$ 24,000</b>		<b>\$ 1,335,882</b>	<b>\$ (10,588,214)</b>	<b>\$ 3,616,478</b>
<b>Balance - January 31, 2019</b>	<b>92,070,684</b>	<b>\$ 14,637,159</b>	<b>\$ -</b>	<b>\$ 12,500</b>	<b>\$ 1,293,848</b>	<b>\$ (11,779,780)</b>	<b>\$ 4,163,727</b>
Net loss for the period	-	-	-		-	(226,991)	(226,991)
Common shares issued for private placement	13,406,000	695,300	-	(12,500)	-	-	682,800
Common shares issued for exploration and evaluation assets	175,000	10,750	-	-	-	-	10,750
Share issuance costs	-	(12,772)	-	-	-	-	(12,772)
Share-based payments	-	-	-	-	382,702	-	382,702
<b>Balance - April 30, 2019</b>	<b>105,651,684</b>	<b>\$ 15,330,437</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,676,550</b>	<b>\$ (12,006,771)</b>	<b>\$ 5,000,216</b>

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

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

	<b>For the Three Months Ended April 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities</b>		
Loss for the period	\$ (226,991)	\$ (1,550,760)
Items not affecting cash:		
Amortization	814	2,274
Impairment of exploration and evaluation assets	12,500	-
Recovery of flow-through share liability	-	(17,418)
Unrealized (gain)/loss on revaluation of investment	(332,345)	1,149,140
Share-based payments	382,702	-
Net changes in non-cash working capital items:		
Changes in receivables	50,925	(15,133)
Changes in prepaid expenses	(10,500)	11,687
Changes in accounts payable & accrued liabilities	(92,597)	(11,988)
<b>Net cash used in operating activities</b>	<b>(215,492)</b>	<b>(432,198)</b>
<b>Cash flows from investing activities</b>		
Purchase /(Disposal) of property and equipment	-	(12,435)
Redemption of investments	1,400	-
Exploration and evaluation assets	(78,141)	(189,494)
<b>Net cash used in investing activities</b>	<b>(76,741)</b>	<b>(201,929)</b>
<b>Cash flows from financing activities</b>		
Shares issued for cash, net of costs	768,278	57,887
Share subscriptions received for shares to be issued	(12,500)	24,000
<b>Net cash provided by financing activities</b>	<b>755,778</b>	<b>81,887</b>
<b>Net change in cash for the period</b>	<b>463,545</b>	<b>(552,240)</b>
<b>Cash - beginning of the period</b>	<b>83,392</b>	<b>1,292,065</b>
<b>Cash - end of the period</b>	<b>\$ 546,937</b>	<b>\$ 739,825</b>

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

# Jaxon Mining Inc.

## Notes to the Financial Statements

For the three-month period ended April 30, 2019

(Expressed in Canadian dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Jaxon Mining Inc. (the "Company") 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 1105– 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8.

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.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company had a working capital of \$960,886 as at April 30, 2019 (January 31, 2019 - \$189,224) and an accumulated deficit of \$12,006,771 (January 31, 2019 - \$11,779,780). 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. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary in the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications used. Such adjustments could be material.

### 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, 2019.

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, 2019, 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 June 24, 2019.

# **Jaxon Mining Inc.**

## Notes to the Financial Statements

For the three-month period ended April 30, 2019

(Expressed in Canadian dollars)

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### **3. INVESTMENTS HELD FOR SALE**

During the year ended January 31, 2018, as part of a joint venture agreement on the Stock Properties discussed in Note 5 below, the Company participated in a non-brokered private placement of Rotation Minerals Ltd., subsequently renamed to Scottie Resources Corp. ("Scottie"), a company whose common shares are publicly traded and listed on the TSX Venture Exchange in Canada under the ticker symbol "SCOT". Pursuant to the terms of this non-brokered private placement, the Company received a total of 3,333,333 units of Rotation at a unit price of \$0.15 per unit, equating to a total investment of \$500,000. Each unit consisted of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase one common share at \$0.25 for a period expiring two years following the closing date of the private placement. At January 31, 2019, the fair value of the remaining shares (2,812,333) was \$393,727, and of the warrants was \$52,035, for total fair value of \$445,762. In April 2019, 10,000 shares were disposed of for net proceeds of \$1,905 and included a realized gain on disposal of \$505. At April 30, 2019, the fair value of the remaining shares (2,802,333) was \$644,536 and of the warrants was \$134,076, for a total fair value of \$778,612, which resulted in an unrealized gain on revaluation of \$332,345. The fair value of the warrants was estimated using the Black Scholes Option Pricing Model with the following assumptions: risk-free rate of 1.88%, expected life of 0.28 years, expected volatility of 100%, and dividend yield of nil.

### **4. RECEIVABLES**

At April 30, 2019, the Company's receivables were comprised of \$134,749 (January 31, 2019 – \$134,749) in BC Mining Exploration Tax Credit ("BC METC"), \$25,422 in GST receivable (January 31, 2019 – \$83,347) and \$23,397 due from other parties (January 31, 2019 - \$16,397).

# Jaxon Mining Inc.

## Notes to the Financial Statements

For the three-month period ended April 30, 2019

(Expressed in Canadian dollars)

### 5. EXPLORATION AND EVALUATION ASSETS

At April 30, 2019 and January 31, 2019, the Company's interests in exploration and evaluation assets cumulative expenditures incurred are as follows:

	Balance as at January 31, 2019	Additions/(Write-down)	Balance as at April 30, 2019
<b>ST Silver-Gold Prospect, Yukon:</b>			
Acquisition costs	\$ 28,500	\$ -	\$ 28,500
Geological services	5,000	-	5,000
Filing fees	840	-	840
Field expenses	(711)	-	(711)
Write-down of properties	(33,629)	-	(33,629)
	-	-	-
<b>Hazelton Property, British Columbia:</b>			
Acquisition costs	125,250	8,250	133,500
Administration and maintenance	168,776	921	169,697
Assaying and analysis	201,724	1,180	202,904
Camp costs, supplies and logistics	475,965	-	475,965
Drilling and drilling related costs	581,398	-	581,398
Environmental review	13,545	7,350	20,895
Geological services	908,805	47,940	956,745
Property examination	581,611	-	581,611
Project management	243,950	-	243,950
Stock-based compensation	141,756	-	141,756
Travel	622,786	-	622,786
	4,065,566	65,641	4,131,207
<b>More Creek Project, British Columbia:</b>			
Acquisition costs	321,750	12,500	334,250
Administration and maintenance	368	-	368
Geological services	44,025	-	44,025
Legal	10,960	-	10,960
Assay and analysis	20,341	-	20,341
Property examination	16,567	-	16,567
Write-down of properties	(414,011)	(12,500)	(426,511)
	-	-	-
<b>Stock Property, British Columbia:</b>			
Geological services	21,000	-	21,000
Write-down of properties	(21,000)	-	(21,000)
	-	-	-
Cost recovery-BC METC	(134,749)	-	(134,749)
<b>Total Exploration and Evaluation Assets:</b>	<b>\$ 3,930,817</b>	<b>\$ 65,641</b>	<b>\$ 3,996,458</b>



# Jaxon Mining Inc.

## Notes to the Financial Statements

For the three-month period ended April 30, 2019

(Expressed in Canadian dollars)

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### 5. EXPLORATION AND EVALUATION ASSETS - *continued*

#### a) ST Silver-Gold Prospect, Yukon

The Company owns a 100% interest in four claims located in the Yukon. To earn the 100% interest, the Company paid the vendor \$1,000 and issued a total of 625,000 common shares of the Company with a fair value of \$27,500. The vendor also retained a 2% net smelter royalty ("NSR") on future production. During the year ended January 31, 2019, the Company decided not to continue with the property and recorded an impairment of \$33,629.

#### b) Hazelton Property, British Columbia

On October 7, 2016, the Company entered into an option agreement to purchase the Hazelton Property ("Hazelton"), located in the Price Creek valley of north-central British Columbia. Under the terms of the option purchase agreement, the Company paid \$5,000 on signing and issued 125,000 common shares with a fair value of \$7,000. In addition, the Company agreed to issue 125,000 common 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 (paid);
- \$15,000 on year two of anniversary of TSX-V acceptance date (paid);
- \$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.

In October 2018, the Company issued 125,000 common shares (2018: 125,000 common shares) with a fair value of \$16,250 (2018: \$27,500) in fulfillment of the terms of the option agreement at the anniversary (Note 7).

An advance NSR of \$5,000 per year shall 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 shares will be issued to the vendor.

The original project size of 2,396 hectares has been increased to 42,244 hectares through the Company's active staking and acquisition program within the area. In conjunction with this increase in land size, the Company agreed to issue a total of 375,000 common shares with a fair value of \$21,000 in February 2017 (Note 7).

On August 9, 2017, the Company entered into an option agreement to acquire additional claims on the Hazelton Property. The agreement was approved by the TSX-V on May 2, 2018. Under the term of the option agreement, the Company agreed to the following payments:

- \$10,000 (paid) and issuing 100,000 common shares (issued with a fair value of \$11,500) following TSX-V acceptance date (Note 7);
- \$5,000 and 50,000 shares on year one anniversary of TSX-V acceptance date (paid and issued with a fair value of \$3,250) (Note 7);
- \$5,000 and 50,000 shares on year two of anniversary of TSX-V acceptance date; and
- \$5,000 and 50,000 shares on year three of anniversary of TSX-V acceptance date.

An NSR of 2% on production can be purchased for \$1,000,000 for each percent. In the event of commercial production, a further 125,000 shares and \$50,000 will be paid to the vendor.

In August 2018, the Company completed the acquisition of a single exploration license adjacent to the Hazelton Property. Terms of the acquisition included the payment of \$2,000 (paid) and granting of a 2% Net Smelter Royalty, subject to a buyback right of \$1,000,000 for 1%.

During the three months ended April 30, 2019, the Company had a \$35,000 bond for exploration and reclamation activities on Hazelton Property (January 31, 2019: \$35,000).

# Jaxon Mining Inc.

## Notes to the Financial Statements

For the three-month period ended April 30, 2019

(Expressed in Canadian dollars)

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### 5. EXPLORATION AND EVALUATION ASSETS - *continued*

#### c) More Creek Project (*formerly the Foremore and Wishbone Properties*)

##### Wishbone Property

On March 14, 2017, the Company signed a definitive agreement to purchase the gold - silver Wishbone Property. The 3,900-hectare property is located in northwestern British Columbia, Canada, approximately 30 km southeast of the NovaGold Resources Inc./Teck Resources Limited - owned Galore Creek property. The vendor retains a 2% NSR, which can be purchased by the Company at a rate of \$1,000,000 per each 1%.

Under the terms of the purchase agreement, the Company agreed to the following payments, share issuances, and other terms:

- \$10,000 (paid) and 125,000 common shares on signing (issued with a fair value of \$7,000);
- \$15,000 (paid) and 125,000 common shares (issued with a fair value of \$14,375) on 1<sup>st</sup> anniversary;
- \$25,000 (paid) and 125,000 common shares (issued with a fair value of \$7,500) on 2<sup>nd</sup> anniversary);
- \$25,000 and 125,000 common shares on 3<sup>rd</sup> anniversary;
- \$50,000 and 250,000 common shares on 4<sup>th</sup> anniversary;
- \$50,000 and 250,000 common shares on 5<sup>th</sup> anniversary;
- \$20,000 per year advanced royalty payments beginning on the 6<sup>th</sup> anniversary; and
- 250,000 common shares owed on commercial production

##### Foremore Property

On August 16, 2017, the Company entered into an option agreement, where by Jaxon can earn a 100% interest in the Foremore Property ("Foremore"), which is located 45 km 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.

Foremore consists of contiguous claims covering approximately 15,532 hectares. The terms of the agreement to acquire its 100% interest are as follows:

- \$5,000 on signing (paid);
- \$45,000 (paid) and 437,500 common shares (issued with a fair value of \$108,500);
- \$50,000 (paid) and 437,500 common shares (issued with a fair value of \$56,875) on 1<sup>st</sup> anniversary (2018);
- \$75,000 and 500,000 common shares on 2<sup>nd</sup> anniversary (2019);
- \$125,000 and 562,500 common shares on 3<sup>rd</sup> anniversary (2020);
- \$200,000 and 625,000 common shares on 4<sup>th</sup> anniversary (2021);
- \$200,000 and 625,000 common shares on 5<sup>th</sup> anniversary (2022).and
- \$10,000 per year advanced royalty payments beginning on May 1, 2017 and ending in the year of commercial production (\$10,000 paid on April 30, 2018)

Additionally, on commencement of commercial production from Foremore, the Company has agreed to pay \$2,500,000 in cash and issue 3,125,000 common shares.

During the year ended January 31, 2019, the Company decided not to continue with the property and recorded an impairment of \$414,011 and a further impairment of \$12,500 was recorded in the 3 months ending April 30, 2019.

# Jaxon Mining Inc.

## Notes to the Financial Statements

For the three-month period ended April 30, 2019

(Expressed in Canadian dollars)

### 5. EXPLORATION AND EVALUATION ASSETS - *continued*

#### d) Stock Properties, British Columbia

On August 29, 2017, the Company announced it has entered into a binding Letter of Intent to acquire a 75% interest in a joint-venture on 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. Terms of the agreement include the Company spending a total of \$375,000 over 4 years on the Properties, and subscribing for 1,333,334 units of the optionor and joint-venture partner, Rotation at a price of \$0.15 per unit (Note 3).

During the year ended January 31, 2019, the Company decided not to continue with the property and recorded an impairment of \$21,000.

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2019		January 31, 2019
Accrued liabilities	\$ 119,096	\$	117,688
Accounts payable	368,730		462,735
	\$ 487,826	\$	580,423

### 7. SHARE CAPITAL

#### a) 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. The Company's outstanding options and warrants were adjusted on the same basis as the common shares, with proportionate adjustments being made to the exercise prices. All share, option and warrant information have been retrospectively adjusted to reflect the share split.

#### b) Issued:

At April 30, 2019, there are 105,651,684 common shares issued and outstanding (January 31, 2019 - 92,070,684).

#### c) Private Placements and Share Issuances

Share capital transactions were as follows:

##### Three months ended April 30, 2019

During the three months ended April 30, 2019, the Company issued a total of 175,000 common shares with a fair value of \$10,750 for acquisition of exploration and evaluation assets as described in Note 5.

# Jaxon Mining Inc.

## Notes to the Financial Statements

For the three-month period ended April 30, 2019

(Expressed in Canadian dollars)

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### 7. SHARE CAPITAL - *continued*

On February 27, 2019, the Company completed a private placement of 8,406,000 units at \$0.05 per unit for total gross proceeds of \$420,300. Each unit consisted of one common share and one-half common share purchase warrant, with a full warrant entitling the holder to acquire one additional common share for a 2-year period from the date of closing at an exercise price of \$0.075 per share. The Company paid finder's fees of \$8,000.

On April 30, 2019, the Company completed a private placement of 5,000,000 flow-through units at \$0.07 per unit for gross proceeds of \$350,000. Each unit consisted of one common share and one-half common share purchase warrant. Each whole purchase warrant will entitle the holder to acquire one additional common share for a 2-year period from the date of closing at an exercise price of \$0.075 per share. The Company recorded a flow-through premium liability of \$75,000 for the expected premium paid for flow through shares over non-flow through shares.

#### **Year ended January 31, 2019**

During the year ended January 31, 2019, the Company issued a total of 787,500 common shares with a fair value of \$99,000 for the acquisition of exploration and evaluation assets (Note 5).

During the year ended January 31, 2019, the Company issued a total of 1,346,000 common shares on the exercise of 1,346,000 share purchase warrants. The Company received cash consideration of \$124,396, and settlement of \$16,320 of outstanding payable. In connection with these exercises of warrants, the Company reclassified \$6,245 from share-base payment reserve to common shares, being the fair value related to certain warrants exercised.

During the year ended January 31, 2019, the Company issued a total of 1,756,250 common shares on exercise of the same number of stock options. The Company received cash consideration of \$98,350. In connection with this exercise of options, the Company reclassified \$77,184 from share-based payment reserve to common shares, being the fair value related to those exercised options.

On July 20, 2018, the Company completed a private placement of 4,059,500 units at \$0.12 per unit for total gross proceeds of \$487,140. Each unit consisted of one common share and one-half common share purchase warrant, with a full warrant entitling the holder to acquire one additional common share for a 2-year period from the date of closing at an exercise price of \$0.20 per share. The Company paid finder's fees of \$19,174 in cash and issued 95,200 broker warrants, which entitle the holders to purchase 95,200 common shares of the Company at \$0.20 with an expiry date of two years. The fair value of the broker warrants was \$6,119 and determined using the Black-Scholes pricing model with a risk-free rate of 1.77%, volatility of 133% and an expected life of 2 years.

On October 3, 2018, the Company completed the first tranche of a private placement first announced on September 21, 2018 consisting of 4,376,000 units at \$0.12 per unit for total gross proceeds of \$525,120. Each unit consisted of one common share and one-half common share purchase warrant, with a full warrant entitling the holder to acquire one additional common share for a 2-year period from the date of closing at an exercise price of \$0.20 per share. On November 16, 2018 the final tranche of the private placement closed consisting of an additional 3,753,100 units at \$0.12 per unit for gross proceeds of \$450,372.

The Company received total proceeds of \$12,500 for a private placement completed subsequent to the year end.

# Jaxon Mining Inc.

## Notes to the Financial Statements

For the three-month period ended April 30, 2019

(Expressed in Canadian dollars)

### 7. SHARE CAPITAL- *continued*

The following is a summary of warrant and option transactions during the three-months ended April 30, 2019 and the year ended January 31, 2019:

#### a) Warrants

<b>Warrants</b>			
	<b>Number</b>		<b>Weighted Average Exercise Price</b>
Outstanding, January 31, 2018	14,851,772	\$	0.181
Issued	6,189,500	\$	0.200
Expired	(10,000)	\$	0.280
Exercised	(1,346,000)	\$	0.105
Outstanding, January 31, 2019	19,685,272	\$	0.191
Issued	6,703,000	\$	0.075
Expired	(6,933,732)		0.096
Outstanding, April 30, 2019	19,454,540	\$	0.185
Number currently exercisable	19,454,540	\$	0.185

The following summarizes information about the warrants outstanding at April 30, 2019:

Expiry date	Exercise Price	Warrants outstanding	Weighted average remaining contractual life in years
June 19, 2019	\$ 0.280	618,750	0.14
June 27, 2019	\$ 0.280	3,112,000	0.16
July 24, 2019	\$ 0.280	1,373,000	0.24
July 26, 2019	\$ 0.280	199,750	0.24
August 14, 2019	\$ 0.304	1,258,540	0.29
June 11, 2020	\$ 0.200	2,124,950	1.12
October 3, 2020	\$ 0.200	2,188,000	1.43
November 16, 2020	\$ 0.200	1,876,550	1.55
February 27, 2021	\$ 0.075	4,203,000	1.83
April 30, 2021	\$ 0.075	2,500,000	2.00
Totals	\$ 0.185	19,454,540	1.16

# Jaxon Mining Inc.

## Notes to the Financial Statements

For the three-month period ended April 30, 2019

(Expressed in Canadian dollars)

### 7. SHARE CAPITAL - *continued*

#### b) 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.

During the three months ended April 30, 2019, the Company issued 5,500,000 stock options directors, officers and consultants of the Company at an exercise price of \$0.10 per common share for a period of five years. The fair values of the options granted were determined to be \$382,702 using the Black Scholes Option Pricing Model with the following assumptions: Risk-free rate of 1.79%; Expected life of 5 years; Expected volatility of 138% and dividend yield of nil. During the three months ended April 30, 2019, the Company recognized share-based payment of \$382,702 in statement of comprehensive loss.

During the year ended January 31, 2019, the Company did not grant any stock options. The Company recorded share based payments of \$26,678 related to options granted in previous years that vested during the current year.

The following is a summary of stock option transactions during the three-months ended April 30, 2019 and the year ended January 31, 2019:

	<b>Stock Options</b>	
	<b>Number</b>	<b>Weighted Average Exercise Price</b>
Outstanding, January 31, 2018	6,210,759	\$ 0.178
Expired	(3,679,509)	\$ 0.230
Exercised	(1,756,250)	\$ 0.056
Outstanding, January 31, 2019	775,000	\$ 0.190
Expired	(375,000)	\$ 0.056
Issued	5,500,000	0.100
Outstanding, April 30, 2019	5,900,000	\$ 0.115
Number currently exercisable	5,900,000	\$ 0.115

# Jaxon Mining Inc.

Notes to the Financial Statements

For the three-month period ended April 30, 2019

(Expressed in Canadian dollars)

## 7. SHARE CAPITAL

### Stock options - *continued*

The following summarizes information about stock options outstanding at April 30, 2019:

Expiry date	Exercise Price	Options outstanding	Options exercisable	Weighted average remaining contractual life in years
September 16, 2019	\$ 0.315	400,000	400,000	0.32
February 28, 2019	\$ 0.100	5,500,000	5,500,000	4.84
Totals	\$ 0.115	5,900,000	5,900,000	4.53

### Share-based payment reserve

Share-based payment reserve represents the fair value of stock options or warrants until such time that the share-based payments are exercised, at which time the corresponding amount will be transferred to share capital.

### Flow-Through Premium Liability

The following is a continuity of the liability portion of the flow-through share issuances:

<b>Balance as at January 31, 2018</b>	-
Flow-through premium liability	\$ 262,743
Settlement of flow-through share premium liability pursuant to qualified expenditure	(262,743)
<b>Outstanding, January 31, 2019</b>	\$ -
Flow-through share premium liability on private placement	75,000
<b>Outstanding, April 30, 2019</b>	\$ 75,000

# Jaxon Mining Inc.

## Notes to the Financial Statements

For the three-month period ended April 30, 2019

(Expressed in Canadian dollars)

### 8. RELATED PARTY TRANSACTIONS

The key management personnel of the Company are the Directors, Chief Executive Officer, Chief Financial Officer, Vice President, Exploration and Project Manager.

During the three months ended April 30, 2019, the Company entered into the following transactions with related parties not disclosed elsewhere in the financial statements:

- a) Paid/Accrued \$18,000 (2018 – \$34,000) in Management fees to the president of the Company; and
- b) Paid/Accrued \$Nil (2018 – \$13,447) in shared office and administrative fees to a company with an officer in common with the Company;
- c) Paid/Accrued \$Nil (2018-\$18,000) in director fees.
- d) Paid/Accrued \$30,000 (2018-\$43,932) in consulting fees towards Exploration and Evaluation assets.
- e) Paid/Accrued \$16,500 (2018-\$Nil) in Consulting and advisory fees.

The Following table illustrates the compensation of the Company's current and former key management personnel:

	Three months ending April 30	
	2019	2018
Management fees	\$ 18,000	\$ 34,000
Director fees	-	18,000
Consulting fees in Exploration & Evaluation Assets	30,000	43,932
Consulting and advisory	16,500	-
Totals	\$ 64,500	\$ 95,932

As at April 30, 2019 included in accounts payable and accrued liabilities is \$72,045 (January 31, 2019 – \$215,517) due to related parties.

### 9. SUBSEQUENT EVENTS

- Subsequent to the period 618,750 warrants with an exercise price of \$0.28 expired.