

PANEX RESOURCES INC.  
FINANCIAL STATEMENTS (EXPRESSED IN U.S. DOLLARS)  
ANNUAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

ANNUAL 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)

**00-0000000**

(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)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value \$0.001 per share

(Title of each class)

Name of each exchange on which registered: OTCQB

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

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

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.  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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: \$1,124,159 as of February 28, 2015.

**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 November 6, 2015 |
|----------------------------------|---------------------------------|
| Common Stock – \$0.001 par value | 1,115,636,507                   |

Documents incorporated by reference: Refer to Exhibits

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INDEX

|           |  |    |
|-----------|--|----|
| PART I    |  | 5  |
|           | ITEM 1 – DESCRIPTION OF BUSINESS   | 5  |
|           | ITEM 1A – RISK FACTORS   | 6  |
|           | ITEM 1B – UNRESOLVED STAFF COMMENTS  | 6  |
|           | ITEM 2 – DESCRIPTION OF PROPERTY   | 7  |
|           | ITEM 3 – LEGAL PROCEEDINGS   | 7  |
|           | ITEM 4 – MINING SAFETY DISCLOSURES   | 7  |
| PART II   |  | 8  |
|           | ITEM 5 – MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASE OF EQUITY SECURITIES | 8  |
|           | ITEM 6 – SELECTED FINANCIAL DATA   | 10 |
|           | ITEM 7 – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS                       | 10 |
|           | ITEM 7A – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK   | 16 |
|           | ITEM 8 – FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA   | 16 |
|           | ITEM 9 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE                        | 16 |
|           | ITEM 9A – CONTROLS AND PROCEDURES  | 16 |
|           | ITEM 9B – OTHER INFORMATION  | 18 |
| PART III  |  | 19 |
|           | ITEM 10 – DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE   | 19 |
|           | ITEM 11 – EXECUTIVE COMPENSATION   | 22 |
|           | ITEM 12 – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL HOLDERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS            | 23 |
|           | ITEM 13 – CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE                                   | 24 |
|           | ITEM 14 – PRINCIPAL ACCOUNTING FEES AND SERVICES   | 25 |
| PART IV   |  | 26 |
|           | ITEM 15 – EXHIBIT, FINANCIAL STATEMENT SCHEDULES   | 26 |
|           | SIGNATURES   | 27 |
| EXHIBIT A |  | 28 |
|           | FINANCIAL STATEMENTS   | 28 |
|           | BALANCE SHEETS   | 30 |
|           | STATEMENTS OF OPERATIONS   | 31 |
|           | STATEMENTS OF CASH FLOWS   | 32 |
|           | STATEMENTS OF STOCKHOLDER’S EQUITY (DEFICIENCY)  | 33 |
|           | NOTES TO FINANCIAL STATEMENTS  | 34 |

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

The information in this annual report contains forward-looking statements. These forward-looking statements involve risks and uncertainties, including statements regarding the Company's 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 the Company files with the Securities and Exchange Commission.

The forward-looking statements in this Form 10-K for the fiscal year end, 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-K and the Company disclaims any obligation to publicly update these statements, or disclose any difference between its actual results and those reflected in these statements. The Company may, from time to time, make oral forward-looking statements. The Company strongly advises that the above paragraphs and the risk factors described in this Annual Report and in the Company'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 the Company to materially differ from those in the oral forward-looking statements. The Company 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.

## **PART I**

### **ITEM 1 – DESCRIPTION OF BUSINESS**

#### **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 will be designed 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 1,125,636,507 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**

Panex is an Exploration Stage Company. Panex’s principal business is the acquisition and exploration of mineral resources. Panex currently has no interest in any mineral resources or properties but is continuing to identify and assess viable mineral properties or mineral projects.

Panex has not generated any revenues from its mineral exploration activities. From the time of its incorporation in 2004 to early 2008, Panex was actively engaged in the exploration of various mineral projects that were prospective for gold, silver and copper. Since 2008, a combination of limited exploration success and a dwindling of its working capital caused Panex to withdraw from its mineral exploration projects.

During the next 12 months, Panex, intends to seek new opportunities in the mineral property sector.

Panex intends acquire mineral properties that management believes to be undervalued or that management believes may realize a substantial benefit from being publicly owned. Panex will continue to identify and assess undervalued mineral properties. A small number of mineral properties are presently being reviewed.

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.

### **Property Interests**

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.

### **Competition**

Panex competes with other mining and exploration companies possessing greater financial resources and technical facilities than Panex in connection with the acquisition of mineral exploration claims and in connection with the recruitment and retention of qualified personnel. Many of Panex's competitors have a very diverse portfolio and have not confined their market to one mineral or property, but explore a wide array of minerals and mineral exploration properties. Some of these competitors have been in business for longer than Panex and may have established more strategic partnerships and relationships than Panex.

Management believes that it will have a competitive advantage over its competitors due to its network of contacts, which will enable it to identify and acquire prospective mineral properties more quickly and efficiently than many of its competitors.

### **Government Controls and Regulations**

Panex is subject to various levels of government controls and regulations, which are supplemented and revised from time to time. Changes to current local, state or federal laws and regulations in the jurisdictions where Panex will operate could require additional capital expenditures and increased operating and/or reclamation costs. Panex is unable to predict what additional legislation or revisions may be proposed that might affect its business or when any such proposals, if enacted, might become effective. Such changes, however, could require increased capital and operating expenditures and could prevent or delay certain operations by Panex or the property operators. Although Panex is unable to predict what additional legislation, if any, might be proposed or enacted, additional regulatory requirements could render certain exploration activities uneconomical.

### **Patents/Trade Marks/Licences/Franchises/Concessions/Royalty Agreements or Labour Contracts**

Panex currently does not own any patents or trade marks. Except of the property interest disclosed above, Panex is not party to any license or franchise agreements, concessions, royalty agreements or labor contracts arising from any patents or trademarks.

### **Number of Total Employees and Number of Full Time Employees**

There are no employees at the present time, with the exception of its officers.

### **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 1B – UNRESOLVED STAFF COMMENTS**

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 – DESCRIPTION OF PROPERTY

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.

ITEM 3 – 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 4 – MINING SAFETY DISCLOSURES

There are no current mining activities which subject the Company to disclosure under this section.

## PART II

### ITEM 5 – MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASE OF EQUITY SECURITIES

#### a. Market Information

Panex’s shares of common stock were quoted on the OTC Bulletin Board under the symbol “DBGF” from March 8, 2006 to December 17, 2007. Since then Panex’s shares of common stock have been quoted on the OTC PINK under the symbol “OTCQB:DBGF”.

The following table gives the high and low bid information for each fiscal quarter Panex’s common stock has been quoted for the last two fiscal years. The bid information was obtained from OTC Markets, Inc. and reflects inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

| High & Low Bids  |        |        |                   |
|------------------|--------|--------|-------------------|
| Period ended     | High   | Low    | Source            |
| 31 August 2015   | \$0.01 | \$0.00 | OTC Markets, Inc. |
| 31 May 2015      | \$0.01 | \$0.00 | OTC Markets, Inc. |
| 28 February 2015 | \$0.01 | \$0.00 | OTC Markets, Inc. |
| 30 November 2014 | \$0.01 | \$0.00 | OTC Markets, Inc. |
| 31 August 2014   | \$0.01 | \$0.00 | OTC Markets, Inc. |
| 31 May 2014      | \$0.02 | \$0.00 | OTC Markets, Inc. |
| 28 February 2014 | \$0.10 | \$0.00 | OTC Markets, Inc. |
| 30 November 2013 | \$0.04 | \$0.00 | OTC Markets, Inc. |

#### b. Holders of Record

Panex has approximately 110 holders of record of Panex’s common stock as of November 6, 2015 according to a shareholders’ list provided by Panex’s transfer agent as of that date. The number of registered shareholders does not include any estimate by Panex of the number of beneficial owners of common stock held in street name. The transfer agent for Panex’s common stock is Empire Stock Transfer Inc., 1859 Whitney Mesa Drive, Henderson, Nevada, 89014 and their telephone number is 702-818-5898.

#### c. Dividends

There are no restrictions in Panex’s Articles of Incorporation or By-laws that restrict Panex from declaring dividends. The Nevada Revised statutes, however, do prohibit Panex from declaring dividends where, after giving effect to the distribution of the dividend:

1. Panex would not be able to pay its debts as they become due in the usual course of business; or
2. Panex’s total assets would be less than the sum of its total liabilities, plus the amount that would be needed to satisfy the rights of stockholders who have preferential rights superior to those receiving the distribution.

Panex has declared no cash dividends on its shares of common stock and is not subject to any restrictions that limit its ability to pay cash dividends on its shares of common stock. Cash dividends are declared at the sole discretion of Panex’s Board of Directors.

#### d. Unregistered Sales of Equity Securities and Use of Proceeds

There have been no sales of unregistered securities within the last three years that would be required to be disclosed pursuant to Item 701 of Regulation S-K, except for the following:



During August 2015, the Company entered into some share repurchase agreements for a total of 318,000,000 shares for USD\$189,905.

Panex set the value of the restricted shares arbitrarily without reference to its assets, book value, revenues or other established criteria of value. All the restricted shares issued in this offering were issued for investment purposes in a “private transaction”.

For the seven non-US creditors outside the United States in this closing, Panex relied upon Section 4(2) of the Securities Act of 1933 and Rule 901 - 905 of Regulation S promulgated pursuant to that Act by the Securities and Exchange Commission. Management is satisfied that Panex complied with the requirements of the exemption from the registration and prospectus delivery of the Securities Act of 1933. The settlement of debt was not a public offering and was not accompanied by any general advertisement or any general solicitation. Panex received from each creditor a completed and signed shares for debt agreement containing certain representations and warranties, including, among others, that (a) the creditor was not a U.S. person, (b) the creditor accepted the shares for debt for their own investment account and not on behalf of a U.S. person, and (c) there was no prearrangement for the resale of the shares with any buyer. No offer was made or accepted in the United States and the share certificates representing the shares were issued bearing a legend with the applicable trading restrictions.

e. Penny Stock Rules

The SEC has also adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system).

The shares of Panex will remain penny stock for the foreseeable future. The classification of penny stock makes it more difficult for a broker-dealer to sell the stock into a secondary market, which makes it more difficult for a purchaser to liquidate his or her investment. Any broker-dealer engaged by the purchaser for the purpose of selling his or her shares in Panex will be subject to rules 15g-1 through 15g-10 of the Exchange Act. Rather than creating a need to comply with those rules, some broker-dealers will refuse to attempt to sell penny stock.

The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, deliver a standardized risk disclosure document prepared by the SEC, which:

- contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;
- contains a description of the broker’s or dealer’s duties to the customer and of the rights and remedies available to the customer with respect to a violation to such duties or other requirements;
- contains a brief, clear, narrative description of a dealer market, including “bid” and “ask” prices for penny stocks and the significance of the spread between the bid and ask price;
- contains a toll-free telephone number for inquiries on disciplinary actions;
- defines significant terms in the disclosure document or in the conduct of trading penny stocks; and
- contains such other information and is in such form (including language, type, size, and format) as the Commission shall require by rule or regulation.
- The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer:
  - with bid and offer quotations for the penny stock;
  - the compensation of the broker-dealer and its salesperson in the transaction;
  - the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and
  - monthly account statements showing the market value of each penny stock held in the customer’s account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written acknowledgment of the receipt of a risk disclosure statement, a written agreement to

transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements will have the effect of reducing the trading activity in the secondary market for Panex's stock because it will be subject to these penny stock rules. Therefore, stockholders may have difficulty selling those securities.

#### ITEM 6 – SELECTED FINANCIAL DATA

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 7 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the Financial Statements and Notes to the Financial Statements filed with this Report.

##### **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 net loss of \$504,088 for the year ended August 31, 2015, and a deficit accumulated during the exploration stage of \$13,898,314 for the period May 28, 2004 (inception) through August 31, 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.

Except as disclosed above, the Company has no mineral property interests as of the date of this report. Certain mineral property interests are presently being considered, however it is too early to determine whether they may be considered appropriate for acquisition.

During the next 12 months, management's objective is to recapitalize Panex, continue to raise new capital and to seek new investment opportunities in the mineral sector. Management believes that its worldwide industry contacts will make it possible to identify and assess new projects for acquisition purposes.

Panex is seeking a viable business opportunity through acquisition, merger or other suitable business combination method, with a focus on undervalued mineral properties for eventual acquisition. Panex intends to concentrate its acquisition efforts on mineral properties or mineral exploration businesses that management believes to be undervalued or that management believes may realize a substantial benefit from being publicly owned. Panex will continue to identify and assess undervalued mineral properties when capital raisings are completed. A small number of mineral properties are presently being reviewed, but it is too early to say whether they may be considered appropriate for acquisition.

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.

## Results of Operations

Panex has generated no operating revenues since its inception on May 28, 2004 through August 31, 2015.

For the year ended August 31, 2015, Panex had net interest expense of \$nil, compared to \$nil for the year ended August 31, 2014. Total expenses for the year ended August 31, 2015 were \$372,802 compared to \$1,978,789 for the year ended August 31, 2014. Expenses were lower in fiscal year 2015 than 2014 largely in consideration of less drilling and 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 has working capital of \$591,674 as at August 31, 2015, loss of \$504,088 for the fiscal year 2015 compared to an income of \$218,825 for the fiscal year 2014, and has a deficit accumulated during the exploration stage of \$13,898,314 for the period from May 28, 2004 (inception) through August 31, 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 2015 audit report of our Independent Registered Public Accounting Firm) raise substantial doubt about the Company's ability to continue as a going concern.

During the year ended August 31, 2015, Panex used cash of \$411,646 in operating activities compared to \$1,810,947 for the year ended August 31, 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 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.

During August 2015, the Company entered into some share repurchase agreements for a total of 318,000,000 shares for USD\$189,905.

Through May 31 2014 50,975,000 shares of common stock at \$0.001 per share were issued in consideration of settlement of liabilities of \$50,975 during the quarter ended February 28, 2014. In addition, 40,300,000 have been issued during the quarter ended May 31, 2014.

During June 2014, the Company received loan proceeds of \$466,027 (AUD \$500,000), from an unrelated third party. The loan is unsecured, and had no stated interest rate. The loan was assigned to Burey Gold Ltd after the successful conclusion of the transaction with Burey Gold Ltd consummated on August 12, 2014. The funds received were used to pay aged outstanding accounts payable during the quarter ending May 31, 2014. Of the total \$466,027 loan proceeds, \$96,027 was distributed directly by the lender to repay certain vendors of the Company in Democratic Republic of Congo. On July 23, 2014 the Company approved a conditional equity financing to raise up to \$958,600 in working capital for operations, exploration and administration. On August 12, 2014 the Company issued 958,600,000 restricted shares of common stock at a price of \$0.001 per share to raise the working capital. The Company set the value of the restricted shares arbitrarily without reference to its assets, book value, revenues or other established criteria of value. All the restricted shares to be issued in the offering were issued for investment purposes in "private transactions".

During March 2014, the Company received loan proceeds of \$300,000, from an unrelated third party. The loan is unsecured, and had no stated interest rate. The loan was assigned to Burey Gold Ltd. The funds received were used to pay aged outstanding accounts payable during the quarter ending May 31 2014. Of the total \$300,000 loan proceeds, the full \$300,000

PANEX RESOURCES INC.  
FINANCIAL STATEMENTS (EXPRESSED IN U.S. DOLLARS)  
ANNUAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

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was distributed directly by the lender to repay certain vendors of the Company in Democratic Republic of Congo, with the majority being license fees.

During November 2013, 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 \$248,000, for a total of 248,000,000 shares at a price of \$0.001 per share.

During the quarter ended November 30, 2013 Coresco forgave money owing to Coresco for an amount of \$50,430, which is reported as an extinguishment of liabilities in the Statements of Stockholder's equity (deficiency) (November 30, 2012: Nil).

During November 2013, Ross Doyle loaned the Company \$50,000 as a short term unsecured bridge loan at an interest rate of 10% (November 30, 2012: Nil).

### **Plan of Operation**

Panex is an Exploration Stage Company. Panex's principal business is the acquisition and exploration of mineral resources. Panex currently has no interest in any mineral resources or properties but is continuing to identify and assess viable mineral properties or mineral projects.

Panex has not generated any revenues from its mineral exploration activities. From the time of its incorporation in 2004 to early 2008, Panex was actively engaged in the exploration of various mineral projects that were prospective for gold, silver and copper. Since 2008, a combination of limited exploration success and a dwindling of its working capital caused Panex to withdraw from its mineral exploration projects.

During the next 12 months, Panex, intends to seek new mineral properties.

Panex intends to acquire mineral properties that management believes to be undervalued or that management believes may realize a substantial benefit from being publicly owned. Panex will continue to identify and assess undervalued mineral properties. A small number of mineral properties are presently being reviewed.

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.

### **Accounting and Audit Plan**

Panex intends to internally prepare the quarterly and annual financial statements. The estimated charge to Panex will be covered under the existing consulting agreements with Ross Doyle. Panex's independent auditor is expected to charge approximately \$4,000 to review each of Panex's quarterly financial statements and approximately \$15,000 to audit Panex's annual financial statements. In the next 12 months, Panex anticipates incurring approximately \$45,000 to pay for its accounting and audit requirements.

### **SEC Filing Plan**

Panex expects to incur filing costs of approximately \$5,000 per quarter to support its quarterly and annual filings. In the next 12 months, Panex anticipates spending approximately \$35,000 for costs to pay for three quarterly filings and one annual filing.

### **Critical Accounting Policies**

*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.

#### *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 (Generally Accepted Accounting Principles). 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-Sholes 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.

#### *Investments*

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.

## **Outlook**

The Company has no mineral property interests as of the date of this report. Certain mineral property interests are presently being considered, however it is too early to determine whether they may be considered appropriate for acquisition.

## **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 and launch its business operations. Panex is seeking financing in the form of equity in order to provide the necessary working capital. Panex currently has no commitments for financing. There are no assurances Panex will be completely successful in raising the funds required.

## **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 7A – 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 8 – FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Panex's financial statements are stated in United States Dollars (USD) and are prepared in accordance with accounting principles generally accepted in the United States of America. See Exhibit A – Financial Statements attached below.

ITEM 9 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A – CONTROLS AND PROCEDURES

**Disclosure Controls and Procedures**

In connection with the preparation of this annual report on Form 10-K, an evaluation was carried out by Panex's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of Panex's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (" **Exchange Act** ")) as of August 31, 2015. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, Panex's management concluded, as of the end of the period covered by this report, that Panex's disclosure controls and procedures were not effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the SEC rules and forms and that such information was not accumulated or communicated to management to allow timely decisions regarding required disclosure, for the reasons listed below in management's report on internal control over financial reporting.



### Management's Report on Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as required by Sarbanes-Oxley (SOX) Section 404A. Panex's internal control over financial reporting is a process designed under the supervision of Panex's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Panex's financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of Panex's assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the Board of Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Panex's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting as of August 31, 2015, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). As a result of this assessment, management identified material weaknesses in internal control over financial reporting.

A material weakness is a control deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of Panex's annual or interim financial statements will not be prevented or detected on a timely basis.

The matters involving internal controls and procedures that management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were: (1) lack of a functioning audit committee and lack of a majority of outside directors on Panex's board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; (2) inadequate segregation of duties consistent with control objectives; (3) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of US GAAP and SEC disclosure requirements; and (4) ineffective controls over period end financial disclosure and reporting processes. The aforementioned material weaknesses were identified by Panex's Chief Financial Officer and communicated to the board of directors.

As a result of the material weaknesses in internal control over financial reporting described above, management has concluded that, as of August 31, 2015, Panex's internal control over financial reporting was not effective based on the criteria in *Internal Control – Integrated Framework* issued by COSO.

Management believes that the material weaknesses set forth above did not have an affect on Panex's financial results.

Management also believes that the lack of a functioning audit committee and lack of a majority of outside directors on Panex's board of directors caused and continues to cause an ineffective oversight in the establishment and monitoring of the required internal controls over financial reporting.

Panex is committed to improving its financial organization. As part of this commitment and when funds are available, Panex will create a position within Panex's accounting and finance team to segregate duties consistent with its control objectives and will increase its personnel resources and technical accounting expertise within the accounting function by: i) appointing one or more outside directors to its board of directors who will also be appointed to the audit committee of Panex resulting in a fully functioning audit committee who will undertake the oversight in the establishment and monitoring of required internal controls over financial reporting; and ii) preparing and implementing sufficient written policies and checklists that will set forth procedures for accounting and financial reporting with respect to the requirements and application of US GAAP and SEC disclosure requirements.

Management believes that the appointment of one or more outside directors, who will also be appointed to a fully functioning audit committee, will remedy the lack of a functioning audit committee and a lack of a majority of outside directors on Panex's Board. In addition, management believes that preparing and implementing sufficient written policies and checklists will remedy the following material weaknesses: (i) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of US GAAP and SEC disclosure requirements; and (ii) ineffective controls over period end financial close and reporting processes. Further, management believes that the hiring of additional personnel who have the technical expertise and knowledge will result proper segregation of duties and provide more checks and balances within the department. Additional personnel will also provide the cross training needed to support Panex if personnel turn-over issues within the department occur. This coupled with the appointment of additional outside directors will greatly decrease any control and procedure issues Panex may encounter in the future.

Management will continue to monitor and evaluate the effectiveness of Panex's internal controls over financial reporting on an ongoing basis and is committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

Panex's independent registered public accounting firm has not issued an attestation report regarding Panex's internal control over financial reporting. As a result, this annual report does not include such a report. Panex was not required to have, nor has Panex, engaged its independent registered public accounting firm to perform an audit of internal control over financial reporting pursuant to the rules of the Securities and Exchange Commission that permit Panex to provide only management's report in this annual report.

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

There were no changes in Panex's internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the year ended August 31, 2015, that materially affected, or are reasonably likely to materially affect, Panex's internal control over financial reporting.

#### **ITEM 9B - OTHER INFORMATION**

During the fourth quarter of the year covered by this Form 10-K, Panex had no information to be disclosed as required on a Form 8-K that was not previously disclosed.

### PART III

#### ITEM 10 – DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

a. Identify Directors and Executive Officers

The directors named below will serve until the next annual meeting of the stockholders. Thereafter, directors will be elected for one-year terms at the annual stockholders' meeting. Officers will hold their positions at the discretion of the board of directors, absent any employment agreement, of which none currently exists or is contemplated. There is no arrangement or understanding between the directors and officers and any other person pursuant to which any director or officer was to be selected as a director or officer.

The names, addresses, ages and positions of Panex's officers and directors that held their positions during or since the fiscal year ended August 31, 2015 are set forth below:

| <b>Name and Address</b>   | <b>Age</b> | <b>Positions</b>  |
|---|------------|---|
| <b>Mark Gasson</b><br>13 Allegro, Legato, Durbanville, South Africa   | 57         | Chief Executive Officer, President, Director            |
| <b>Mr Cong Mao Huai (appointed March 21, 2014)</b><br>5573 Avenue Kauka, Kinshasa, Democratic Republic of Congo | 53         | Director  |
| <b>Ross Doyle</b><br>Level 3, Gotthardstrasse 20, 6300 Zug, Switzerland   | 43         | Chief Financial Officer, Treasurer, Corporate Secretary |

On December 9, 2013 Klaus Eckhof resigned as CEO and President and occupied the position of Non Executive Director until July 24, 2014 at which time he tendered his resignation as a Non Executive Director.

**Mark Gasson:** Mr Gasson was appointed as Chief Executive Officer and President of Panex. Mr Gasson replaces Mr Eckhof. Mr Gasson brings vast experience and management skills, which will have a significant impact in the exploration and development of Panex's highly prospective mineral projects in the Democratic Republic of Congo. Mr Gasson is a geologist with more than 26 years of experience developing mineral deposits throughout the globe including Africa. He has held senior positions with a number of Australian and international mining companies operating in Africa. His most recent position was Managing Director of Erongo Energy Limited (ASX:ARN) and he was previously the Exploration Manager-East Africa for Gallery Gold Limited and the Executive Director of Exploration for Tiger Resources Limited.

**Cong Mao Huai:** Mr Huai brings significant experience with operating in the Democratic Republic of Congo and exposure to the Asian investment market.

**Ross Doyle (CA, BCOM):** Mr Doyle has been the Chief Financial Officer, Treasurer, and Corporate Secretary of Panex since March 2012. Mr Doyle is a Chartered Accountant with over 16 years experience as a strategic business analyst and CFO working with commodity firms and financial institutions.

b. Identify Significant Employees

Panex currently does not have any significant employees, with the exception of its officers.

c. Family Relationships

There are no family relationships among the directors, executive officers or persons nominated or chosen by Panex to become directors or executive officers.

d. Involvement in Certain Legal Proceedings

During the past ten years, none of Panex's directors or officers has been:

- a general partner or executive officer of any business against which any bankruptcy petition was filed, either at the time of the bankruptcy or two years prior to that time;
- convicted in a criminal proceeding or named subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities;
- subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity, or to be associated with persons engaged in any such activity;
- found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;
- found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;
- the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:
  - any Federal or State securities or commodities law or regulation; or
  - any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or
  - any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
  - the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization, any registered entity, or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

e. Compliance with Section 16(a) of the Exchange Act

All reports were filed with the SEC on a timely basis and Panex is not aware of any failures to file a required report during the period covered by this annual report.

f. Nomination Procedure for Directors

Panex does not have a standing nominating committee; recommendations for candidates to stand for election as directors are made by the board of directors. Panex has not adopted a policy that permits shareholders to recommend candidates for election as directors or a process for shareholders to send communications to the board of directors.

g. Audit Committee Financial Expert

Panex does not have a separately-designated standing audit committee. Mr Ross Doyle, Panex's chief financial officer has skills and experience commensurate with an "audit committee financial expert".

h. Identification of Audit Committee

Panex does not have a separately designated standing audit committee. Rather, Panex's board of directors performs the required functions of an audit committee. Panex's board of directors is responsible for: (1) selection and oversight of Panex's independent accountant; (2) establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters; (3) establishing procedures for the confidential, anonymous submission by Panex's employees of concerns regarding accounting and auditing matters; (4) engaging outside advisors; and, (5) funding for the outside auditory and any outside advisors engagement by the audit committee.

i. Code of Ethics

Panex has adopted a code of ethics that applies to all its executive officers and employees, including its CEO and CFO. See Exhibit 14.1 – Code of Ethics for more information. Panex undertakes to provide any person with a copy of its code of ethics free of charge. Please contact the company at +41 76 753 4401 to request a copy of Panex's code of ethics. Management believes Panex's code of ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code.

ITEM 11 – EXECUTIVE COMPENSATION

Panex has paid \$180,000 and \$141,730 in compensation to its named officers during its fiscal years ended August 31, 2015 and 2014, respectively.

**SUMMARY COMPENSATION TABLE**

| Name and principal position   | Year         | Salary<br>(\$) | Bonus<br>(\$) | Stock<br>Awards<br>(\$) | Option<br>Awards<br>(\$) | Non-Equity<br>Incentive<br>Plan<br>(\$) | Non-qualified<br>Deferred<br>Compensation<br>Earnings (\$) | All other<br>compensation<br>(\$) | <b>Total</b><br>(\$) |
|---|--------------|----------------|---------------|-------------------------|--------------------------|---|--|-----------------------------------|----------------------|
| Klaus Eckhof, Chairman, CEO,<br>President, Non Executive<br>Director – resigned December<br>9, 2013 ^ | 2015         | 65,000         | -             | -                       | -                        | -                                       | -  | -                                 | 65,000               |
|   | 2014         | 38,523         | -             | -                       | -                        | -                                       | -  | -                                 | 38,523               |
| Ross Doyle CFO appointed<br>March 26, 2012^   | 2015         | 50,000         | -             | -                       | -                        | -                                       | -  | -                                 | 50,000               |
|   | 2014         | 51,603         | -             | -                       | -                        | -                                       | -  | -                                 | 51,603               |
| Mark Gasson CEO appointed<br>December 9, 2013^  | 2015         | 65,000         | -             | -                       | -                        | -                                       | -  | -                                 | 65,000               |
|   | 2014         | 51,603         | -             | -                       | -                        | -                                       | -  | -                                 | 51,603               |
| Cong Mao Huai Director<br>appointed March 21, 2014  | 2015<br>2014 | -              | -             | -                       | -                        | -                                       | -  | -                                 | -                    |

^ Administration, accounting, SEC support, annual report preparation and lodgment, CFO and secretarial fees of \$107,264 (2014: \$161,094) was paid or payable to Coresco AG, a company in which Mr Gasson and Mr Doyle has a beneficial interest. This amount includes fees paid to Mr Gasson and Mr Doyle of \$99,141

Currently, there are no arrangements between Panex and any of its directors whereby such directors are compensated for any services provided as directors. There are no other employment agreements between Panex and any named executive officer, and there are no employment agreements or other compensating plans or arrangements with regard to any named executive officer which provide for specific compensation in the event of resignation, retirement, other termination of employment or from a change of control of Panex or from a change in a named executive officer's responsibilities following a change in control.

PANEX RESOURCES INC.  
 FINANCIAL STATEMENTS (EXPRESSED IN U.S. DOLLARS)  
 ANNUAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

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**ITEM 12 – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL HOLDERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The following tables set forth, as of the date of this annual report, the total number of common shares owned beneficially by Panex’s director and officers, individually and as a group, and the present owners of 5% or more of Panex’s total outstanding common shares. The stockholders listed below have direct ownership of their shares and possess sole voting and dispositive power with respect to the shares.

*Security Ownership of Certain Beneficial Owners (more than 5%)*

| <b>Title of Class</b>  | <b>Name and Address of Beneficial Owner</b>  | <b>Amount and Nature of Beneficial Owner <sup>[1]</sup></b> | <b>Percent of Class <sup>[2]</sup></b> |
|------------------------|--|---|--|
| Shares of common stock | <b>Samba Minerals Ltd.</b><br>55 Salvado Rd, Level 1, Suite 5, Subiaco,<br>WA6008, Australia | 225,000,000   | 20.17%                                 |
|                        | <b>Patane Ltd.</b><br>Graben 27, Vienna, Austria   | 110,000,000   | 9.86%                                  |
|                        | <b>Orca Capital GmbH</b><br>Sperling 2, Pfaffenhofen 85276, Germany                          | 100,000,000   | 8.97%                                  |

<sup>[1]</sup> The listed beneficial owner has no right to acquire any shares within 60 days of the date of this Form 10-K from options, warrants, rights, conversion privileges or similar obligations excepted as otherwise noted.

<sup>[2]</sup> Based on 1,115,363,507 shares of common stock issued and outstanding as of November 6 2015.

*Security Ownership of Management*

| <b>Title of Class</b>  | <b>Name and Address of Beneficial Owner</b>   | <b>Amount and Nature of Beneficial Owner <sup>[1]</sup></b> | <b>Percent of Class <sup>[2]</sup></b> |
|------------------------|---|---|--|
| Shares of common stock | <b>Ross Doyle</b><br>Level 3, Gotthardstrasse 20, 6300 Zug,<br>Switzerland              | 41,977,553  | 3.76%                                  |
| Shares of common stock | <b>Mark Gasson</b><br>13 Allegro, Legato, Durbanville, South Africa                     | 25,000,000  | 2.24%                                  |
| Shares of common stock | <b>Mr Cong Mao Huai</b><br>5573 Avenue Kauka, Kinshasa, Democratic<br>Republic of Congo | 0   | 0                                      |
| Shares of common stock | Directors and Executive Officers (as a group)   |   | 6.00%                                  |

<sup>[2]</sup> Based on 1,115,636,507 shares of common stock issued and outstanding as of November 6, 2015.

**Changes in Control**

Panex is not aware of any arrangement that may result in a change in control of Panex.

ITEM 13 – CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

a. Relationships with Insiders

Since the beginning of Panex's last fiscal year, no director, executive officer, security holder, or any immediate family of such director, executive officer, or security holder has had any direct or indirect material interest in any transaction or currently proposed transaction, which Panex was or is to be a participant, that exceeded the lesser of (1) \$120,000 or (2) one percent of the average of Panex's total assets at year-end for the last three completed fiscal years, except for the following:

Consultant Agreements

Mark Gasson and Ross Doyle are beneficial shareholders in Coresco AG (Coresco). Coresco charges \$3,000 for office and facilities and administrative support and \$7,000 for financial, management and statutory reporting, CFO and treasury functions, totaling to \$10,000 per month. This agreement was entered on December 1, 2011, and can be terminated with 6 months notice subsequent to December 31, 2012. During May 2015 the agreement with Coresco was terminated.

During May 2015 a consulting agreement was entered into with Mark Gasson and Ross Doyle for up to USD15,000 and USD10,000 per month. Amounts will be charged on a need basis and it is not expected the full amount will be incurred.

b. Transactions with Promoters

During the past five fiscal years, Klaus Eckhof (resigned on December 9, 2013) has been a promoter of Panex's business, but has not received anything of value from Panex nor is entitled to receive anything of value from Panex for services provided as a promoter of the business of Panex.

c. Director Independence

Panex's board of directors consists of Mark Gasson and Cong Mau Huai. Pursuant to Item 407(a)(1)(ii) of Regulation S-B of the Securities Act, Panex's board of directors has adopted the definition of "independent director" as set forth in Rule 4200(a)(15) of the NASDAQ Manual. In summary, an "independent director" means a person other than an executive officer or employee of Panex or any other individual having a relationship which, in the opinion of Panex's board of directors, would interfere with the exercise of independent judgement in carrying out the responsibilities of a director, and includes any director who accepted any compensation from Panex in excess of \$200,000 during any period of 12 consecutive months within the three past fiscal years. Also, the ownership of Panex's stock will not preclude a director from being independent.

In applying this definition, Panex's board of directors has determined that Mr. Gasson does not qualify as an "independent director" pursuant to the same Rule.

As of the date of the report, Panex did not maintain a separately designated compensation, nominating or audit committee. Panex has also adopted this definition for the independence of the members of its audit committee. Panex's board of directors has determined that Mr. Eckhof is not "independent" for purposes of Rule 4200(a)(15) of the NASDAQ Manual, applicable to audit, compensation and nominating committee members, and is "independent" for purposes of Section 10A(m)(3) of the Securities Exchange Act.



ITEM 14 – PRINCIPAL ACCOUNTING FEES AND SERVICES

a. Audit Fees

The aggregate fees billed and expected to be billed for each of the last two fiscal years for professional services rendered by the principal accountant for Panex's audit of its annual financial statements, reviews of its quarterly financial statements, or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years was:

2014 - \$30,000 - GHP Horwath, P.C.  
2015 - \$34,500 - GHP Horwath, P.C.

b. Audit-Related Fees

The aggregate fees billed in each of the last two fiscal years for audit related services by the principal accountants that are reasonably related to the performance of the audit or review of Panex's financial statements and are not reported in the preceding paragraph:

2014 - \$Nil - GHP Horwath, P.C.  
2015 - \$Nil - GHP Horwath, P.C.

c. Tax Fees

The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning was:

2014 - \$Nil - GHP Horwath, P.C.  
2015 - \$Nil - GHP Horwath, P.C.

d. All Other Fees

The aggregate fees billed in each of the last two fiscal years for the products and services provided by the principle accountant, other than the services reported in paragraphs (a) and (b) was:

2014 - \$Nil - GHP Horwath, P.C.  
2015 - \$Nil - GHP Horwath, P.C.

e. Audit Committee

Panex does not have an Audit Committee. Therefore Panex's Board of Director's pre-approval policies and procedures described in paragraph (c)(7)(i) of Rule 2-01 of Regulation S-X were that the Board of Director's pre-approve all accounting related activities prior to the performance of any services by any accountant or auditor.

## **PART IV**

### **ITEM 15 – EXHIBIT, FINANCIAL STATEMENT SCHEDULES**

#### **1. Financial Statements**

Audited financial statements of Panex Resources Inc. have been included in Item 8 above and Exhibit A attached.

#### **2. Financial Statement Schedules**

All schedules for which provision is made in Regulation S-X are either not required to be included herein under the related instructions or are inapplicable or the related information is included in the footnotes to the applicable financial statement and, therefore, have been omitted from this Item 15.

#### **3. Exhibits**

All exhibits required to be filed with the Form 10-K are included in this annual report or incorporated by reference to Panex's previous filings with the SEC, which can be found in their entirety at the SEC website at [www.sec.gov](http://www.sec.gov) under SEC File Number 333-130264 and SEC File Number 000-51707.

PANEX RESOURCES INC.  
FINANCIAL STATEMENTS (EXPRESSED IN U.S. DOLLARS)  
ANNUAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

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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 person.

PANEX RESOURCES INC.  
*/s/ Mark Gasson*  
Name: Mark Gasson  
Title: President and CEO  
Principal Executive Officer

November 6 2015

*/s/ Ross Doyle*  
Name: Ross Doyle  
Title: CFO  
Principal Financial Officer

November 6, 2015

PANEX RESOURCES INC.  
FINANCIAL STATEMENTS (EXPRESSED IN U.S. DOLLARS)  
ANNUAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

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**EXHIBIT A**  
FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Panex Resources Inc. Board of Directors and Stockholders

We have audited the accompanying balance sheets of Panex Resources Inc. (the "Company") (an Exploration Stage Company) as of August 31, 2015 and 2014, and the related statements of operations, cash flows and stockholders' equity (deficiency) for each of the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Panex Resources Inc. as of August 31, 2015 and 2014, and the results of its operations and cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company had a net loss of approximately \$504,000 for the year ended August 31, 2015, and a deficit accumulated during the exploration stage of approximately \$13,898,000 as of August 31, 2015. The Company also has a limited history and no revenue producing operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans with regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ GHP HORWATH, P.C.

Denver, Colorado

November 06, 2015

PANEX RESOURCES INC.  
 FINANCIAL STATEMENTS (EXPRESSED IN U.S. DOLLARS)  
 ANNUAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

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**BALANCE SHEETS**

| PANEX RESOURCES INC.<br>(An exploration stage enterprise)<br>Balance Sheets | As at<br>31 August<br>2015 | As at<br>31 August<br>2014 |
|---|----------------------------|----------------------------|
| (Expressed in U.S. Dollars)   | \$                         | \$                         |
| <b>ASSETS</b>   |                            |                            |
| Current assets  |                            |                            |
| Investment  | 113,653                    | 1,351,587                  |
| Cash  | 553,267                    | 2,524                      |
| Total current assets  | <u>666,920</u>             | <u>1,354,111</u>           |
| Total assets  | <u>666,920</u>             | <u>1,354,111</u>           |
| <b>Liabilities and Stockholders' Equity</b>                                 |                            |                            |
| <b>Current liabilities</b>  |                            |                            |
| Accounts payable and accrued expenses                                       | 45,246                     | 42,922                     |
| Accounts payable and accrued expenses related parties (Note 4(b))           | 30,000                     | 45,523                     |
| Loans and borrowings, related party   | -                          | 35,000                     |
| Total liabilities (all current)   | <u>75,246</u>              | <u>123,445</u>             |
| <b>Stockholders' Equity</b>   |                            |                            |
| Common stock  |                            |                            |
| Authorized: 2,000,000,000<br>common shares with par value of \$0.001 each   |                            |                            |
| Issued and outstanding:   |                            |                            |
| 1,125,636,507 (August 31, 2014: 1,416,136,507) common shares                | 1,125,636                  | 1,416,136                  |
| Additional paid-in capital  | 13,286,725                 | 13,131,129                 |
| Donated capital   | 77,627                     | 77,627                     |
| Accumulated deficit during the exploration stage                            | <u>(13,898,314)</u>        | <u>(13,394,226)</u>        |
| Stockholder' equity   | <u>591,674</u>             | <u>1,230,666</u>           |
| Total liabilities and stockholders' equity                                  | <u>666,920</u>             | <u>1,354,111</u>           |

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

PANEX RESOURCES INC.  
 FINANCIAL STATEMENTS (EXPRESSED IN U.S. DOLLARS)  
 ANNUAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

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STATEMENTS OF OPERATIONS

| PANEX RESOURCES INC.                          | For the          | For the          |
|---|------------------|------------------|
| (An exploration stage enterprise)             | Year             | Year             |
| Statements of Operations                      | Ended            | Ended            |
|   | 31 August        | 31 August        |
|   | 2015             | 2014             |
| (Expressed in U.S. Dollars)                   | \$               | \$               |
| Listing and filing fees                       | 6,085            | 14,686           |
| Investor relation expenses                    | 31,686           | 181,457          |
| Professional fees                             | 102,917          | 209,325          |
| Travel costs                                  | 13,734           | 12,640           |
| General and administrative                    | 241,640          | 192,407          |
| Foreign currency transaction gain             | (25,644)         | (20,021)         |
| Mineral property and exploration costs        | 2,384            | 1,388,295        |
|   | <u>372,802</u>   | <u>1,978,789</u> |
| Other income (expense)                        |                  |                  |
| Gain (Loss) on sale of investment             | (10,244)         | 1,981,344        |
| Investment revaluation                        | (121,042)        | 216,270          |
|   | <u>(131,286)</u> | <u>2,197,614</u> |
| Net Income (Loss)                             | <u>(504,088)</u> | <u>218,825</u>   |
| Earnings (Loss) Per Share – Basic and Diluted | *                | *                |
| Weighted Average Shares Outstanding           | 1,380,893,375    | 397,269,510      |

\* 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)  
 ANNUAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

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STATEMENTS OF CASH FLOWS

| PANEX RESOURCES INC.   | For the   | For the     |
|--|-----------|-------------|
| (An exploration stage enterprise)  | Year      | Year        |
| Statements of Cash Flow s  | Ended     | Ended       |
|  | 31 August | 31 August   |
| (Expressed in U.S. Dollars)  | 2015      | 2014        |
|  | \$        | \$          |
| Cash Flow s From Operating Activities  |           |             |
| (Net loss) income  | (504,088) | 218,825     |
| Adjustments to reconcile net (loss) Income to cash used in operating activities: |           |             |
| Foreign currency transaction gain  | (25,644)  | (20,021)    |
| Loss (Gain) on sale of investment  | 10,244    | (1,981,344) |
| Investment revaluation   | 121,042   | (216,270)   |
| Increase (decrease) in accounts payable and accrued liabilities                  | 2,323     | 205,983     |
| Increase (decrease) in amounts due to related parties                            | (15,523)  | (18,120)    |
| Net Cash Used in Operating Activities  | (411,646) | (1,810,947) |
| Cash Flow s From Investing Activities  |           |             |
| Cash received from sale of investment  | 1,228,728 | -           |
| Cash used for purchase of investment   | (122,080) | -           |
| Net Cash Provided by Investing Activities  | 1,106,648 | -           |
| Cash Flow s From Financing Activities  |           |             |
| Loan from related parties  | 16,400    | 94,000      |
| Loan repaid to related parties   | (51,400)  | (9,000)     |
| Loan from unrelated third parties  | -         | 846,027     |
| Common shares issued for cash  | (189,905) | 861,900     |
| Net Cash (Used in) Provided by Financing Activities                              | (224,905) | 1,792,927   |
| Effect of Exchange Rates on Cash   | 80,646    | 20,025      |
| Increase in Cash   | 550,743   | 2,005       |
| Cash at Beginning of Period  | 2,524     | 519         |
| Cash at End of Period  | 553,267   | 2,524       |

See note 7 for non-cash investing and financing transactions.

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



PANEX RESOURCES INC.  
 FINANCIAL STATEMENTS (EXPRESSED IN U.S. DOLLARS)  
 ANNUAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

STATEMENTS OF STOCKHOLDER'S EQUITY (DEFICIENCY)

| PANEX RESOURCES INC<br>(An exploration stage enterprise)<br>Statements of Stockholder's Equity and<br>Comprehensive income (Loss)<br>For the Year Ended August 31, 2015 and 2014<br>(Expressed in U.S. Dollars) | Common Stock  |           | Additional paid-<br>in capital | Donated Capital | Accumulated<br>(deficit) | Total stockholders<br>equity |
|---|---------------|-----------|--------------------------------|-----------------|--------------------------|------------------------------|
|   | Shares        | Amount    | \$                             | \$              | \$                       | \$                           |
|   | #             | \$        |                                |                 |                          |                              |
| Balances, August 31, 2013   | 118,261,507   | 118,261   | 13,080,699                     | 77,627          | (13,613,055)             | (336,468)                    |
| Net loss (income)   | -             | -         | -                              | -               | 218,829                  | 218,827                      |
| Common stock issued for settlement of liabilities on November 15, 2013 at \$0.001 per share   | 248,000,000   | 248,000   | -                              | -               | -                        | 248,000                      |
| Common stock issued for settlement of liabilities during quarter ended February 28, 2014 at \$0.001 per share   | 50,975,000    | 50,975    | -                              | -               | -                        | 50,975                       |
| Common stock issued for cash on May 13, 2014 at \$0.001 per share   | 40,300,000    | 40,300    | -                              | -               | -                        | 40,300                       |
| Extinguishment of liabilities with a related party  | -             | -         | 50,430                         | -               | -                        | 50,430                       |
| Common stock issued for settlement of liabilities and for cash received of \$821,600 on August 12, 2014 at \$0.001 per share  | 958,600,000   | 958,600   | -                              | -               | -                        | 958,600                      |
| Balances, August 31, 2014   | 1,416,136,507 | 1,416,136 | 13,131,129                     | 77,627          | (13,394,226)             | 1,230,666                    |
| Net loss (income)   | -             | -         | -                              | -               | (504,088)                | (504,088)                    |
| Common stock issued for settlement of debt in June 2015   | 27,500,000    | 27,500    | 27,500                         | -               | -                        | 55,000                       |
| Common stock repurchased for cash on July, 2015 at \$0.001 per share  | (318,000,000) | (318,000) | 128,095                        | -               | -                        | (189,905)                    |
| Balances, August 31, 2015   | 1,125,636,507 | 1,125,636 | 13,286,725                     | 77,627          | (13,898,314)             | 591,674                      |

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 generated a loss of \$504,088 for the year ended August 31, 2015, and a deficit accumulated during the exploration stage of \$13,898,314 for the period May 28, 2004 (inception) through August 31, 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 has no mineral property interests as of the date of this report. Certain mineral property interests are presently being considered, however it is too early to determine whether they may be considered appropriate for acquisition.

During the next 12 months, management's objective is to recapitalize Panex, continue to raise new capital and to seek new investment opportunities in the mineral sector. Management believes that its worldwide industry contacts will make it possible to identify and assess new projects for acquisition purposes.

Panex is seeking a viable business opportunity through acquisition, merger or other suitable business combination method, with a focus on undervalued mineral properties for eventual acquisition. Panex intends to concentrate its acquisition efforts on mineral properties or mineral exploration businesses that management believes to be undervalued or that management believes may realize a substantial benefit from being publicly owned. Panex will continue to identify and assess undervalued mineral properties when capital raisings are completed. A small number of mineral properties are presently being reviewed, but it is too early to say whether they may be considered appropriate for acquisition.

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. .

### 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 recognized in earnings. At August 31, 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.

### 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.

As of August 31, 2015, the Company's investments are classified as Level 1 and there are no level 2 or level 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.

### 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. 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

The Company has no stock options outstanding.

### 4. Related Party Transactions

- a. During the year ended August 31, 2014 Coresco forgave money owing for an amount of \$50,430, which is reported as an extinguishment of liabilities in the Statements of Stockholder's equity (deficiency) (August 31, 2015: Nil).
- b. The Company incurred \$185,322 (including \$99,141 of management fees) respectively in total for management, exploration and contractor expenses during the fiscal year ended August 31, 2015 (August 31, 2014: \$199,617 (including \$38,523 of management fees)). This amount is a combination of exploration contracting services paid to the CEO, Non Executive Director and CFO of the Company. Total management fees for Coresco are contracted at maximum of 20,000 Swiss Francs per month (however this has not been charged) and comprise office rental, infrastructure, investor meeting rooms, company secretarial services, CEO, CFO, Technical Services and Non Executive Director fees. This agreement was entered on December 1, 2011, and can be terminated with 6 months notice subsequent to December 31, 2012. The contract with Coresco was terminated in May 2015. As of August 31, 2015, the Company has an accrued liability of \$Nil for these services due to this related party (August 31, 2014: \$45,524).
- c. During May 2015 a consulting agreement was entered into with Mark Gasson and Ross Doyle for up to USD15,000 and USD10,000 per month. Amounts will be charged on a need basis and it is not expected the full amount will be incurred. At end of year there was an accrued liability of \$30,000 payable to Mark Gasson and Klaus Eckhof.
- d. 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.

## 5. Loans and Borrowings

In September 2012, November 2012 and June 2013 the Company received loan proceeds of \$75,000, \$25,000 and \$10,000 respectively (totalling \$110,000), from an unrelated third party. The loan is unsecured, and had no stated interest rate. \$75,000 of these funds received was used to pay aged outstanding accounts payable in December 2012. During November 2013, the Company entered into a debt settlement agreement with this unrelated third party 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 \$110,000, for a total of 110,000,000 shares at a price of \$0.001 per share.

During November 2013, Ross Doyle loaned the Company \$50,000 as a short term unsecured bridge loan at an interest rate of 10% (November 30, 2012: Nil). The loan was subsequently debt settled during the quarter ended February 28, 2014.

During March 2014, the Company received loan proceeds of \$300,000, from an unrelated third party. The loan is unsecured, and had no stated interest rate. The loan was assigned to Burey Gold Ltd upon the successful conclusion of the transaction with Burey Gold Ltd consummated on August 12, 2014. The funds received were used to pay aged outstanding accounts payable during the quarter ending May 31 2014. Of the total \$300,000 loan proceeds, the full \$300,000 was distributed directly by the lender to repay certain vendors of the Company in Democratic Republic of Congo, with the majority being license fees.

During June 2014, the Company received loan proceeds of \$466,027 (AUD \$500,000), from an unrelated third party. The loan is unsecured, and had no stated interest rate. The loan was assigned to Burey Gold Ltd after the successful conclusion of the transaction with Burey Gold Ltd consummated on August 12, 2014. The funds received were used to pay aged outstanding accounts payable during the quarter ending May 31, 2014. Of the total \$466,027 loan proceeds, \$96,027 was distributed directly by the lender to repay certain vendors of the Company in Democratic Republic of Congo.

During July 2014, the Company received loan proceeds of \$80,000 from Burey Gold Ltd. The loan is unsecured and had no stated interest rate. The loan was assigned to Burey Gold Ltd upon successful conclusion of the transaction with Burey Gold Ltd consummated on August 12, 2014.

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.

## 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 and launch its business operations. Panex is seeking financing in the form of equity in order to provide the necessary working capital. 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 and Financing Activities

On November 5, 2014 the Company filed a Form S-a 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.

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.

During November 2013, 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 \$248,000, for a total of 248,000,000 shares at a price of \$0.001 per share. The \$0.001 per share value is consistent with the cash per share value received by the Company in a November 2013 stock transaction (described below).

During November 2013 (share certificates issued during quarter ended February 28, 2014), 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 \$50,975, for a total of 50,975,000 shares at a price of \$0.001 per share.

On December 7, 2013 the Company entered into an agreement to acquire 85% of Amani Consulting SPRL currently in Joint Venture with state entity La Société Minière de Kilo Moto (Sokimo). Upon completion of the acquisition the Company will own an ultimate 55% interest in Giro Goldfields SPRL (Giro). Amani has a 65% interest and Sokimo has a 35% free carried interest in Giro which is comprised of two exploitation permits, PE's 5046 and 5049, covering a surface area of 610sqkm. The permits lie within 20-30km west of Randgold/Ashanti's 20Moz Kibali gold deposits.

Pursuant to the terms and conditions of the Term Sheet dated May 22, 2014 and final agreement executed in August 2014, Panex has assigned and surrendered all of the rights and interests it may have in the share purchase agreement dated December 7, 2013 with Amani (the "Purchase Agreement") to Burey Gold Limited ("Burey"). In addition, Panex has assigned to Burey all of its rights, title, and interest in the loans it has provided for the purpose of funding exploration on the Giro Project (the "Loans"). These loans totalled \$846,027. In consideration of the assignment of all of Panex's rights and interests in the Purchase Agreement and the Loans Burey has issued an aggregate 55,705,232 shares in the capital of Burey to Panex (the "Burey Shares"). The parties agreed that the terms and conditions provided in the Term Sheet are binding. Certain shareholders of Panex are also officers and non-controlling shareholders of Burey; however, Panex has no board or other management rights in the operations of Burey. The Burey Shares represent approximately 11.8% of the total outstanding share issuances of Burey. Burey is listed on the Australian Securities Exchange and the Burey Shares issued to Panex are fully tradeable. At the date of the final executed agreement, the Company's carrying value of the Amani agreement was nil as the Company previously expensed all Amani related exploration costs, the Burey shares had a fair value of \$1,135,000 (trading for AUD\$0.022 per share), and the loans assigned to Burey totalled \$846,000 resulting in a gain of approximately \$1,981,000.

Through May 31 2014 50,975,000 shares of common stock at \$0.001 per share were issued in consideration of settlement of liabilities of \$50,975 during the quarter ended February 28, 2014. In addition, 40,300,000 have been issued during the quarter ended May 31, 2014.



During June 2014, the Company received loan proceeds of \$466,027 (AUD \$500,000), from an unrelated third party. The loan is unsecured, and had no stated interest rate. The loan was assigned to Burey Gold Ltd after the successful conclusion of the transaction with Burey Gold Ltd consummated on August 12, 2014. The funds received were used to pay aged outstanding accounts payable during the quarter ending May 31, 2014. Of the total \$466,027 loan proceeds, \$96,027 was distributed directly by the lender to repay certain vendors of the Company in Democratic Republic of Congo. On July 23, 2014 the Company approved a conditional equity financing to raise up to \$958,600 in working capital for operations, exploration and administration. On August 12, 2014 the Company issued 958,600,000 restricted shares of common stock at a price of \$0.001 per share to raise the working capital. The Company set the value of the restricted shares arbitrarily without reference to its assets, book value, revenues or other established criteria of value. All the restricted shares to be issued in the offering were issued for investment purposes in "private transactions".

During the quarter ended November 30, 2013 Coresco forgave money owing to Coresco for an amount of \$50,430, which is reported as an extinguishment of liabilities in the Statements of Stockholder's equity (deficiency) (November 30, 2012: Nil).

## 8. Income Taxes

The components of the Company's net deferred tax asset as of August 31, 2015 and 2014, rate and the valuation allowance are as follows:

|                        | <u>2015</u>        | <u>2014</u>       |
|------------------------|--------------------|-------------------|
| Net operating losses   | 7,576,559          | 7,072,471         |
| Loan loss reserves     | <u>6,100,000</u>   | 6,100,000         |
|                        | 13,676,559         | <u>13,172,471</u> |
| Statutory tax rate     | 35%                | 35%               |
| Deferred tax asset     | 4,786,796          | 4,610,365         |
| Valuation allowance    | <u>(4,786,796)</u> | (4,610,365)       |
| Net deferred tax asset | =                  | -                 |

The Company has net operating loss carry-forwards for tax purposes of approximately \$7,576,559, which begin expiring in 2031. The utilization of the net operating loss carry-forwards cannot be assured.

Deferred income tax reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company provided a valuation allowance of 100% of its net deferred tax asset due to the uncertainty of generating future profits that would allow for the realization of such deferred tax assets

## 9. Subsequent Events

The Company repurchased a further ten million shares in October 2015. During October 2015, the Company repurchased shares in Burey Gold Limited 20,000,000 common shares for Australian dollar 0.02/share. In addition there is an option to purchase 20,000,000 common shares of Burey Gold Limited for Australian dollar \$0.005 per common share (aggregate of Australian dollar \$500,000) Otherwise than as disclosed above and within the financial statements there are no other subsequent events.

**PANEX RESOURCES INC. CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

**CERTIFICATION**

I, Mark Gasson, certify that:

1. I have reviewed this annual report on Form 10-K for the fiscal year ended August 31, 2015 of Panex Resources Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

***/s/ Mark Gasson***

Mark Gasson

Chief Executive Officer

November 6 2015

**PANEX RESOURCES INC. CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

**CERTIFICATION**

I, Ross Doyle, certify that:

1. I have reviewed this annual report on Form 10-K for the fiscal year ended August 31, 2015 of Panex Resources Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

*/s/ Ross Doyle*

Ross Doyle

Chief Financial Officer

November 6, 2015

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Panex Resources Inc. (the "Company") on Form 10-K for the fiscal year ended August 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Klaus Eckhof, President, Chief Executive Officer of the Company and sole member of the Board of Directors, certify, pursuant to s.906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material aspects, the financial condition and result of operations of the Company.

*/s/ Mark Gasson*

Mark Gasson

Chief Executive Officer

November 6, 2015

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Panex Resources Inc. (the "Company") on Form 10-K for the fiscal year ended August 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ross Doyle, Chief Financial Officer, Treasurer, and Corporate Secretary of the Company, certify, pursuant to s.906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material aspects, the financial condition and result of operations of the Company.

*/s/ Ross Doyle*

Ross Doyle

Chief Financial Officer

November 6 2015