



PJX RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2014

PJX RESOURCES INC.

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The following discussion and analysis ("MD&A") of the operating results and financial condition of PJX Resources Inc. ("PJX" or the "Company") for the fiscal years ended December 31, 2014 ("F2014") and December 31, 2013 ("F2013") should be read in conjunction with the audited financial statements of the Company and notes thereto at December 31, 2014.

The audited financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts are expressed in Canadian dollars.

Additional information has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online at www.sedar.com.

The date of this report is April 29, 2015.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

FORWARD LOOKING INFORMATION

The Company's MD&A contains statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, *Continuous Disclosure Obligations* of the Canadian Securities Administrators. Forward-looking information includes, but is not limited to, information concerning PJX's exploration program and planned gold production as well as PJX's strategies and future prospects. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Assumptions upon which such forward-looking information is based include, without limitation, availability of skilled labour, equipment, and materials. Many of these assumptions are based on factors and events that are not within the control of PJX and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking information include changes in market conditions, variations in ore reserves, resources, grade or recovery rates, risks relating to international operations (including legislative, political, social, or economic developments in the jurisdictions in which PJX operates), economic factors, government regulation and approvals, environmental and reclamation risks, actual results of exploration activities, fluctuating metal prices and currency exchange rates, costs, changes in project parameters, conclusions of economic evaluations, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes and the availability of skilled labour, failure of plant, equipment or processes to operate as anticipated, capital expenditures and requirements for additional capital, risks associated with internal control over financial reporting, and other risks of the mining industry as well as those risk factors discussed in the Long Form Prospectus of PJX available at www.sedar.com. Although PJX has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be

other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. PJX undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.

NATURE OF OPERATIONS

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

The principal activities of the Company are mineral exploration projects located near Cranbrook, British Columbia. The Company is considered to be in the exploration stage, has no producing properties and, consequently, has no current operating income or cash flow. Financing of the Company's activities to date has been obtained from equity issues.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing in order to fund its working capital and exploration requirements and eventually to generate positive cash flows either from operations or the sale of properties.

The Company's financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the going concern assumption were inappropriate, and these adjustments could be material.

COMPANY OVERVIEW

The Company's goal is to build shareholder value and community opportunity through the exploration, discovery, and development of mineral resources.

The Company's principal mineral property is the Dewdney Trail Property. The Company holds 100% interest in the Dewdney Trail Property and 4 additional properties (the Vine (including the Vine Extension), Eddy, Zinger and West Basin) in the Cranbrook area. All properties are road accessible and proximal to power lines, rail and communities with a mining history.

The Technical Report written by R.I. Thompson, PhD, P.Eng, a Qualified Person within the meaning of National Instrument 43-101, concludes that gold showings on the Dewdney Trail Property exhibit many features in common that support potential for a large tonnage deposit of the Sediment Hosted Vein type (SHV). SHV deposits are some of the largest gold producers in the world.

Highlights for 2014

Operations

- The Annual General and Special Meeting was held on June 25, 2014. The Shareholders of record:
 - approved the Audited Financial Statements;
 - set the number of directors of the Company at six and re-elected Messrs. John Keating, James Clare, Kent Pearson, Somerset Parker, Joseph Del Campo, and Ms. Linda Brennan;
 - reappointed PricewaterhouseCoopers LLP as Auditors of the Company for the ensuing year; and
 - approved the Company's Share Incentive Plan.

Exploration

- On February 27, 2014, PJX announced that it completed a Purchase and Sale Agreement with Klondike Gold Corp. to acquire a 100% interest in the Vine Extension Property. See also *Acquisition of the Mineral Properties* under *Results of Operations* section below
- Computer modelling of the Vine Property gravity geophysical survey has identified 2 separate large target areas (Eastern and Western targets) with potential to host Sedimentary Exhalative (Sedex) massive sulphide (zinc, lead, silver) mineralization.
- Drilling on the Eastern target suggests the potential for zinc-lead-silver massive sulphides in a geological environment similar to what occurs at the former Sullivan mine located 35 kilometers (“km”) to the north of the Vine Property.
- Report prepared by Dr. Trygve Hoy on the regional and local geology supports the potential for discovery of a significant lead-zinc-silver deposit at the Vine and West Basin Properties.
- Two separate soil grids (West and East grids) have identified potential for gold mineralization in the Gold Run Lake area on the Zinger Property. Highly anomalous soil results ranging up to 743 parts per billion (“ppb”) and 4941 ppb (equivalent to 4.9 grams per tonne (“g/t”)) gold were encountered on the West and East grids, respectively.

Financial

- On August 22, 2014 the Company announced a private placement of 4.8 million units through the issuance of Flow Through Units and Units at a price of \$0.15 per Flow-Through Unit and \$0.125 per Unit. Each Unit and Flow Through Unit consisted of one Common Share of PJX and one non-transferable Warrant. Each Warrant in connection the Offering entitles the holder to purchase one Common Share at an exercise price of \$0.20 for 24 months following completion of the Offering.
- Pursuant to the Offering, the first tranche was completed on September 23, 2014 which resulted in the issue of 190,000 Flow Through Units and 2,650,000 Units for gross proceeds of \$359,750. Each Warrant issued in connection with the first tranche of the Offering entitles the holder thereof to purchase one Common Share at an exercise price of \$0.20 until September 22, 2016.
- On August 22, 2014 the Company announced it has extended the exercise period of a total of 8,939,500 outstanding share purchase warrants. The Warrants were issued pursuant to a private placement completed between August 17, 2012 and October 9, 2012 and accepted for filing by the TSX Venture Exchange on October 9, 2012. The Warrants were due to expire on September 25, 2014 and October 3, 2014 and were exercisable at \$0.25 per share. The new expiration date of the Warrants is September 25, 2015. See also *Warrants Outstanding* under *Share Data* section, below.
- On August 22, 2014 the Company announced that it has also amended the purchase price of a total of 6,319,500 of the aforementioned 8,939,500 outstanding Warrants. The amended Warrants are now exercisable at \$0.20 per share. The remaining 2,620,000 Warrants are held by insiders of the Company and were not re-priced but remain exercisable at \$0.25 per share.
- On October 9, 2014 the Company announced that it had amended its previously announced Non-Brokered private placement (August 22, 2014) from 4.8 million units to up to 6 million units.
- The final tranche of the Offering was completed on November 5, 2014 through the issuance of 1,905,000 Flow Through Units at a price of \$0.15 per Flow Through Unit, and 1,094,245 Units at a price of \$0.125 per Unit for gross proceeds of \$422,531. Each Warrant issued in connection with the final tranche of the Offering entitles the holder thereof to purchase one Common Share at an exercise price of \$0.20 until November 4, 2016.
- The two tranches of the Offering resulted in the aggregate issuance of 5,839,245 units for gross proceeds of \$782,281.

- Subsequent to the year end, on April 1, 2015, the Company announced that it has completed a Non-Brokered Private Placement for total proceeds of \$1,273,000 by issuing aggregate of 6,365,000 units consisting of 2,855,000 Flow Through Units and 3,510,000 Units. Each Flow Through Unit was issued at a price of \$0.20 per flow through unit and consists of one common share and one half of one non-transferable common share purchase warrant. Each Unit was issued at a price of \$0.20 per Unit and consists of one common share and one non-transferable common share purchase warrant. Each Warrant, regardless of whether issued as part of a Flow Through Unit or a Unit, entitles the holder to purchase one common share at an exercise price of \$0.20 for 24 months following completion of the Offering.
- On April 8, 2015 the Company announced that it had modified the above mentioned Offering by changing the structure of the securities placed to 3,605,000 Flow Through Units and 2,760,000 Units. The announced total proceeds remained unchanged.

Strategy and Objectives

PJX's strategy is to build opportunity by using innovative technology and approaches to explore and develop areas with high potential for world class gold and other metal deposits.

Objectives for 2015

- Exploration during 2014 has identified the potential for Sedex zinc, lead and silver mineralization on the Vine property and new zones with gold potential on the Zinger property. Gold targets have also been identified on the other properties. Drilling is planned to test the Vine property targets during 2015. The Zinger and Dewdney Trail gold targets will be prioritized for testing which could include further work to refine the target, trenching and/or drilling.
- Finance the Company to support continued exploration.
- Continue to communicate to existing and prospective shareholders the potential of the Cranbrook properties and how PJX will attempt to realize that potential.

Key Performance Drivers

The ability of the Company to continue exploration is dependent on the ability to raise capital in the market. Equity capital interest in PJX depends on the price of gold, exploration results and the market's appetite for risk.

2015 continues to be volatile for all stock markets. Market volatility, the price of metals and the appetite for risk cannot be controlled by the Company. However, the Company has assembled a team that has more than 100 years of working experience in the mining and exploration industry and meeting its related challenges. Demand for gold, silver and base metals is forecast by some to remain relatively robust, while supply for some metals, such as zinc, is expected to decline as mines close in the coming years. PJX believes it is well positioned to attract investor interest given its 100% interest in a large land package with favourable geology to host world class deposits. In addition, the properties are road accessible, proximal to rail, hydro, and located in mining friendly communities with an experienced workforce. The prime objective is to focus resources on exploration activities to discover a gold or base metal deposit. Marketing activities will be continued to communicate PJX's exploration results and potential.

Ability to Deliver Results

In addition to legal and capital market expertise, PJX's Board is made up of members with experience in all aspects of the minerals and metals industry from early stage exploration through to production stage companies. In order to advance its exploration projects effectively, the Company contracts experienced mineral exploration professionals with many years of working experience specific to our geographic regions of interest.

RESULTS OF OPERATIONS

Exploration

During the year ended December 31, 2014, PJX incurred \$385,724 in exploration expenses and received a refundable tax credit of \$149,878 (\$235,846 net exploration expenses), compared with \$567,734 in exploration expenses for the same period of fiscal 2013.

The following schedule describes exploration expenses incurred in each project for the years ended December 31, 2014 and 2013 as well as the balances since inception.

Years ended December 31,	2014	2013	Balance since inception
Dewdney Trail Property	\$ 33,055	\$ 88,879	\$ 877,014
Eddy Property	1,938	64,104	499,420
Zinger Property	27,699	141,925	456,472
Vine Property	319,656	241,813	703,417
Others	3,376	31,013	49,886
	385,724	567,734	2,586,209
<i>BC refundable tax credits receivable</i>	(149,878)	-	(149,878)
Total exploration expenses	\$ 235,846	\$ 567,734	\$ 2,436,331

Acquisition of the Mineral Properties

On October 17, 2013, PJX completed a Purchase and Sale (“P&S”) Agreement, with Spirit Gold Inc. (“SG”), and acquired 100% ownership in the Cranbrook Properties with no NSR or other retained interest by SG. Acquisition terms required PJX to make a \$125,000 payment (paid), and issue 500,000 PJX common shares to SG. SG has agreed to not sell the Shares for a period of 2 years from the closing date of the agreement and vote with PJX Management and Board during this period. If, at any time after 2 years, SG wishes to assign, sell or transfer the Shares, SG must notify PJX and PJX will have the opportunity to arrange for the sale of the Shares on terms not less favourable to SG than the terms contained in the notice provided by SG.

On February 27, 2014, PJX announced that it completed a P&S Agreement with Klondike Gold Corp. (“KG”) to acquire a 100% interest in the Vine Extension Property. Under the P&S Agreement, PJX purchased full ownership of the Property by issuing 700,000 PJX common shares, valued at \$91,000, to KG (issued). In addition to receiving the Shares, KG retains a royalty equal to 1% NSR from minerals produced from claims comprising the Vine Extension Property. The fair value of the issued shares are included as option payments under share issue cost.

KG agreed to vote with PJX Management and Board for a period of 2 years from the closing date (February 20, 2014). If, at any time for a period of 1 year from the closing date, KG wishes to assign, sell or transfer the Shares, KG must notify PJX and PJX will have the opportunity to arrange for the sale of the Shares on terms not less favorable to KG than the terms contained in the notice provided by KG.

The Cranbrook Properties are all accessible by road and located within a 40 km radius of Cranbrook and Kimberley, British Columbia. Three properties (Dewdney Trail, Zinger and Eddy) cover historical gold showings and have the potential to host large tonnage gold deposits. The fourth property (Vine Property) has an historical resource estimate of 1.3 million tonnes averaging 2.2 g/t gold, 36.3 g/t silver, 3.12% lead, 3.12% zinc and 0.11% copper. This historical resource was not prepared using resource categorizations as set out in NI 43-101. PJX is uncertain about the relevance or reliability of the resource estimate.

DEWDNEY TRAIL PROPERTY

The Dewdney Trail Property is the largest in size and considered to be one of the most prospective because of gold discoveries found in geology favourable for hosting large tonnage SHV gold deposits. The large property is over 21,000 hectares in size and is located 29 km northeast of Cranbrook, British Columbia.

Placer gold provided the first exploration interest in the area, starting in the mid to late nineteenth century, with deposits on the Wild Horse Creek proving large and profitable. Anecdotal information suggests at least 1.5 million ounces (46.7 million grams) of gold have been recovered from the creek; however, no corresponding lode gold deposits of any size have been discovered in the rock, suggesting the Wildhorse Creek Area has undeveloped potential for gold deposits. The Dewdney Trail Property is located upstream from placer deposits in Wildhorse Creek and may host the source of the placer gold.

Mapping to date has identified more than 15 km of favourable geology with potential to host gold mineralization. The favourable gold bearing quartzite-argillite unit ranges from 75 to over 200 m true width. Rock grab samples of the unit from prospecting and mapping contain gold concentrations up to 15 g/t. This target unit is pervasively altered (sericite-quartz-pyrite-Fe oxide-Fe carbonate) and veined throughout its length and width. Veins are locally closely spaced (centimetre scale), have widths ranging from millimetres to centimetres, and range in length from centimetres to a metre. Given the significant size potential of the sedimentary unit, PJX considers the Dewdney Trail Property to have great gold deposit potential.

In December 2010, RIT Minerals Corp. completed a 43-101 Technical Report (the “43-101”) on the Dewdney Trail Property for the Company. A copy of the Technical Report was filed on SEDAR on May 24, 2011 and is available in the Company’s filings on SEDAR (www.sedar.com). The 43-101 concludes that the Dewdney Trail Property contains: i) 3 large-tonnage SHV gold prospects called Spirit, Tac (“Tackle”) and Lewis; ii) a vein-type prospect called Jack Leg, and iii) a skarn and stockwork Cu-Au (possible porphyry) prospect called Dew Drop.

SHV deposits contain some of the largest gold reserves in the world. In Asia they include: Muruntau (>80 million ounces (“M oz”)), SukHöy Log (>20 M oz), and Amantaytau, Daugiztau, Kumtor, Bakirchik, Olympiada, Nezhdaninskoe, Natalka and Maysky (all > 5 M oz); in Australia, deposits of the Victorian gold fields include the: Bendigo (> 20 M oz), Ballarat, Fosterville and Stawell; in New Zealand: the Macraes plus numerous smaller deposits; in South America there are enumerable small to medium deposits; and in North America numerous small to medium deposits occur in the Meguma terrane of Nova Scotia.

The Company has compiled historical data; undertaken an airborne geophysical survey, surface mapping, soil and rock sampling; along with targeted trenching and drilling to help identify the most promising areas to host potential gold deposits. This work has confirmed the geological characteristics, such as folding, faulting, alteration, host rocks, and proximity to placer gold creeks that support the potential for SHV type gold deposits. Three large target areas (Lewis, Tackle and M1) have been identified as priorities for future exploration. Dr. Paul Klipfel, P.Geo., President of Mineral Resources Inc., is an expert in SHV deposits and has visited many of the deposits around the World. Dr. Klipfel’s assessment, after reviewing PJX’s data and visiting the property in October 2013, is that “the dimensions of the M1, Tackle, and Lewis target areas in the Dewdney Trail Property are of sufficient size to host a significant SHV deposit. The presence of multiple targets is also consistent with SHV deposits as the mineralizing processes happen over regional-scaled areas with formation of numerous mineralized zones.”

Outlook

The Lewis, Tackle and M1 target areas are the primary focus for exploration on the Dewdney Trail Property. Geological mapping continues to define the structural and geological controls that may influence gold deposit formation along the 15 km trend of gold mineralization in surface showings. Detailed surficial exploration within the large target areas is required to define specific target locations for testing by trenching and/or drilling.

ZINGER PROPERTY

The road-accessible Zinger Property is located 24 km west of Cranbrook, British Columbia. The large property, comprised of over 14,000 hectares of land, is located on the north flank of Perry Creek, directly

upstream from the historic Perry Creek placer gold deposits. PJX plans to explore the Zinger Property to determine whether it may have been a source for the placer gold.

Over an estimated \$1 million in exploration work has been spent by other explorers prior to PJX acquiring the property. The majority of this work has been collected and compiled by PJX's consulting geologists. This work has since been complemented by airborne and ground geophysics, soil and rock sampling, mapping and drilling.

The compilation has identified a trend of gold mineralization in bedrock samples that is at least 8 km long and 1.5 km wide. Over 1,380 bedrock grab sample analyses were compiled. Approximately 750 samples reported analyses above 20 ppb (0.02 g/t) gold. Of these, 86 samples ranged from 500 ppb (0.5 g/t) to 1000ppb (1.0 g/t), 101 samples ranged from 1000 ppb (1.0 g/t) to 5000 ppb (5.0 g/t), and 37 samples were equal to or greater than 5000 ppb (5.0 g/t) gold. The highest value reported was 39,597 ppb (39.6 g/t) gold.

Characteristics common to sample sites include: sericite-quartz-pyrite alteration; multiple veins sets on the millimetre and centimetre scale; brick red hematite staining; extensive silicification.

Mapping in 2012 and 2013 identified structural fold/flexures where sub-vertically dipping sediments warp or flex into a flat orientation and then return to a steep dip angle. These flexures in the sediments combined with cross faults appear to influence the location of alteration zones and possibly gold mineralization.

In 2012, PJX's drill hole (Hole ZG12-02) intersected 2.92 g/t gold over 2 m within a broader interval of 0.50 g/t gold over 22.38 m from a depth of 2.62 m (bedrock) down to 25 m. Additional anomalous gold mineralization was intersected sporadically in the 188 m long hole including a 9 m section with a weighted average grade of 0.38 g/t gold from 158 to 167 m. The gold mineralization appears to be associated with quartz veining and/or flooding in folded and sheared siltstones and argillites. The sediments are variably silicified and altered with sericite, chlorite and iron-carbonate. This gold mineralized zone supports the geological model for gold distribution that has been developed based on surface mapping.

Two soil grids (West and East grids) established over 1 km south of Hole ZG12-02 have identified the potential for gold mineralization in the Gold Run Lake area on the property. Highly anomalous soil results ranging up to 743 ppb and 4941 ppb (equivalent to 4.9 g/t) gold were encountered on the West and East grids, respectively. The gold anomalies appear to coincide with established geological trends and structures that are often associated with gold mineralization.

Outlook

Two highly anomalous gold in soil anomalies occur on strike with an 8 km long trend of gold mineralization in bedrock grab samples. Additional sampling is required as the anomalies appear to extend off the grids. The gold anomalies have never been trenched or drilled.

EDDY PROPERTY

The road accessible Eddy Property is located 14 km south west of Cranbrook, British Columbia and 6 km southeast of the Zinger Property. The large property is comprised of more than 20,000 hectares of land on the north flank of the Moyie River. The Eddy Property hosts a succession of gold-mineralized quartz veins which occur along shear zones within the fold hinge of a regional anticline that is at least 9.5 km long. A total of 64 grab samples of bedrock have returned values up to 57 g/t gold and demonstrate the potential for high-grade gold concentrations along the shear zones.

The fold hinge and associated shears are breached by placer-bearing streams (e.g. Weaver Creek) that flow southeast or south into the Moyie River, a site of historical placer operations. Visible gold in shear-related quartz veins is commonplace, suggesting the shear zones may be the source of the placer gold. Alteration assemblage on the Eddy Property consists of quartz-sericite-pyrite-Fe carbonate, similar to the Dewdney Trail Project.

Prime geological targets for ore-body sized gold concentrations may occur at offsets along the Old Baldy shear fault system which traverses the Eddy Property for a distance exceeding 10 km. Several offsets in the fault system are consistent with releasing bends where shoot-like dilation zones for hosting gold may exist.

Airborne geophysical (Electromagnetic and Magnetic) surveys have identified potential structures and geology that may be associated with gold mineralization. Compilation of historical data with the new survey information has identified 4 large VTEM conductivity anomalies. Four preliminary holes drilled in late 2012 to test the geophysical anomalies were inconclusive as the source of the anomalies could not be defined by the geology in the holes. Down hole geophysics on 2 of the holes (ED12-01, ED12-04) has identified moderate to strong conductors that may represent mineralized zones off to the side of the holes.

Outlook

Results from drilling and geophysics have been compiled with historical work and have identified multiple areas with gold and base metal potential for further testing. Additional work will be required to better define the geophysical anomalies and geological controls prior to further testing.

VINE PROPERTY (INCLUDES THE VINE EXTENSION PROPERTY)

The road-accessible Vine Property is located 11 km south of Cranbrook, British Columbia. The property was initially 459 hectares in size and has since been expanded to over 8,000 hectares through staking and optioning the Vine Extension.

In the late 1970s, Cominco discovered lead, zinc and silver mineralization in Proterozoic aged Middle Aldridge Formation argillites and quartzites on the Vine Property.

The following summary of the Vine occurrence is quoted from the B.C Ministry of Energy Mines, and Petroleum Resources' Minfile Record Summary (082GSW050):

"The Vine 1 occurrence is a shear-related vein system in Middle Aldridge Formation argillites and quartzites.

Recent drilling (1990) of the Vine structure (630 metres depth) has intersected 3 massive sulphide veins. The upper vein has a true width of 4 metres, the middle vein a true width of 2 metres and the lower vein a true width of 3.4 metres. The upper vein averages 2.94 per cent lead, 0.2 per cent zinc and 29.13 grams per tonne silver across 4 metres. The middle vein averages 36.24 per cent lead, 12.16 per cent zinc, 229.67 grams per tonne silver and 0.34 grams per tonne gold across 2 metres. The lower vein averages 4.7 per cent lead, 2.09 per cent zinc, 0.36 per cent copper and 35.3 grams per tonne silver across 3.4 metres. The lower vein represents a new sulphide zone within the Vine structure (George Cross News Letter #224 (November), 1991).

Proven and probable reserves for the Vine property are 1,300,000 tonnes grading 2.2 grams per tonne gold, 36.3 grams per tonne silver, 3.12 per cent lead, 3.12 per cent zinc and 0.11 per cent copper (MDAP - Kokanee Exploration Ltd. Prospectus (1990))."

Kokanee Exploration Ltd.'s resource estimate reported above is a historical estimate and was not prepared using the resources categorizations set out in NI 43-101. The Company is not aware of any more recent resource estimate for this property. The Company is uncertain as to the relevance or reliability of the historical estimate.

In 2012 Terralogic Exploration Services, geologic consultants for PJX, completed entering historical Vine deposit drilling data into a digital format for computer modeling. Rock and soil samples were taken during 2012 to assess potential mineralized trends at surface. Compilation and modeling suggest the mineralized Vine vein structure continues to depth and along strike beyond previous drilling. The compilation also suggests the potential for bedded massive sulphide mineralization at depth.

Ground geophysical surveys by Excel Geophysics have identified what appear to be 2 large positive gravity anomalies (eastern and western). PJX believes that the target areas may have potential to host Sedex massive sulphide (zinc, lead, silver) mineralization similar in style to the Sullivan deposit located 35 km to the north. Massive sulphide mineralization containing zinc, lead, silver and iron sulphides are often more dense than surrounding rocks and this density contrast can appear as a positive gravity anomaly.

Drilling during Q2, 2014, and in Q1, 2015 has discovered what the Company believes is a restricted third-order sedimentary basin. Restricted third-order sedimentary basins are important geological environments often associated with Sedex deposits.

The Company's Q1, 2015 drill hole (VA15-02) intersected Proterozoic age Lower Aldridge sediments that contain anomalous sphalerite (zinc sulphide) and pyrrhotite (iron sulphide) mineralization along fractures and disseminated in sedimentary beds that are locally altered by sericite, chlorite, albite, silica and occasional garnets. The presence of anomalous sphalerite mineralization with alteration supports the potential for massive sulphides to be deposited in the basin at the target sedimentary horizon called the Footwall Quartzite. Historical holes (KV90-41 and KV94-57) drilled in the early 1990's by other companies discovered massive sulphide with zinc, lead and silver mineralization at the base of the Footwall Quartzite, approximately 1.2 km west of PJX's hole VA15-02. Hole VA15-02 intersected a fault before reaching the Footwall Quartzite target horizon. Preliminary assessment of the data suggests that the target horizon is at depth beneath the hole.

The western gravity target appears to be entirely separate and stratigraphically above the eastern target. A computer model, prepared by Excel Geophysics, suggests that the western target may have multiple zones of flat lying Sedex mineralization. The model also identified a potential vertical zone of mineralization that may be a possible feeder zone to the flat lying mineralization. The western target area has never been drilled.

Dr. Trygve Hoy (P.Eng), former research economic geologist with the British Columbia Department of Mines, noted in a report to PJX about the regional and local geological significance of the Vine and West Basin Properties that, "In summary, the Vine and West Basin area has potential for discovery of a significant lead-zinc-silver sedex deposit. The area is within a highly favourable structural and metallogenic belt, has characteristics and controls that are similar to those in the Sullivan camp area, has known Proterozoic-age lead-zinc-silver mineralization, and a prominent geophysical target. Future exploration should be directed to mainly defining more rigorously the gravity geophysical anomaly and systematic diamond drilling to test the "footwall quartzite" horizon as well as the overlying Sullivan horizon."

Outlook

Exploration during 2014 and early 2015 has identified the potential for Sedex style zinc, lead, and silver mineralization similar to the Sullivan deposit, This new geological information and existing geophysical data are being used to refine target depths and locations in preparation for the next phase of drilling during 2015.

WEST BASIN PROPERTY

The road accessible West Basin Property is located approximately 16 km southwest of Cranbrook, British Columbia. The 3,400 hectare property was acquired to cover favorable geology with potential to host Sedex (sedimentary exhalative) massive sulphide mineralization similar in style to the Sullivan deposit. Interpretation, by Excel Geophysics Inc., of the Vine and regional gravity data identified a poorly defined gravity anomaly 6 km southwest of the Vine anomaly. The large 2 km wide by 5 km long anomaly is located on the western side of the Vine grabben, and covers two known lead-zinc occurrences, called the Fors and Smoker.

The British Columbia Geological Survey describes the Fors as a "well preserved example of a small, high grade lead-zinc-silver sedimentary exhalative and vein deposit". The BC Ministry of Energy, Mines and Petroleum Resources' Minfile Record Summary (082GSW041) describes the Smoker occurrence as "a vent

complex measures 400 by 100 m and is composed of breccia fragments in a matrix of siltstone. The breccia contains zones of weak to abundant disseminated galena (lead), sphalerite (zinc) and pyrrhotite (iron sulphide) associated with intense albite and sericite alteration.”

Outlook

Detailed ground geophysics is required to further define the large gravity anomaly and its possible relationship to existing lead-zinc-silver occurrences (Fors and Smoker) and to identify potential deposits on strike and at depth within the anomaly.

OTHER PROPERTIES

PJX staked 1,069 hectares of land in British Columbia (Arrow Lake Property) to review historical data and determine if gold and other metal potential of those areas warrants exploration programs. No significant expenditures are proposed for these project generative properties at this time.

The Company remains focused on advancing priority targets to test and make a discovery. The Vine Property targets are the next priority to evaluate as they are accessible year round.

SELECTED ANNUAL INFORMATION

The following table provides selected financial information and should be read in conjunction with the Company’s audited financial statements.

Years ended December 31,	2014	2013
Revenue	\$ -	\$ -
Loss for the year	(761,327)	(1,211,974)
Loss per share	(0.02)	(0.04)
Total assets	674,440	535,263
Non-current assets	53,065	71,265
Total liabilities	106,227	74,748
Long-term liabilities	-	-
Shares issued and outstanding	43,813,446	36,344,201

The Company generated a net loss of \$761,327 for the year ended December 31, 2014 (“fiscal 2014”) compared with a loss of \$1,211,974 for the same period of fiscal 2013.

The main drivers of fiscal 2014 losses were general and administration expenses (“G&A”) and exploration expenditures as detailed below.

General and administration:

Years ended December 31,	2014	2013	% change
Insurance	\$ 13,437	\$ 13,744	-2.2%
Interest, bank charges and penalties	761	608	25.2%
Investor Relations	104,588	119,234	-12.3%
Listing and regulatory fees	25,084	28,921	-13.3%
Office expenses	22,574	14,167	59.3%
Professional fees	112,093	104,906	6.9%
Rent	2,217	1,703	30.2%
Salaries and benefits	287,256	271,922	5.6%
Travel & transportation	10,052	27,361	-63.3%
	\$ 578,062	\$ 582,566	-0.8%

General and administration expenses remained relatively stable during fiscal 2014, when compared to fiscal 2013. The most significant changes in G&A for fiscal 2014 were as follows:

Investor relations expenses for the year ended December 31, 2014 decreased by \$14,646 when compared to last fiscal year. The decrease is composed of a reduction in traveling expenses of \$12,253 and a decrease of other investor relation activities of \$2,393.

The increase in professional fees of \$7,187 was mainly composed increases in accounting and auditing fees.

The reduction on listing and regulatory activities of \$3,837 was due to an overall reduction on regulatory compliance filings.

Office expenses increased by \$8,407 during fiscal 2014 when compared to the same period of fiscal 2013 mainly as a result of charges related to the relocation of the Company's CFO from Toronto to Vancouver.

The increase in salaries and benefits of \$15,334 is associated with a relocation bonus of \$15,000 paid to the CFO of the Company during the fourth quarter of fiscal 2014. (See related party transactions.) The bonus paid was related to the relocation of the CFO in an effort to reduce travel and transportation costs.

Exploration:

Years ended December 31,	2014	2013	Change	%Change	Balance Since inception
Geology, geophysics and geochemistry	\$ 169,069	\$ 198,860	(29,791)	-15.0%	\$ 1,233,475
Exploration-Other Accommodations	-	-	-	0.0%	2,440
Permitting	3,438	1,858	1,580	85.0%	40,300
Land rights & claim management	6,824	19,441	(12,617)	-64.9%	54,379
Drilling	67,638	95,717	(28,079)	-29.3%	466,951
Laboratory	17,704	4,467	13,237	296.3%	153,241
Roads and surface preparation	-	977	(977)	-100.0%	70,944
Camp cost and exploration supplies	1,529	1,054	475	45.1%	9,646
Exploration - Travel & transportation	21,720	23,213	(1,493)	-6.4%	71,440
Exploration- Meals	2,162	1,703	459	27.0%	7,490
Rent - Field office	4,640	6,900	(2,260)	-32.8%	18,855
Surface sampling and mapping	-	-	-	0.0%	50,505
Legal expenses	-	3,544	(3,544)	-100.0%	3,544
Option payments	91,000	210,000	(119,000)	-56.7%	403,000
	\$ 385,724	\$ 567,734	\$ (182,010)	-32.1%	\$ 2,586,210
<i>BC refundable tax credits receivable</i>	(149,878)	-	(149,878)	100.0%	(149,878)
Total exploration expenses	\$ 235,846	\$ 567,734	\$ (331,888)	-58.5%	\$ 2,436,332

Exploration expenses during fiscal 2014 decreased by \$ 331,888 when compared to the same period of fiscal 2013, the main component being Refundable tax credits received from the Government of British Columbia during F2014, effectively reducing net exploration expenditures by \$149,878.

Other areas with significant changes during fiscal 2014, when compared to fiscal 2013 were:

Geology, geophysics and geochemistry expenses decreased by \$29,791 where a decrease in geologist professional fees of \$63,550, and a reduction in geological report preparation cost of \$20,399 were offset by cost increases in general geological work of \$34,156, principally at the Dewdney and Vine properties, and increases in geophysical expenses of \$19,996 incurred at the Vine property.

The decrease in land rights and claim management of \$12,617 is mainly due to lowered reclamation bond

costs in 2014. Claims management decreased as well by \$2,471 as the Company disposed of some minor properties during fiscal 2014.

The decrease in drilling expenses of \$28,079 is the result of declining drilling activities during fiscal 2014. During fiscal 2014 and 2013, drilling has been focused in the Vine property.

For fiscal 2014 there was an increase in laboratory costs related to the Dewdney property (F2014: \$7,777) and Eddy property (F2014: \$9,927). During F2013 laboratory charges were mainly related to the Dewdney Trail property.

Option payments during F2014 decreased by \$119,000 as during fiscal 2013 the Company paid \$190,000 to fully acquire the Dewdney Trail, Vine, Zinger and Eddy properties. During fiscal 2014 the Company issued 700,000 common shares of PJX valued at \$91,000 as payment for a 100% interest in the Vine extension property.

The following schedule describes exploration expenses incurred for each project during the years ended December 31, 2014 and 2013:

Years ended December 31,	2014	2013	Change	Balance since inception
Dewdney Trail Property	\$ 33,055	\$ 88,879	(55,824)	\$ 877,014
Eddy Property	1,938	64,104	(62,166)	499,420
Zinger Property	27,699	141,925	(114,226)	456,472
Vine Property	319,656	241,813	77,843	703,417
Others	3,376	31,013	(27,637)	49,886
	385,724	567,734	(182,010)	2,586,209
<i>BC refundable tax credits receivable</i>	(149,878)	-	(149,878)	(149,878)
Total exploration expenses	\$ 235,846	\$ 567,734	\$ (331,888)	\$ 2,436,331

During fiscal 2014, PJX focused its exploration work in the Vine property where it incurred \$319,656 compared to \$241,813 during fiscal 2013. A significant part of this expenditure was incurred in geophysics where \$100,252 were spent. The other two most significant expense components for this property were drilling with \$66,305 and an option payment of \$91,000 incurred to acquire all the rights on the Vine extension.

LIQUIDITY AND CAPITAL RESOURCES

On November 20, 2013 the Company announced the undertaking of a non-brokered private placement. Pursuant to the Offering, the first tranche was completed on November 27, 2013 which resulted in the issue of 485,000 Flow Through Units at a price of \$0.15 per Flow Through Unit, and 3,334,000 Units at a price of \$0.125 per Unit for gross proceeds of \$489,500. Each Unit and Flow Through Unit consisted of one Common Share of PJX and one non-transferable Warrant. Each Warrant in connection with the first tranche of the Offering entitles the holder thereof to purchase one Common Share at an exercise price of \$0.20 for 24 months following completion of the Offering.

The final tranche of the Offering announced on November 20, 2013 was completed on February 11, 2014 through the issuance of 260,000 Flow Through Units at a price of \$0.15 per Flow Through Unit, and 670,000 Units at a price of \$0.125 per Unit for gross proceeds of \$122,750. Each Warrant in connection with the second tranche of the Offering entitles the holder thereof to purchase one Common Share at an exercise price of \$0.20 for 24 months following completion of the Offering.

On August 22, 2014 the Company announced a private placement of 4.8 million units through the issuance of Flow Through Units and Units at a price of \$0.15 per Flow-Through Unit and \$0.125 per Unit. Each Unit

and Flow Through Unit consisted of one Common Share of PJX and one non-transferable Warrant. Each Warrant in connection the Offering entitles the holder to purchase one Common Share at an exercise price of \$0.20 for 24 months following completion of the Offering.

Pursuant to the Offering, the first tranche was completed on September 23, 2014 which resulted in the issue of 190,000 Flow Through Units and 2,650,000 Units for gross proceeds of \$359,750. Each Warrant issued in connection with the first tranche of the Offering entitles the holder thereof to purchase one Common Share at an exercise price of \$0.20 until September 22, 2016.

On October 9, 2014 the Company announced that it had amended its previously announced Non-Brokered private placement (August 22, 2014) from 4.8 million units to up to 6 million units. On November 5, 2014, PJX issued an additional 1,905,000 Flow-Through Units at a price of \$0.15 per Flow-Through Unit, and 1,094,245 Units at a price of \$0.125 per Unit for gross proceeds of \$422,531. The two tranches of the Offering resulted in the aggregate issuance of 5,839,245 units for gross proceeds of \$782,281.

The Company also received, during fiscal 2014, Mining Exploration Tax Credit refunds of \$149,878 from the British Columbia government.

As at December 31, 2014, the Company had \$621,375 in current assets (cash, receivables, prepaid and deposits) that will be used to for general and administrative expenses and continued exploration on its properties.

The working capital of the Company has increased from \$389,250 at December 31, 2013 to \$515,148 at December 31, 2014 and its exploration commitments have been reduced from \$1.5 million as at December 31, 2013 to \$nil at the date of this report. The Company has successfully secured its key properties and is not required to make any cash payments or conduct material exploration work. This provides PJX management with the flexibility to adapt its investment and operations decisions as best fit market conditions.

Outlook

The Company has no producing properties and, consequently, has no current operating income or cash flow. The Company's access to capital may not be available on terms acceptable to the Company or at all. Financing of the Company's activities to date has been obtained from equity issues. The continuing short-term development of the Company's properties therefore depends on the Company's ability to obtain additional financing through equity investments. The Company's current cash position will enable it to fund the Corporation's planned exploration program, operating expenses and unallocated working capital for the next twelve months.

The Company constantly reviews future exploration plans related to advancing its properties. The work plan will consider what work will be most beneficial for each project and the Company as balanced against the cash balance and market conditions affecting future funding. The Company is focused on ensuring capital resources are spent in the most efficient manner.

SUBSEQUENT EVENTS

Subsequent to year end, on April 1, 2015, the Company announced that it had completed a Non-Brokered Private Placement for total proceeds of \$1,273,000 by issuing aggregate of 6,365,000 units consisting of 2,855,000 Flow Through Units and 3,510,000 Units, both at a price of \$0.20. Each Flow Through Unit was issued at a price of \$0.20 per flow through unit and consists of one common share and one half of one non-transferable common share purchase warrant. Each Unit was issued at a price of \$0.20 per Unit and consists of one common share and one non-transferable common share purchase warrant. Each Warrant, regardless of whether issued as part of a Flow Through Unit or a Unit, entitles the holder to purchase one common share at an exercise price of \$0.20 for 24 months following completion of the Offering.

On April 8, 2015 the Company modified the above mentioned Offering by changing the structure of the securities placed to 3,605,000 Flow Through Units and 2,760,000 Unit. The announced total proceeds remained unchanged. All securities issued under the Offering are subject to a statutory four- month hold period.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth a breakdown of the most relevant components of the Company's costs and results of operations for each of the eight most recently completed quarters:

Quarter Ended	Revenue	Net income (loss)		Exploration expenses	General and administration
		Total	Per Share		
December 31, 2014	Nil	(\$254,186)	(\$0.01)	\$88,629	\$183,780
September 30, 2014	Nil	(130,675)	(0.00)	30,428	119,395
June 30, 2014	Nil	(90,864)	(0.00)	(25,497)	123,023
March 31, 2014	Nil	(285,602)	(0.01)	142,286	151,864
December 31, 2013	Nil	(369,903)	(0.01)	104,353	166,306
September 30, 2013	Nil	(350,557)	(0.01)	230,515	120,042
June 30, 2013	Nil	(317,900)	(0.01)	153,241	164,659
March 31, 2013	Nil	(173,614)	(0.01)	79,625	131,559

FOURTH QUARTER

Three months ended December 31,	2014	2013
Expenses		
Exploration	\$ 88,629	\$ 230,515
General and administration	183,780	120,042
Loss before income taxes	(272,409)	(350,557)
Deferred tax recoveries	18,223	-
Net loss and comprehensive loss for the period	(254,186)	(350,557)
	-	-
Basic and diluted loss per share	(\$0.01)	(\$0.01)
Weighted average number of shares outstanding	42,639,828	32,025,201

The following schedule describes the exploration expenses, by project, incurred by PJX during the fourth quarter of fiscal 2014 compared to the same period of fiscal 2013:

Three months ended December 31,	2014	2013	Change
Dewdney Trail Property	\$ 16,623	\$ 15,362	1,261
Eddy Property	550	1,752	(1,202)
Zinger Property	300	38,041	(37,741)
Vine Property	71,156	24,090	47,066
Others	-	25,108	(25,108)
	88,629	104,353	(15,724)
Total exploration expenses	\$ 88,629	\$ 104,353	\$ (15,724)

The following schedule describes the exploration expenses, by function, incurred by PJX during the fourth quarter of fiscal 2014 compared to the same period of fiscal 2013:

Three months ended December 31,	2014	2013	Change
Geology, geophysics and geochemistry	\$ 65,293	65,287	6
Permitting	1,100	-	1,100
Land rights & claim management	4,838	1,162	3,676
Drilling	1,362	435	927
Laboratory	7,967	254	7,713
Camp cost and exploration supplies	1,083	176	907
Exploration - Travel & transportation	6,135	13,944	(7,809)
Exploration- Meals	851	995	(144)
Rent - Field office	-	2,100	(2,100)
Option payments	-	20,000	(20,000)
Total exploration expenses	\$ 88,629	\$ 104,353	\$ (15,724)

Exploration expenses during the fourth quarter of fiscal 2014 were concentrated on the Vine property where \$71,156 were incurred. The main expenditures were on geophysical and geological work for \$56,447, travel and transportation related to exploration for \$6,135, claim management for \$4,728 and drilling related work for \$1,362.

At the Dewdney Trail property, the Company incurred \$7,777 in laboratory related work and \$8,846 in prospecting.

The following schedule describes the general and administration expenses incurred by PJX during the fourth quarter of fiscal 2014 compared to the same period of fiscal 2013:

Three months ended December 31,	2014	2013
Insurance	\$ 3,375	\$ 3,326
Interest, bank charges and penalties	63	327
Investor Relations	28,348	29,336
Listing and regulatory fees	2,526	2,307
Office expenses	4,070	3,769
Professional fees	61,963	55,718
Rent	357	357
Salaries and benefits	82,420	67,017
Travel & transportation	658	4,149
	\$ 183,780	\$166,306

The most significant increases in general and administration expenses during the fourth quarter of fiscal 2014, when compared to the same period of fiscal 2013, were professional fees, with an increase of \$6,245 resulting from increased audit and accounting provisions during the quarter, and salaries and benefits that increased by \$15,000 as a result of a relocation bonus paid to the CFO of the Company. The Company hopes to continue to reduce travel and transportation costs with this relocation.

RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

a) Purchase of services:

During the years ended December 31, 2014 and 2013 the Company contracted legal services from a firm where a partner is also a director of PJX.

Years ended December 31,	2014	2013
Fees to legal firm where a director of PJX is a partner	\$ 9,006	\$ 21,228
	\$ 9,006	\$ 21,228

b) Key management compensation:

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

Years ended December 31,	2014	2013
Salaries	\$ 279,000	\$264,000
Stock-based compensation	-	80,635
	\$ 279,000	\$344,635

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

December 31,	2014	2013
Payable to a firm where a director of the Company is a partner	\$ -	\$ 386
	\$ -	\$ 386

Payables to related parties for purchases and services are due on thirty days after reception and bear no interest.

All transactions with related parties for purchases and services are on an arm's length basis and recorded at exchange amounts.

COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

The Company is a party to certain employment contracts. These contracts contain clauses requiring that \$462,000 be paid upon a change of control of the Company. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in the Company's December 31, 2014 unaudited interim financial statements.

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

On February 27, 2014, PJX announced that it has completed a P&S Agreement with KG to acquire a 100% interest in the Vine Extension property. Under the Purchase Agreement, which replaces the original Option Agreement, PJX would not have to complete the remaining \$1.4 million on exploration work or pay the 200,000 shares (none paid to date). PJX has purchased full ownership of the Property by issuing 700,000 PJX common shares to KG. Accordingly, at the date of this report, the Company has no commitments related to exploration obligations or option payments on property acquisitions.

The Company is required to incur qualified exploration expenditures of approximately \$197,000 not later than December 31, 2015 as the result of the flow through common shares issued during fiscal 2014 and the mining tax refund received from the British Columbia government.

TREND INFORMATION

There are no major trends which are anticipated to have a material effect on the Company's financial condition and results of operations in the near future.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements, capital lease agreements or long-term debt obligations.

PROPOSED TRANSACTIONS

There are no proposed transactions that will materially affect the performance of the Company.

CRITICAL ACCOUNTING ESTIMATES AND CHANGES IN ACCOUNTING POLICIES

Critical accounting estimates and judgements

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of the financial statements:

- The inputs used in accounting for share-based payment transactions in profit or loss. PJX estimates the value of stock based compensation granted using the Black-Scholes valuation method. Several assumptions including volatility, risk-free interest rate and expected option life are significant assumptions used in determining the values of options.
- The assumptions used for determining the amount of deferred income tax assets, liabilities, expense and recovery, including the income tax rate to be used and recoverability of deferred tax assets involve critical judgement and estimates.
- The inputs used in accounting for share purchase warrants transactions in the statement of financial positions. PJX estimates the warrants issued using a standard valuation method. Several assumptions including volatility, risk-free interest rate and expected option life are significant assumptions used in determining the values of options.

Changes in accounting policies

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2014. The changes were made in accordance with the applicable transitional provisions.

- (i) IAS 32 *Financial instruments, presentation* – In December 2011, effective for annual periods beginning on or after January 1, 2014, IAS 32 was amended to clarify the requirements for offsetting

financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

- (ii) IFRIC 21 *Levies* - effective for annual periods beginning on or after 1 January 2014, identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. The Interpretation clarifies that 'economic compulsion' and the going concern principle do not create or imply that an obligating event has occurred.

Future accounting changes:

- (iii) IFRS 9, *Financial instruments: classification and measurement* – IFRS 9 as issued reflects the IASB's work to date on the replacement of IAS 39, *Financial instruments: recognition and measurement* (IAS 39), and applies to the classification and measurement of financial assets and financial liabilities as defined in IAS 39. In November 2013, the IASB issued a new version of IFRS 9 (IFRS 9 (2013)) which includes the new hedge accounting requirements and some related amendments to IAS 39 and IFRS 7. IFRS 9 (2013) does not have a mandatory effective date.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments include cash and cash equivalents, accounts receivable, deposits and advances, accounts payable and accrued liabilities. Cash and cash equivalents have been designated as held-for-trading, which are measured at fair value. Accounts receivable is classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments and that their fair values approximate their carrying value unless otherwise noted.

Fair Value

Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The book values of the cash, other receivables, other financial assets, and accounts payable and accrued liabilities, approximate their respective fair values due to the short-term nature of these instruments.

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

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Board of Directors.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, tax credit receivable and sales tax receivable. Cash and cash equivalents are held with reputable Canadian chartered banks, from which management believes the risk of loss to be minimal. Financial instruments include sales tax receivable. Management believes that the credit risk concentration with respect to financial instruments is minimal. PJX is not involved in any situations involving extended payment terms.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At December 31, 2014 the Company had cash and cash equivalents balance of \$599,703 (December 31, 2013: \$444,396) to settle current liabilities of \$106,227 (December 31, 2013: \$74,748). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company does not have or expect to have a working capital deficiency. There is no default or arrears or significant risk of default or arrears on any payments (dividend, lease, principal or interest), on any debt covenants or on any redemption or retraction or sinking fund payments of PJX.

Market risk

Interest rate risk

The Company's current policy is to invest excess cash in interest bearing accounts at major Canadian chartered banks. The Company periodically monitors its cash management policy.

Sensitivity analysis

As of December 31, 2014, both the carrying and fair value amounts of the Company's financial instruments are the same. Based on Management's knowledge and experience of the financial markets, the Company believes that is "reasonably possible" that commodity price fluctuation could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of mineral commodities. As of December 31, 2014, the Company was not in the production phase. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Capital Management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its exploration properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended December 31, 2014. The Company is not subject to externally imposed capital requirements.

DISCLOSURE CONTROLS AND PROCEDURES

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

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109), the Company utilizes the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

- (i) Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISKS AND UNCERTAINTIES

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential successes lie in its ability to develop, exploit and generate revenue out of mineral deposits. Revenues, profitability and cash flow from any future mining operations involving the Company will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices have fluctuated widely and are affected by numerous factors beyond the Company's control.

PJX's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future.

In addition to other information set forth elsewhere in the financial statements, readers should carefully consider the comprehensive list of risk factors, included in the Long Form Prospectus under "*Risk Factors*". The Long Form Prospectus is available in the Company's filings on SEDAR (www.sedar.com).

Liquidity and Capital Markets Risks

The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and evaluation of its projects or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and evaluation of the property interests of the Company with the possible dilution or loss of such interests.

OUTSTANDING SHARE DATA

Subsequent to December 31, 2014 the Company closed a private placement where 6,365,000 shares and

4,562,500 warrants were issued. For details of this transaction please see the *Subsequent Events* section above.

The following schedule reconciles shares and warrants issued subsequent to year end as well as provide the fully diluted capital position of the Company as at the date of this report:

	<u>Units</u>
Common shares issued and outstanding at December 31, 2014	43,813,446
Issued on April 8, 2015 private placement	6,365,000
Total shares issued at the date of this report	<u>50,178,446</u>
Warrants outstanding at December 31, 2014	20,277,745
Issued on April 8, 2015 private placement	4,562,500
Total warrants issued at the date of this report	<u>24,840,245</u>
Stock options (December 31, 2014)	3,252,000
Fully Diluted number of shares at the date of this report	<u>78,270,691</u>

Warrants outstanding:

The following schedule describes the warrants outstanding at the date of this report:

<u>Expiry Date</u>	<u>Number of Warrants</u>	<u>Exercise price CAD\$</u>	<u>Fair Value</u>
<i>Regular warrants:</i>			
September 25, 2015	6,319,500	0.20	215,864
September 25, 2015	2,620,000	0.25	74,200
December 27, 2015	750,000	0.25	50,243
November 28, 2015	3,334,000	0.20	120,056
November 28, 2015	485,000	0.20	22,537
February 8, 2016	3,320,000	0.20	27,681
February 8, 2016	450,000	0.20	12,890
November 4, 2016	2,999,245	0.20	139,817
April 8, 2017	4,562,500	0.20	494,578
	<u>24,840,245</u>	<u>\$ 0.21</u>	<u>\$ 1,157,866</u>

On August 22, 2014 the Company announced it has extended the exercise period of a total of 8,939,500 outstanding share purchase warrants. These warrants were issued pursuant to a private placement completed between August 17, 2012 and October 9, 2012 and accepted for filing by the TSX Venture Exchange on October 9, 2012. The Warrants were due to expire on September 25, 2014 and October 9, 2014 and were exercisable at \$0.25 per share. The new expiration date of the Warrants is September 25, 2015.

On August 22, 2014 the Company announced that it has also amended the purchase price of a total of 6,319,500 of the aforementioned 8,939,500 outstanding Warrants. The amended Warrants are now exercisable at \$0.20 per share. The remaining 2,620,000 Warrants are held by insiders of the Company and will not be re-priced but remain exercisable at \$0.25 per share.

On December 22, 2014 the Company announced that it has amended the expiry date of a total of 750,000 warrants originally expiring on December 27, 2014 at an exercise price of \$0.25. The exercise price and fair value of these warrants remained unchanged.

The fair value of the amended warrants was re-measured at the time issuance date using the same valuation techniques that PJX utilizes when issuing new warrants. The decrease in the fair value of the re-issued warrants, when compared to the replaced ones, was \$308,483 and charged to contributed surplus.

The TSX Venture Exchange consented to the Warrant extension and re-pricing.

Share based compensation:

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

On November 19, 2013, the Company granted an aggregate of 1,018,500 incentive stock options to employees, officers, directors and consultants of the Company, pursuant to the Company's Stock Option Plan, at an exercise price of \$0.15 per share. November 15, 2018. No options were granted during fiscal 2014.

The following schedule describes the options outstanding at December 31, 2014:

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
November 6, 2016	\$0.30	1.85	2,233,500	2,233,500
November 15, 2018	\$0.15	3.88	1,018,500	1,018,500
Balance at December 31, 2014			3,252,000	3,252,000

QUALIFIED PERSON

The following scientific and technical information has been prepared or reviewed by John Keating, P.Geo., President and Chief Executive Officer of the Company. Mr. Keating also supervises all work associated with the Company's exploration programs and is a "qualified person" within the meaning of National Instrument 43-101.

Corporate information

Directors

John Keating, P.Geo⁽³⁾
President & CEO, PJX Resources Inc.
Ottawa, Ontario, Canada

Linda Brennan⁽¹⁾⁽²⁾
CFO, PJX Resources Inc.
Toronto, Ontario, Canada

James Clare, LLB
Toronto, Ontario, Canada

Kent Pearson, P.Geo⁽¹⁾⁽²⁾
Toronto, Ontario, Canada

Joseph Del Campo, CPA, CMA⁽¹⁾
Toronto, Ontario, Canada

Somerset Parker⁽¹⁾⁽²⁾
Toronto, Ontario, Canada

- (1) Audit Committee
- (2) Compensation Committee
- (3) Executive Chairman

Officers

John Keating, P.Geo
President, CEO, PJX Resources Inc.
Ottawa, Ontario, Canada

Linda Brennan
CFO, PJX Resources Inc.
Toronto, Ontario, Canada

Stock Listing

TSX Venture Exchange
Tier 2 Company,
Trading Symbol PJX
CUSIP: 72585A 10 9

Auditors

PricewaterhouseCoopers (PwC)
Toronto, Ontario

Legal Counsel

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Toronto, Ontario

Fraser Milner Casgrain, LLP
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Registrar & Transfer Agent

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Toronto, Ontario

Banker

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Investor Relations

Further information about the Company
is available on the Company's website at
www.pjxresources.com

The Company's filings with Canadian securities
regulatory authorities can be accessed on SEDAR at
www.sedar.com