

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q  
FOR THE QUARTERLY PERIOD ENDED NOVEMBER 30, 2015

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-51707

**PANEX RESOURCES INC.**  
(Exact name of registrant as specified in its charter)

**Incorporated in the State of Nevada**  
(State or other jurisdiction of incorporation or organization)

**00-000000**  
(I.R.S. Employer Identification No.)

**13 Allegro, Legato, Durbanville, South Africa**  
(Address of principal executive offices)

**+41 76 753 4401**  
(Issuer's telephone number)

-  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Larger accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

**APPLICABLE ONLY TO CORPORATE ISSUERS**

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at January 19, 2016
Common Stock – \$0.001 par value	1,115,636,507

Documents incorporated by reference: Refer to Exhibits

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**PART I – FINANCIAL INFORMATION**

**ITEM 1 – FINANCIAL STATEMENTS**

**BALANCE SHEETS**

PANEX RESOURCES INC. (An exploration stage enterprise) Balance Sheets	<b>As at 30 November 2015</b>	<b>As at 31 August 2015</b>
(Expressed in U.S. Dollars)	<u>\$</u>	<u>\$</u>
<b>ASSETS</b>		
Current assets		
Investment	462,760	113,653
Cash	95,880	553,267
Total current assets	<u>558,640</u>	<u>666,920</u>
Total assets	<u>558,640</u>	<u>666,920</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	40,246	45,246
Accounts payable and accrued expenses related parties (Note 4(b))	15,000	30,000
Loans and borrowings, related party	-	-
Total liabilities (all current)	<u>55,246</u>	<u>75,246</u>
<b>Stockholders' Equity</b>		
Common stock		
Authorized: 2,000,000,000 common shares with par value of \$0.001 each		
Issued and outstanding:		
1,115,636,507 (August 31, 2015: 1,125,636,507) common shares	1,115,636	1,125,636
Additional paid-in capital	13,291,725	13,286,725
Donated capital	77,627	77,627
Accumulated deficit during the exploration stage	<u>(13,981,594)</u>	<u>(13,898,314)</u>
Stockholder' equity	<u>503,394</u>	<u>591,674</u>
Total liabilities and stockholders' equity	<u>558,640</u>	<u>666,920</u>

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

PANEX RESOURCES INC.  
 FINANCIAL STATEMENTS (EXPRESSED IN U.S. DOLLARS)  
 QUARTERLY REPORT FOR THE PERIOD ENDED NOVEMBER 30, 2015 (UNAUDITED)

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STATEMENTS OF OPERATIONS

PANEX RESOURCES (An exploration stage enterprise) Statements of Operations	For the Three Months Ended 30 November 2015 \$	For the Three Months Ended 30 November 2014 \$
(Expressed in U.S. Dollars)		
Listing and filing fees	909	3,538
Investor relation expenses	-	16,944
Professional fees	26,298	38,412
Travel costs	-	5,095
General and administrative	35,747	20,089
Foreign currency transaction gain	184	5,184
Mineral property and exploration costs	-	2,384
	<u>63,138</u>	<u>91,646</u>
Other income (expense)		
Gain (Loss) on sale of investment	-	(3,060)
Investment revaluation	(20,144)	(507,921)
	<u>(20,144)</u>	<u>(510,981)</u>
Net Income (Loss)	<u>(83,282)</u>	<u>(602,627)</u>
Earnings (Loss) Per Share – Basic and Diluted	*	*
Weighted Average Shares Outstanding	1,118,303,174	1,416,136,507

\* Amounts are less than \$0.01 per share

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

PANEX RESOURCES INC.  
 FINANCIAL STATEMENTS (EXPRESSED IN U.S. DOLLARS)  
 QUARTERLY REPORT FOR THE PERIOD ENDED NOVEMBER 30, 2015 (UNAUDITED)

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**STATEMENTS OF CASH FLOWS**

PANEX RESOURCES INC. (An exploration stage enterprise) Statements of Cash Flows	<b>For the Three Months Ended 30 November 2015</b>	<b>For the Three Months Ended 30 November 2014</b>
	<b>\$</b>	<b>\$</b>
(Expressed in U.S. Dollars)		
<b>Cash Flows From Operating Activities</b>		
(Net loss) income	(83,282)	(602,627)
Adjustments to reconcile net (loss) Income to cash used in operating activities		
Foreign currency transaction gain	184	5,184
Loss (Gain) on sale of investment	-	3,060
Investment revaluation	20,144	507,921
Increase (decrease) in accounts payable and accrued liabilities	(4,999)	1,841
Increase (decrease) in amounts due to related parties	(15,000)	(45,523)
<b>Net Cash Used in Operating Activities</b>	<b>(82,953)</b>	<b>(130,144)</b>
<b>Cash Flows From Investing Activities</b>		
Cash received from sale of investment	-	208,159
Cash used for purchase of investment	(369,250)	-
<b>Net Cash (Used in) Provided by Investing Activities</b>	<b>(369,250)</b>	<b>208,159</b>
<b>Cash Flows From Financing Activities</b>		
Loan from related parties	-	(35,000)
Common shares repurchased for cash	(5,000)	-
<b>Net Cash (Used in) Provided by Financing Activities</b>	<b>(5,000)</b>	<b>(35,000)</b>
Effect of Exchange Rates on Cash	(184)	(5,183)
<b>Increase in Cash</b>	<b>(457,387)</b>	<b>37,832</b>
Cash at Beginning of Period	553,267	2,524
<b>Cash at End of Period</b>	<b>95,880</b>	<b>40,356</b>

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

PANEX RESOURCES INC.  
 FINANCIAL STATEMENTS (EXPRESSED IN U.S. DOLLARS)  
 QUARTERLY REPORT FOR THE PERIOD ENDED NOVEMBER 30, 2015 (UNAUDITED)

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STATEMENTS OF STOCKHOLDER'S EQUITY (DEFICIENCY)

PANEX RESOURCES INC. (An exploration stage enterprise) Statements of Stockholder's Equity and Comprehensive income (Loss) For the Period Ended November 30, 2015 (Expressed in U.S. Dollars)	<u>Common Stock</u>					<u>Total stockholders equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Additional paid- in capital</u>	<u>Donated Capital</u>	<u>Accumulated (deficit)</u>	
	<u>#</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
Balances, August 31, 2015	<u>1,125,636,507</u>	<u>1,125,636</u>	<u>13,286,725</u>	<u>77,627</u>	<u>(13,898,314)</u>	<u>591,674</u>
Net loss (income)	-	-	-	-	(83,282)	(83,282)
Common stock repurchased for cash on September, 2015 at \$0.001 per share	<u>(10,000,000)</u>	<u>(10,000)</u>	<u>5,000</u>	-	-	<u>(5,000)</u>
Balances, November 30, 2015	<u>1,115,636,507</u>	<u>1,115,636</u>	<u>13,291,725</u>	<u>77,627</u>	<u>(13,981,594)</u>	<u>503,394</u>

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

NOTES TO FINANCIAL STATEMENTS

**1. Organization, Nature of Business, Going Concern and Management's Plans**

Panex Resources Inc. ("Panex" or the "Company") was incorporated in the State of Nevada on May 28, 2004. The Company is considered to be an Exploration Stage Company. The Company's principal business is the acquisition and exploration of mineral resources.

Going concern and management's plans:

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Since its inception on May 28, 2004, the Company has not generated revenue and has incurred net losses.

The Company incurred a net loss of \$83,282 for the three months ended November 30, 2015, and a deficit accumulated during the exploration stage of \$13,981,594 for the period May 28, 2004 (inception) through November 30, 2015.

Accordingly, it has not generated cash flow from operations and has primarily relied upon advances from shareholders and proceeds from equity financings to fund its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company on July 15, 2015, through the wholly owned subsidiary corporation, Panex Resources WA Pty Ltd. (ACN 607 016 491), entered into an Asset Purchase Agreement with Lazaraus Resources Pty Ltd. The Company purchased Lazaraus Resources' assets, rights and interests to the Exploration License E80/4675 located approximately 85km SW of Halls Creek in the Kimberley Mineral Field of Western Australia and all data reports and technical information related to E80/4675 including copies of all regulatory reporting; metadata files and databases. The purchase price was AUD\$3,000.00. As described in Note 2c the Company also has investments in two mining companies.

The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts or classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

## 2. Summary of Significant Accounting Policies

### a. Basis of Preparation

These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States (US GAAP). The Company's fiscal year-end is August 31.

### b. Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### c. Basic and Diluted Net Income (Loss) Per Share

Earnings (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the reporting period including common stock issued effective the date committed. Common stock issuable is considered outstanding as of the original approval date for the purposes of earnings per share computations. Diluted earnings (loss) per common share is computed by dividing net earnings (loss) by the sum of (a) the basic weighted average number of shares of common stock outstanding during the period and (b) additional shares that would have been issued and potentially dilutive securities. During the reporting periods the diluted earnings (loss) per share was equivalent to the basic earnings (loss) per share because all potentially dilutive securities were anti-dilutive due to the net losses incurred. Potentially dilutive securities consist of stock options outstanding at the end of the reporting period.

### d. Cash

Cash includes deposits in banks, which are unrestricted as to withdrawal or use.

### e. Investments in Securities

The Company determines the appropriate classification of its investments in debt and equity securities at the time of purchase and reevaluates such determinations at each balance sheet date. Marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses are recognized in earnings. At November 30, 2015 investments consist of 20,000,000 shares (August 31, 2015, nil shares) of Burey Gold Ltd., an Australian listed entity, which were acquired in October 2015 (note 7) and are accounted for as trading securities. At November 30, 2015, investments consist of 1,000,000 shares in NSS Resources Inc, a Canadian listed entity which were acquired in May 2015 and are accounted for as trading securities. Unrealized gains (losses) for the three months ended November 30, 2015 were approximately \$(20,000) (November 30, 2015 a loss of approximately \$507,921).

### f. Mineral Property and Exploration Costs

The Company has been in the exploration stage since its formation on May 28, 2004 and has not realized any revenues from its planned operations. It has been primarily engaged in the acquisition and exploration of mining properties. Mineral property acquisition and exploration costs are expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs incurred to develop such property are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the probable reserve. If mineral properties are subsequently abandoned or impaired, any capitalized costs will be charged to operations.



## 2. Summary of Significant Accounting Policies (Continued)

### g. Fair Value Measurements

Fair value is defined as 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 in the principal or most advantageous market. The Company uses a fair value hierarchy that has three levels of inputs, both observable and unobservable, with use of the lowest possible level of input to determine fair value.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - observable inputs other than Level 1, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model-derived prices whose inputs are observable or whose significant value drivers are observable; and

Level 3 - assets and liabilities whose significant value drivers are unobservable.

The Company's investments are classified as Level 1 and there are no Level 2 or 3 assets or liabilities.

Observable inputs are based on market data obtained from independent sources, while unobservable inputs are based on the Company's market assumptions. Unobservable inputs require significant management judgment or estimation. In some cases, the inputs used to measure an asset or liability may fall into different levels of the fair value hierarchy. In those instances, the fair value measurement is required to be classified using the lowest level of input that is significant to the fair value measurement. Such determination requires significant management judgment.

Financial instruments, which include cash, accounts payable, and loans and borrowings, were estimated to approximate their carrying values due to the immediate or short-term maturity of these financial instruments. The fair value of amounts due to related parties are not practical to estimate, due to the related party nature of the underlying transactions. The financial risk to the Company's operations arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk.

### h. Income Taxes

The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases, as well as net operating losses.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets or liabilities of a change in tax rates is recognized in the period in which the tax change occurs. A valuation allowance is provided to reduce the deferred tax assets to a level, that more likely than not, will be realized.

Management does not believe that the Company has any unrecognized tax positions. The Company's policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense.

## 2. Summary of Significant Accounting Policies (Continued)

### i. Stock-Based Compensation

The Company accounts for share-based payments under the fair value method of accounting for stock-based compensation consistent with US GAAP. Under the fair value method, stock-based compensation cost is measured at the grant date based on the fair value of the award using the Black-Scholes option pricing model and is recognized to expense on a straight-line basis over the requisite service period, which is generally the vesting period. Where upon grant the options vest immediately the stock-based costs are expensed immediately. During the current period, there are no options outstanding.

### j. Foreign Currency Translation and Transactions

The Company's functional and reporting currency is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated into the United States dollar using the exchange rate prevailing at the balance sheet date. Gains and losses arising on settlement of foreign currency denominated transactions or balances are included in the determination of income.

### k. Concentration of Credit Risk

The Company's financial instruments that are exposed to concentration of credit risk consist of cash. The Company's cash is in demand deposit accounts placed with federally insured financial institutions in Canada.

### l. Interim Financial Statements

In the opinion of management, the accompanying unaudited condensed financial statements contain all adjustments which include only normal recurring adjustments, necessary to present fairly the Company's financial position, results of operations and cash flows for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for a full year or for any future period.

### m. Recent Accounting Pronouncements

In May 2014, FASB issued ASU No. 2014-09 "Revenue from Contracts from Customers," which supersedes the revenue recognition requirements in "Revenue Recognition (Topic 605)," and requires entities to recognize revenue in a way that depicts the transfer of potential goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to the exchange for those goods or services. In July 2015, the FASB delayed the effective date by one year. This new standard is now effective for fiscal years, and interim periods within those years, beginning after December 15, 2017, and is to be applied retrospectively, with early adoption now permitted to the original effective date of December 15, 2016. The Company is currently evaluating the new standard and assessing the potential impact on its operations and financial statements.

In August 2014, FASB issued ASU No. 2014-15 "Presentation of Financial Statements— Going Concern (Subtopic 205-40)": Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. The amendments in ASU 2014-15 provide guidance in GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. In doing so, the amendments should reduce diversity in the timing and content of footnote disclosures. The new requirements are effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016. Early application is permitted. The Company is currently evaluating the new standard and assessing the potential impact on its financial statement disclosures.

In April 2015, FASB issued ASU No. 2015-03 "Update No. 2015-03—Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs". To simplify presentation of debt issuance costs, the amendments in ASU 2015-03 require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this Update. The amendments in this Update are effective for financial statements issued



for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption of the amendments in ASU 2015-03 is permitted for financial statements that have not been previously issued. The Company is currently evaluating the new standard and assessing the potential impact on its financial statements and operations.

In September 2015, FASB issued ASU No.2015-16 "Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments". The amendments in ASU 2015-16 require that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The amendments are effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The amendments should be applied prospectively to adjustments to provisional amounts that occur after the effective date of this Update with earlier application permitted for financial statements that have not been issued. The Company assessed that there is no impact to the financial statements on this update.

Management has evaluated any recently issued accounting pronouncements to determine their applicability and does not believe that any of these pronouncements will have a significant impact on the Company's financial statements.

### **3. Stock Options**

In August 2012, the Company's Board of Directors approved the issuance of stock options as an incentive to obtain services of key employees, directors and consultants of the Company. For the periods presented there were no stock options outstanding.

### **4. Related Party Transactions**

- a. During May 2015 a consulting agreement was entered into with Mark Gasson and Ross Doyle for up to USD\$15,000 and USD\$10,000 per month respectively. Amounts will be charged on a need basis and it is not expected the full amount will be incurred. At end of the period there was an accrued liability of \$15,000 payable to management.
- b. In July 2014, Coresco loaned the Company \$44,000, with no specified interest or due date. The parties may agree to settle the borrowing through repayment or issuance of equity. In August 2014, the Company repaid \$9,000 of the loan. In September and October 2014 a further \$15,000 and \$1,400 respectively was loaned to the Company. The full loan was repaid in October 2014.
- c. The Company incurred nil in total for management, exploration and contractor expenses during the quarter ended November 30, 2015 (November 30, 2014: \$36,819). This amount is a combination of exploration contracting services, the CEO, Non-Executive Director, Company Secretarial and CFO of the Company. Total management fees for Coresco are determined in relation to the level of services required and comprise office rental, infrastructure, investor meeting rooms, company secretarial services, CEO, CFO, Technical Services and Non Executive Director fees. As of November 30, 2015, the Company has an accrued liability of \$Nil for these services due to this related party (November 30, 2014: nil). The contract with Coresco was terminated in May 2015.

### **5. Loans and Borrowings**

During July 2014, Coresco loaned the Company \$44,000, with no specified interest or due date. The parties may agree to settle the borrowing through repayment or issuance of equity. In August 2014, the Company repaid \$9,000 of the loan and \$35,000 is outstanding at August 31, 2014. During the quarter ended 30 November 2014 the balance of \$35,000 was repaid in full.

## **6. Material Contingencies and Commitments**

Panex has no material contingencies or long-term commitments.

While Panex has raised capital to meet its working capital and financing needs in the past, additional financing is required in order to fully complete its plan of operation. Panex is seeking financing in the form of equity. Panex currently has no commitments for financing. There are no assurances Panex will be completely successful in raising the funds required.

## **7. Stockholders' Equity**

### **Common Stock**

On November 5, 2014 the Company filed a Form S-1 registration statement with the Securities and Exchange Commission permitting Panex to offer up to 500,000,000 shares of common stock at \$0.001 per share. The offering was being conducted on a best effort basis and there will be no underwriter involved in the public offering.

The Company is currently in communication with the Securities and Exchange Commission regarding the Form S-1 and the registration has not yet been declared effective.

During August 2015, the Company entered into some share repurchase agreements for a total of 318,000,000 shares for USD\$189,905. The Company repurchased a further ten million shares in October 2015.

During June 2015, the Company entered into debt settlement agreements with creditors in consideration for the issuance of the Company's common stock, par value \$0.001, at a per share price of \$0.001 per share. As a result, the Company extinguished certain liabilities with creditors via debt settlement agreements for a total of \$55,000, for a total of 27,500,000 shares at a price of \$0.001 per share.

## **8. Subsequent events**

Other than as disclosed in the financial statements there are no subsequent events to report at lodgement date.

## ITEM 2 – MANAGEMENT’S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

THE FOLLOWING PRESENTATION OF MANAGEMENT’S DISCUSSION AND ANALYSIS OF PANEX RESOURCES INC. SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION INCLUDED HEREIN.

### **Uncertainties Relating To Forward-Looking Statements**

This Form 10-Q Quarterly Report for the quarterly report contains forward-looking statements. These forward-looking statements involve risks and uncertainties, including statements regarding Panex Resources Inc. capital needs, business strategy and expectations. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “*may*”, “*will*”, “*should*”, “*expect*”, “*plan*”, “*intend*”, “*anticipate*”, “*believe*”, “*estimate*”, “*predict*”, “*potential*” or “*continue*”, the negative of such terms or other comparable terminology. Actual events or results may differ materially. In evaluating these statements, you should consider various factors, including the risks outlined from time to time, in other reports Panex files with the Securities and Exchange Commission.

The forward-looking statements in this Form 10-Q Quarterly Report for quarterly report, are subject to risks and uncertainties that could cause actual results to differ materially from the results expressed in or implied by the statements contained in this report. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives requires the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and accordingly, no opinion is expressed on the achievability of those forward-looking statements. No assurance can be given that any of the assumptions relating to the forward-looking statements specified in the following information are accurate.

All forward-looking statements are made as of the date of filing of this Form 10-Q and Panex disclaims any obligation to publicly update these statements, or disclose any difference between its actual results and those reflected in these statements. Panex may, from time to time, make oral forward-looking statements. Panex strongly advises that the above paragraphs and the risk factors described in this Quarterly Report and in Panex’s other documents filed with the United States Securities and Exchange Commission should be read for a description of certain factors that could cause the actual results of Panex to materially differ from those in the oral forward-looking statements. Panex disclaims any intention or obligation to update or revise any oral or written forward-looking statements whether as a result of new information, future events or otherwise.

### **Background**

Panex Resources Inc. (“Panex” or the “Company”) is a Nevada corporation that was incorporated on May 28, 2004.

The Company conducts principal and technical activities from 13 Allegro, Legato, Durbanville, South Africa.

The telephone number is (+41) 76 753 4401. These offices are provided to the Company on a month-to-month basis. The Company believes these offices are adequate for the business requirements during the next 12 months. The Company does not own any real property. Panex maintains its statutory registered agent’s office at 1859 Whitney Mesa Drive, Henderson, Nevada, 89014.

Panex is an exploration stage company engaged in the acquisition and exploration of mineral properties. The Company’s plan of operations is to conduct mineral exploration activities on mineral properties in order to assess whether these claims possess commercially exploitable mineral deposits. Panex’s exploration program is to explore for commercially viable deposits of base and precious minerals, such as gold, silver, lead, barium, mercury, copper, and zinc minerals.

Panex has an authorized capital of 2,000,000,000 shares of common stock with a par value of \$0.001 per share with 1,115,636,507 shares of common stock currently issued and outstanding. On August 30, 2010, the authorized capital was increased from 75,000,000 shares of common stock to 500,000,000 shares of common stock.

On July 14, 2014, the company effectively increased its’ authorized capital from 500,000,000 shares of common stock to 2,000,000,000 shares of common stock with a par value of \$0.001 per share. The increase in the authorized capital was approved on June 4, 2014 by shareholders of Panex owning approximately 53% of the outstanding voting shares of common stock.

Panex has not been involved in any bankruptcy, receivership or similar proceedings. There have been no material reclassifications, mergers, consolidations or purchases or sales of a significant amount of assets not in the ordinary course of Panex's business.

Currently, Panex has not obtained an employer identification number for the purpose of registering to do business in the United States. Panex does not currently conduct any business in the United States nor employ any staff in the United States and is therefore not required by law to obtain an employer identification number at this time. Panex will take immediate steps to obtain an employer identification number if it becomes necessary to do so at any time in the future.

#### **Plan of Operation**

During the next 12 months, Panex intends to conduct exploration activity on the property described as Exploration License E80/4675.

### **Results of Operations**

Panex has generated no operating revenues since its inception on May 28, 2004.

Total expenses for the three months ended November 30, 2015 were \$83,282 compared to \$602,627 for the three months ended November 30, 2014. Expenses were lower in the three months ended November 30, 2015 compared to the three months ended November 30, 2014 largely in consideration of less exploration activities.

### **Liquidity and Capital Resources**

The financial statements have been prepared assuming the Company will continue as a going concern. Since inception in May 2004, the Company has not generated revenue and has incurred net losses.

The Company had a working capital surplus of \$503,394 as at November 30, 2015, incurred net losses of \$83,282 for the three months ended November 30, 2015, and has a deficit accumulated during the exploration stage of \$13,981,594 for the period from May 28, 2004 (inception) through November 30, 2015.

Accordingly, the Company has not generated cash flows from operations and have primarily relied upon loans from related and unrelated parties and equity financing to fund operations. These conditions (as indicated in the 2013 audit report by the Independent Registered Public Accounting Firm) raise substantial doubt about the Company's ability to continue as a going concern.

During the three months ended November 30, 2015, Panex used cash of \$82,954 in operating activities compared to \$130,144 in the three months ended November 30, 2014. As previously noted, Panex is not generating revenues and accordingly has not generated any significant cash flow from operations. Panex is uncertain as to when it will produce cash flows from operations that are required to meet operating and capital requirements and will require significant funding from external sources to continue its operations.

During the three months ended November 30, 2015, Panex used cash of \$369,250 in investing activities (for the purchase of 20,000,000 ordinary shares of the Burey investment) compared to \$208,159 in the three months ended November 30, 2014.

### **Material Contingencies and Commitments**

Except for the related party management consulting agreements described in Note 4 to the financial statements, Panex has no contingencies or long-term commitments.

While Panex has raised capital to meet its working capital and financing needs in the past, additional financing is required in order to fully complete its plan of operation.

### **Off-Balance Sheet Arrangements**

Panex has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on Panex's financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors, nor did Panex have any non-consolidated, special-purpose entities during this quarter.

### **Recent Accounting Pronouncements**

In May 2014, FASB issued ASU No. 2014-09 "Revenue from Contracts from Customers," which supersedes the revenue recognition requirements in "Revenue Recognition (Topic 605)," and requires entities to recognize revenue in a way that depicts the transfer of potential goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to the exchange for those goods or services. In July 2015, the FASB delayed the effective date by one year. This new standard is now effective for fiscal years, and interim periods within those years, beginning after December 15, 2017, and is to be applied retrospectively, with early adoption now permitted to the original effective date of December 15, 2016. The Company is currently evaluating the new standard and assessing the potential impact on its operations and financial statements.



In August 2014, FASB issued ASU No. 2014-15 “Presentation of Financial Statements— Going Concern (Subtopic 205-40)”: Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern. The amendments in ASU 2014-15 provide guidance in GAAP about management’s responsibility to evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern and to provide related footnote disclosures. In doing so, the amendments should reduce diversity in the timing and content of footnote disclosures. The new requirements are effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016. Early application is permitted. The Company is currently evaluating the new standard and assessing the potential impact on its financial statement disclosures.

In April 2015, FASB issued ASU No. 2015-03 “Update No. 2015-03—Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs”. To simplify presentation of debt issuance costs, the amendments in ASU 2015-03 require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this Update. The amendments in this Update are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption of the amendments in ASU 2015-03 is permitted for financial statements that have not been previously issued. The Company is currently evaluating the new standard and assessing the potential impact on its financial statements and operations.

In September 2015, FASB issued ASU No. 2015-16 “Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments”. The amendments in ASU 2015-16 require that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The amendments are effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The amendments should be applied prospectively to adjustments to provisional amounts that occur after the effective date of this Update with earlier application permitted for financial statements that have not been issued. The Company assessed that there is no impact to the financial statements on this update.

Management has evaluated any recently issued accounting pronouncements to determine their applicability and does not believe that any of these pronouncements will have a significant impact on the Company’s financial statements.

### ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Panex is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

### ITEM 4 – CONTROLS AND PROCEDURES

#### **Disclosure Controls and Procedures**

Mark Gasson, Panex’s Chief Executive Officer and Ross Doyle, Panex’s Chief Financial Officer, have evaluated the effectiveness of Panex’s disclosure controls and procedures (as such term is defined in Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934 (the “Exchange Act”) as of the end of the period covered by this quarterly report (the “Evaluation Date”). Based on such evaluation, Mr Gasson and Mr Doyle have concluded that, as of the Evaluation Date, Panex’s disclosure controls and procedures are not effective in alerting Panex on a timely basis to material information required to be included in its reports filed or submitted under the Exchange Act, for the reasons listed in Item 9A of the Company’s Form 10-K filing for the year ended August 31, 2015.

While management strives to segregate duties as much as practicable, there is an insufficient volume of transactions at this point in time to justify additional full time staff. Management believes that this is typical in most exploration stage companies. Panex may not be able to fully remediate the material weakness until we commence mining operations at which time management expects to employ more staff. Management will continue to monitor and address the costs and benefits of additional staffing.

#### **Changes in Internal Controls over Financial Reporting**

During the fiscal quarter covered by this report, there were no changes in Panex’s internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, Panex’s internal control over financial reporting.



## **PART II – OTHER INFORMATION**

### **ITEM 1 – LEGAL PROCEEDINGS**

Panex is not a party to any pending legal proceedings and, to the best of Panex's knowledge, none of Panex's assets are the subject of any pending legal proceedings.

### **ITEM 1A – RISK FACTORS**

Panex is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

### **ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

### **ITEM 3 – DEFAULTS UPON SENIOR SECURITIES**

During the quarter of the fiscal year covered by this report, no material default has occurred with respect to any indebtedness of Panex. Also, during this quarter, no material arrearage in the payment of dividends has occurred.

### **ITEM 4 – MINING SAFETY DISCLOSURES**

There are no current mining activities at the date of this report.

### **ITEM 5 – OTHER INFORMATION**

None.

### **ITEM 6 – EXHIBITS**

(a) Index to and Description of Exhibits

PANEX RESOURCES INC.  
 FINANCIAL STATEMENTS (EXPRESSED IN U.S. DOLLARS)  
 QUARTERLY REPORT FOR THE PERIOD ENDED NOVEMBER 30, 2015 (UNAUDITED)

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<b>Exhibit</b>	<b>Description</b>	<b>Status</b>
<b>3.1</b>	Articles of Incorporation of Panex Resources Inc. filed as an Exhibit to Panex's Form SB-2 (Registration Statement) filed on December 12, 2005 and incorporated herein by reference.	Filed
<b>3.2</b>	By-Laws of Panex Resources Inc. filed as an Exhibit to Panex's Form SB-2 (Registration Statement) filed on December 12, 2005 and incorporated herein by reference.	Filed
<b>3.3</b>	Certificate of Amendment of Panex Resources Inc., filed as an Exhibit to Panex's Form 8-K (Current Report) filed on September 30, 2010 and incorporated herein by reference.	Filed
<b>10.1</b>	Management Agreement dated April 19, 2006 between Panex Resources Inc. and Reg Gillard, filed as Exhibit 10.2 to Panex's Form 8-K (Current Report) filed on May 10, 2006 and incorporated herein by reference.	Filed
<b>10.2</b>	Letter of Understanding dated May 6, 2006 among Panex Resources Inc., Goldplata Corporation Limited, Goldplata Resources Inc, and Goldplata Resources, Sucursal-Columbia, filed as an Exhibit to Panex's Form 8-K (Current Report) filed on May 25, 2006 and incorporated herein by reference.	Filed
<b>10.3</b>	Letter Agreement dated June 15, 2006 between Panex Resources Inc. and Emco Corporation, filed as an Exhibit to Panex's Form 8-K (Current Report) filed on June 29, 2006 and incorporated herein by reference.	Filed
<b>10.4</b>	Share Sale Agreement dated July 10, 2006, between Panex Resources Inc. and Emco Corporation Inc. S.A., filed as an Exhibit to Panex's Form 8-K (Current Report) filed on July 17, 2006, and incorporated herein by reference.	Filed
<b>10.5</b>	Heads of Agreement dated July 26, 2007 among Panex Resources Inc., Goldplata Resources Peru S.A.C., Goldplata Resources Inc., Goldplata Resources Sucursal-Colombia, Goldplata Corporation Limited, and Goldplata Mining International Corporation, filed as an Exhibit to Panex's Form 10-K (Annual Report) filed on July 28, 2009 and incorporated herein by reference.	Filed
<b>10.6</b>	Letter Agreement dated December 6, 2007 among Panex Resources Inc., Emco Corporation Inc. S.A. and Minanca Minera Nanguipa, Compania Anonima, filed as an Exhibit to Panex's Form 10-K (Annual Report) filed on July 28, 2009 and incorporated herein by reference.	Filed
<b>10.7</b>	Deed dated January 11, 2008 among Panex Resources Inc., Windy Knob Resources Limited, Goldplata Mining International Corporation, Goldplata Resources Inc., and Goldplata Resources Sucursal-Colombia, filed as an Exhibit to Panex's Form 10-K (Annual Report) filed on July 28, 2009 and incorporated herein by reference.	Filed
<b>10.8</b>	Share Purchase Agreement dated December 7, 2013 between Panex Resources Inc. and Amani Consulting SPRL, filed as a subsequent event note to Panex's Form 8-K (Current Report) filed on December 23, 2013 and incorporated herein by reference.	Filed
<b>14.1</b>	Financial Code of Ethics filed as an Exhibit to Panex's Form SB-2 (Registration Statement) filed on December 12, 2005 and incorporated herein by reference.	Filed
<b>31.1</b>	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 from chief executive officer.	Included
<b>31.2</b>	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 from chief financial officer.	Included
<b>32</b>	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Included
<b>99.1</b>	Disclosure Committee Charter, filed as an Exhibit to Panex's Form 10-K (Annual Report) filed on July 28, 2009 and incorporated herein by reference.	Filed
<b>101 *</b>	Financial statements from the quarterly reports on Form 10-Q of Panex Resources Inc. for the quarter ended May 31, 2013, 2012 and beyond are formatted in XBRL: (i) the Balance Sheets, (ii) the Statements of Operations; (iii) the Statements of Cash Flows, and (iv) the Statements of Stockholders' Equity (Deficit).	Included

\* In accordance with Rule 406T of Regulation S-T, the XBRL (“eXtensible Business Reporting Language”) related information is furnished and not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, Panex Resources Inc. has caused this report to be signed on its behalf by the undersigned duly authorized persons.

**PANEX RESOURCES INC.**

***MARK GASSON***

NAME: Mark Gasson  
TITLE: President and CEO  
Principal Executive Officer

January 19, 2016

***ROSS DOYLE***

NAME: Ross Doyle  
TITLE: CFO  
Principal Financial Officer

January 19, 2016