



PJX RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2011

PJX RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 periods ended December 31, 2011 ("F2011") and eight months ended December 31, 2010 ("F2010") should be read in conjunction with the financial statements of the Company and notes thereto at December 31, 2011.

The 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 16, 2012.

Approval

The Audit Committee of the Company has approved the disclosure contained in this MD&A.

Forward-Looking Information

This MD&A contains "Forward-looking information" within the meaning of applicable Canadian securities legislation. 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.

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.

Nature of Operations and Going Concern

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 and 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 principal business is the acquisition, exploration and development of mineral resource properties in Canada. The Company's principal mineral property is the Dewdney Trail Property and the Company's goal is to become a producer of gold through the exploration, discovery, and development of mineral resources. The Company's Option Agreement for the Dewdney Trail Property includes the right to earn up to 80% interest in the Dewdney Trail Property and 3 Other Properties (Vine, Eddy and Zinger properties) in the Cranbrook area.

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 2011

Operations

- Company increased land holdings from 27,900 hectares to over 40,700 hectares, a 45% increase, at its gold properties near Cranbrook, British Columbia, Canada. The new claims are contiguous with favorable geology hosting gold mineralization on the properties.
- Exploration has identified numerous target areas with gold potential on the Dewdney Trail, Zinger, and Eddy properties.
- Compilation of historical drill hole data commenced to define targets on strike and at depth of the historical (Non 43-101 compliant) Vine deposit.

Dewdney Trail Property

- 400 rock grab samples were collected from 60% of the 20 large target areas with gold mineralization potential initially identified by airborne geophysics on the Dewdney Trail Property.
- Initial trenching confirms the gold bearing interbedded quartzite and argillite unit is over 250 metres ("m") in true width on the M1 target area.
- Initial drilling confirms that anomalous gold mineralization is most often associated with the more altered, veined and fractured sections of the interbedded quartzites and argillites.
- Exploration has identified 3 high priority large target areas with gold mineralization in soils and rocks for follow-up in 2012.

Zinger Property

- 339 kilometres ("km") VTEM airborne magnetic and electro-magnetic geophysical surveys were flown over an 8 km long and 1.5 km wide area covering showings with up-to 39 grams per tonne ("g/t") gold in rock grab samples.
- Compilation of historical data with the new information has identified a 5 km long magnetic and resistivity high trend in the airborne geophysics that is coincidental with gold in rock from surface grab samples. The trend in the airborne geophysics appears to become stronger and larger at depth.

Eddy Property

- 695 km VTEM airborne magnetic and electro-magnetic geophysical surveys were flown over the extension of

the Baldy Shear zone that could be a source for placer gold mineralization in Moyie Creek.

Vine Property

- 68 km VTEM airborne magnetic and electro-magnetic geophysical surveys were flown over the Vine deposit.
- Terralogic Exploration Services, (geologic consultants) has been contracted to enter over 50 historical drill holes on the Vine deposit into a digital format for computer modeling. This work will be completed in early 2012 and will be used to identify potential targets on strike and at depth of the deposit for drilling.

Financial

- The Company completed a \$2,500,000 Initial Public Offering (“IPO”) and commenced trading on the TSX Venture Exchange on September 14, 2011
- In November 2011 the Company granted 2,233,500 stock options to directors, employees and consultants at an exercise price of \$0.30 per share

Use of Proceeds		
Principal Purpose	Estimated Amount to be Expended	Actual Amount Spent
Dewdney Trail Project		
Total Phase I - Exploration Program	\$320,500	\$320,500
Total Phase II - Exploration Program	920,000	289,015
Payment pursuant to Option Agreement	30,000	30,000
Other Properties Exploration	135,000	400,305
General & Administrative	570,000	615,084
Unallocated Funds	126,500	126,500
Total Expenditures	\$2,102,000	\$1,381,499

The above table describes the Use of Proceeds from the monies raised through the IPO completed by the Company in September 2011 and described in its Long Form Prospectus filed on SEDAR on June 29, 2011. The Dewdney Trail Phase I program has been completed. Approximately 1/3 of the Phase II program was completed prior to ceasing operations due to snowfall conditions on the Dewdney Trail Property. Exploration on the other properties identified areas with additional mineral potential. Some funds were reallocated from the Dewdney Trail program to carry out additional work, including airborne geophysical surveys, on the other properties. Compilation of the 2011 and historical data on the Dewdney Trail and other properties is on-going and the results will be used to guide exploration programs during 2012. The amount spent on General and administrative fees exceeded the budgeted amount by \$171,584 due to increased legal fees. This amount was paid from unallocated funds. As at December 31, 2011, the Company had \$989,121 in current assets (cash, receivables, prepaid and deposits) that will be used to for general and administrative expenses and continued exploration on its properties.

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 deposits.

Objectives for 2012.

- Approximately 60% of historical data on the Dewdney Trail, Zinger, Eddy and Vine properties has been compiled into an electronic database. The remaining 40% is to be compiled.
- The current compilation of historical and recent survey data has identified numerous target areas on all the properties. The many target areas will be prioritized for further field surveys, trenching and/or drilling to unearth new gold discoveries.
- 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.

2011 was one of the most volatile years in recent memory for all stock markets. Market volatility, the price of gold 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. With gold trading at historically high prices and positive exploration results, PJX believes it is well positioned to attract investor interest. The prime objective is to focus resources on exploration activities to discover a gold deposit. Marketing activities will be undertaken to continue to communicate PJX's exploration results and potential.

Ability to Deliver Results

In 2011, our board was established with care to ensure it includes members that are experienced in all aspects of the challenges facing early-stage exploration companies through to production stage companies. In order to advance its exploration projects effectively, the Company works with contracted experienced professionals that are knowledgeable in our areas of interest.

Results of Operations

Exploration

During the year ended December 31, 2011, PJX incurred \$689,097 in exploration expenses compared with \$320,723 during the eight months ended December 31, 2010.

The following schedule describes exploration expenses incurred for each project for the year ended December 31, 2011 as the opening balance, representing the eight months ended December 31, 2010.

	Opening Balance	F2011	Balance Since inception
Dewdney Trail Gold Property	\$ 196,858	\$ 412,657	\$ 609,515
Eddy Gold Property	89,783	90,497	180,280
Zinger Gold Property	31,088	102,875	133,963
Vine Property	2,994	69,966	72,960
Gold Creek	-	1,102	1,102
Bruyere	-	12,000	12,000
Total exploration expenses	\$ 320,723	\$ 689,097	\$ 1,009,820

Acquisition of the Mineral Properties

On September 14, 2010, the Company entered into an Option Agreement (the "Cranbrook Properties Agreement") with Ruby Red Resources Inc. (now SG Spirit Gold Inc.) ("SG"), whereby PJX may earn up to an 80% interest in 4 mineral properties owned by SG in the Cranbrook area of southeastern British Columbia. The 4 properties are the Dewdney Trail gold property, the Zinger gold property, the Eddy gold property, and the Vine polymetallic (gold-silver-lead-zinc-copper) property (the "Cranbrook Properties"). PJX can earn an 80% interest by completing a series of cash payments totalling \$215,000 and work commitments totalling \$2.5 million over a four year period. Once vested, the Company may earn up to 100% interest, subject to a 2% NSR with a buyback of 1% should SG decide not to participate in funding joint venture exploration programs.

In accordance with the terms of the Option Agreement, PJX has completed exploration expenditures of over \$416,000 on the Mineral Properties in order to preserve SG's mineral interests in all its Cranbrook area properties and paid total cash payments of \$50,000.

On October 25, 2011 the Company entered into an amendment of its Cranbrook Properties Agreement, dated September 24, 2010, signed between SG and PJX. Under the terms of the amended agreement the parties agreed to add to the area of the property thirty-eight (38) additional claims owned by SG, representing approximately 12,800 additional hectares adjacent to the original Cranbrook Properties, at no additional cost to PJX.

The 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 is an estimate that was not prepared using the resource categorizations set out in NI 43-101. The Vine is a vein type of deposit that is open at depth and along strike.

DEWDNEY TRAIL PROPERTY

The Dewdney Trail Property is the largest in size and considered to be the most prospective at this time because of gold discoveries found in geology favourable for hosting large tonnage Sediment-Hosted-Vein gold deposits. The optioned property initially comprised 35 contiguous mineral tenures covering approximately 13,000 hectares located 29 km northwest of Cranbrook, British Columbia. The Company expanded the road accessible Dewdney Trail property to over 18,000 hectares by optioning over 5,000 additional hectares from SG in October 2011.

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; however, no corresponding lode deposits of any size have been discovered, suggesting the gold potential of the Wildhorse Creek Area has undeveloped potential. The Dewdney Trail Property is located upstream from placer deposits in Wildhorse Creek and may host the source of the placer gold.

Prospecting and geological mapping by SG had discovered a broad sedimentary rock unit of interbedded quartzites and argillites containing gold mineralization. Over 12 km of the favourable gold bearing quartzite-argillite unit occurs on the Dewdney Trail property. The unit ranges from 75 to over 200 m true width and has not been systematically explored or drilled. 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 the greatest gold mine potential. In December 2010, RIT Minerals Corp. completed a 43-101 Technical Report (the "43-101") on the Dewdney Trail Property for the Company.

The 43-101 concluded 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. In the author's opinion, exploration emphasis and expenditures should focus on the Spirit and Lewis showings as they exhibit many features in common that support potential for a large tonnage deposit of the SHV type. These zones have the following characteristics that make them suitable as bulk tonnage targets: (i) stratigraphic continuity measured in km; (ii) large, intense alteration systems featuring sericite-quartz-pyrite-Fe carbonate-Fe oxide; (iii) centimetre scale spaced fractures throughout the host unit; (iv) evidence of resurgence; and (v) gold distributed throughout the host unit.

SHV deposits contain some of the largest gold reserves in the world. In Asia they include: Muruntau (>80M 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: 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.

As a first stage of exploration the Company contracted Aeroquest to conduct detailed 75m line-spacing airborne geophysical (electromagnetic and magnetic) surveys over the 5 showing areas on the property during October and November 2010. Evaluation of the airborne survey data identified over 20 large target areas with the potential to host SHV gold deposits.

During 2011, 400 grab samples were collected from 60% of the 20 large target areas with gold mineralization potential

initially identified by airborne geophysics on the Dewdney Trail Property. The Company also completed initial trenching and drilling programs on part of the Spirit Showing area to assess the orientation and continuity of structures and rock units hosting gold mineralization. PJX drilled 4 diamond drill holes (totaling 796 m) to test the quartzite unit at depth in one part of the M1 target area of the Spirit Showing. The drilling confirmed that anomalous gold mineralization is most often associated with the more altered, veined and fractured sections of the interbedded quartzites and argillites. The altered and veined zones in the drill core consistently contain anomalous gold ranging from 10 parts per billion (“ppb”) up to 600 ppb. This low grade mineralization supports the potential for SHV deposits where a halo of anomalous gold mineralization can occur in rock units hosting ore deposits. Additional exploration is required along strike and/or at depth to help determine which direction may be most favourable for hosting a deposit. The results of this work will be used to plan the most efficient way to evaluate the entire M1 target area and other target areas on the property

Outlook

Additional mapping, sampling and compilation of historical data has further defined 2 large target areas (Lewis and Tackle) in addition to the M1 area. Lewis and Tackle have gold in soils over large areas that occur with rocks and structures favourable for hosting gold deposits. The Lewis, Tackle and M1 target areas will be the primary focus for exploration during 2012 on the Dewdney Trail Property.

ZINGER PROPERTY

The road-accessible Zinger Property is located 24 km west of Cranbrook, British Columbia. In November 2011, the Company expanded the Zinger Property by more than 4,400 hectares to over 11,500 contiguous hectares through an amendment to the Cranbrook Properties Agreement. Additional claims were staked in December increasing the property size to 12,400 hectares.

The Zinger Property is located within the Kimberley Gold Trend on the north flank of Perry Creek, 5 km 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.

Bedrock samples taken in 2008 and 2009 from the Zinger Property contain gold concentrations. The zone with mineralization is at least 8 km long and 1.5 km wide. About 1380 grab samples of bedrock were collected and assayed. 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. The veins are antitaxial, and are consistent with multiple episodes of crack-seal development.

At one locality, the anomalous exposure was pressure-washed and channel sampled in an effort to better understand the distribution of gold within the exposure. One channel, cut oblique to bedding and across intense micro-veining and alteration, averaged 4.95 g/t Au over 3 m. The host Creston Formation quartzite is non-sulphide bearing; hence presence of disseminated pyrite in association with gold represents an exploration vector that may be discernable using certain geophysical methods, such as induced polarization exploration methods.

In October 2010, PJX contracted Aeroquest to conduct a detailed 75 m line-spacing airborne geophysical (Electromagnetic and Magnetic) test survey over one showing area on the Zinger Property. The airborne survey identified potential structures that may be associated with gold mineralization in outcrops. In October 2011, the Company carried out soil and rock sampling programmes on parts of the property and contracted Geotech to fly a 339 km VTEM airborne survey over additional sections of the Zinger Property.

Outlook

Compilation of historical data with the new survey information has identified a 5 km long magnetic and resistivity high trend in the airborne geophysics that is coincidental with gold in rock from surface grab samples. The trend in the airborne geophysics appears to become stronger and larger at depth. The plan for 2012 is to map this trend in detail and identify targets for trenching and initial drilling near surface. The areas with the most gold potential will then be drilled at depth.

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. In November 2011, the Company expanded the Eddy property by more than 4,400 hectares to over 11,500 contiguous hectares through an amendment to the Cranbrook Property Agreement. Additional claims were staked in December increasing the property size to over 14,600 hectares.

The Eddy Property is located within the Kimberley Gold Trend on the north flank of Moyie Creek. The Eddy Property covers 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 ranging from 1 to 57 g/t Au 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, 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.

In October 2010, PJX contracted Aeroquest to conduct detailed 75 m line-spacing airborne geophysical (Electromagnetic and Magnetic) test surveys over 2 separate parts of the Eddy Property. The airborne survey identified potential structures and geology that may be associated with gold mineralization. In October 2011, the company contracted Geotech to fly a 695 km VTEM airborne magnetic and electro-magnetic survey over additional sections of the Eddy Property.

Outlook

Compilation of historical data with the new survey information will be undertaken to help define target areas for ground follow-up prior to trenching and/or drilling during 2012.

VINE PROPERTY

The road-accessible Vine Property is located 11 km south of Cranbrook, British Columbia. The property optioned from SG initially comprised 459 hectares. Additional claims were staked in December increasing the property size to about 650 hectares.

In the late 1970s, Cominco discovered lead, zinc and silver mineralization in Proterozoic aged Middle Aldridge Formation argillites and quartzites on the Vine Property. In 1989, Kokanee Exploration Ltd. optioned the Vine Property from Cominco. The claims were allowed to lapse over time. Supergroup Holdings Ltd. staked the claims in 2000 and sold the Vine Property to SG in 2005.

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. Trenching and drilling has exposed massive and disseminated sulphides (pyrite, sphalerite and galena) within a sheared vein system striking about 120 degrees and dipping 45 to 85 degrees to the northwest. Stringer and disseminated sulphides are conspicuous in the shear zone for several metres on either side of the massive sulphides. The mineralized Vine structure has been traced for over 1000 metres along strike and a downdip extension of at least 700 metres.

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 October 2011, the Company contracted Geotech to fly a VTEM airborne survey over the Vine Property.

Outlook

The last significant drilling done on the Vine Property was between 1989 and 1991. In December 2011, PJX contracted Terralogic Exploration Services, (geologic consultants) to enter the historical drilling data into a digital format for computer modeling. This work will be completed in early 2012. PJX plans to utilize the historical drill data compilation and the airborne survey results on the Vine Property to assess the potential to test for additional mineralization on strike or at depth.

OTHER PROPERTIES

PJX staked/acquired 2,755 hectares of land in British Columbia (Gold Creek Property) and 736 hectares in Ontario (Bruyere 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.

Selected Annual Information

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

Period ended December 31,	2011	2010*
Revenue	\$ -	\$ -
Loss for the year	(1,620,623)	(619,523)
Loss per share	(0.12)	(0.21)
Total assets	1,014,721	356,212
Non-current assets	25,600	-
Total liabilities	171,769	25,100
Long term liabilities	-	-

* Eight months ended December 31, 2010

The Company generated a loss of \$1,620,623 for the fiscal year ended December 31, 2011 (“fiscal 2011”) compared with a loss of \$619,523 for the eight months period ended December 31, 2010. The loss for fiscal 2011 includes a non-cash, stock based compensation expense of \$189,942 (2010 - nil).

The main drivers of fiscal 2011 losses were G&A expenses and exploration expenditures as detailed below.

General and administration:

The most significant elements of general and administration (“G&A”) were legal fees, management fees, accounting and auditing fees, listing fees and fees related to travel and investor relations activities. The Company was incorporated in April 2010 and had limited activity until September 2010. The increase in each of these G&A elements was due to the Company’s increased activity in 2011, including taking the company public and commencing trading on the TSXV on September 14, 2011.

Legal fees for the year ended December 31, 2011 were \$84,148 (eight months period ended December 31, 2010 – \$Nil), representing legal fees associated with the filing of the Company's Long Form Prospectus with the Ontario Securities Commission (available for viewing at www.sedar.com).

For the year ended December 31, 2011, Management fees representing fees paid to senior officers of the Company were \$183,588 compared with \$135,138, for the eight months period ended December 31, 2010. Details of these fees are described in Transactions with Related Parties.

Accounting and auditing fees related to the filing of the Company's Long Form Prospectus and fees related to the preparation of these reports. For the year ended December 31, 2011, the Company incurred fees of \$160,591 (eight months ended December 31, 2010- \$25,000).

Listing fees, related to the Company's IPO for the year ended December 31, 2011, were \$52,768, compared to \$2,000 for the eight months ended December 31, 2010 (non-IPO related).

Travel expenses related to exploration project planning activities for the year ended December 31, 2011 were \$39,944 compared to \$15,616 for the eight months period ended December 31, 2010. This increase was due to increased exploration activity in 2011.

Investor relations expenses for the year ended December 31, 2011, were \$100,145 compared to \$8,889 for the eight month period ended December 31, 2010. This increase was due to increased marketing activity related to the IPO and continued investor relation programs.

Exploration:

The most significant expenses included in exploration expenses include prospecting and mapping primarily related to the Dewdney Trail Property. Land rights expenses represent rights paid to local authorities for the Cranbrook Properties, and trenching and professional fees relate to permit applications to conduct exploration on the Properties. Increased expenditures in each of these expenses is due to the Company's increased activity in 2011.

Prospecting expenses on the Dewdney Trail Property for the year ended December 31, 2011 were \$40,096 compared to \$Nil for the eight months period ended December 31, 2010.

Mapping expenses for the same property were, for the year ended December 31, 2011 were \$39,561, compared with \$Nil for the eight months period ended December 31, 2010.

Total exploration expenses incurred in other properties for the year ended December 31, 2011 were \$246,347 (excluding option payments), compared with \$42,000 for the eight months period ended December 31, 2010.

Included under exploration expenses are option payments that for the year ended December 31, 2011 were \$42,000 compared to \$20,000 for the year ended December 31, 2010.

Liquidity and Capital Resources

On September 9, 2011 the Company completed its initial public offering of an aggregate of 10,500,000 common shares at a price of \$0.20 per common share, and 1,600,000 common shares that qualify as "flow-through shares" at a price of \$0.25 per flow-through common share for total gross proceeds of \$2,500,000 (the "2011 IPO"). A \$250,000 cash commission and \$25,000 corporate finance fee was paid to the agent in connection with this financing. The Company also issued 1,210,000 compensation warrants entitling the holder to acquire one common share of the Corporation at a price of \$0.20 until September 9, 2014.

The Company's financing efforts to date are not sufficient in and of themselves to enable the Company to fully fund all aspects of its operations and commitments and there is no assurance that future financing initiatives will be successful or sufficient.

A loss of confidence in the broader U.S. and European markets as well as the sovereign debt and deficit issues across the globe create a climate of greater volatility, decreased liquidity, widening of credit spreads, increased credit losses and tighter credit conditions. These disruptions in the current credit and financial markets have had a significant

material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult to obtain, or increase our cost of obtaining capital and financing for the Company's operations.

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. 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. The Company's current cash position will enable it to fund the Corporation's exploration program on a curtailed basis, operating expenses and unallocated working capital into the fourth quarter of 2012.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth a breakdown of material components of the G&A costs of the Company for each of the six most recently completed quarters:

Quarter Ended	Net Revenue	Net income (loss)		Exploration expenses	General and administration
		Total	Per Share		
December 31, 2011	Nil	\$ (574,714)	\$ (0.03)	\$ 543,149	\$ 31,565
September 30, 2011	Nil	(380,483)	(0.03)	130,023	250,460
June 30, 2011	Nil	(349,810)	(0.03)	2,444	347,366
March 31, 2011	Nil	(125,675)	(0.01)	13,482	112,192
December 31, 2010	Nil	(554,964)	(0.06)	300,723	254,241
September 30, 2010	Nil	(64,559)	(64,559)	20,000	44,559

The Company was incorporated on April 24, 2010, and no significant activities were carried out until September 2010, when it entered into the Cranbrook Properties Agreement. The first payment under the Cranbrook Properties Agreement, in the amount of \$20,000, was disbursed on September 27, 2010 and recorded as an exploration expense. General and administration expenses incurred during the three months ended September 30, 2010 corresponds mainly to management fees paid to senior executives of the Company.

During the year ended December 31, 2011 the Company incurred share issue costs of \$490,449 of which \$477,479 were reduced from share capital and \$12,970 reduced from the short-term liability related to flow-through shares issued (in addition to the 1,210,000 compensation warrants with a fair value of \$130,029) relating to the 2011 IPO. IFRS requires costs relating to the issuance of shares to be treated as a reduction in share capital. Management has appropriately reflected the reduction in share capital for the share issue costs within the December 31, 2011 financial statements.

Management recorded an accrual for legal expenses (which included these share issue costs) in the September 30, 2011 financial statements as the Company had not yet received the legal invoice relating to the 2011 IPO. While these interim financial statements reflect an increase to net loss instead of a reduction in share capital, management has considered materiality and concluded a restatement of the third quarter interim financial statements is not required.

Related Party Transactions

All transactions with related parties are at arm's length basis.

The following transactions were carried out with related parties:

a) Purchase of services:

During the year ended December 31, 2011, the Company purchased management consulting services from the CEO and CFO of the Company and legal services from a firm where a partner is also director of PJX. During the eight months period ended December 31, 2010, the Company purchased management consulting services from the CEO and CFO of the Company.

The CEO and CFO of PJX received management consulting fees totaling \$183,588 from January 1, 2011 to September 15, 2011, the date in which employment contracts were signed between the Company and these officers. From September 15, 2011 to December 31, 2011 salaries totaling \$77,000 was paid to these officers (see (b) below). No management consulting fees were paid to these officers after September 15, 2011.

The following schedule shows payments made during the years ended December 31, 2011 and the eight months period ended December 31, 2010 to these parties.

Period ended December 31,	2011	2010*
Management fees	\$ 183,588	135,138
Fees paid to legal firm where a director of PJX is a partner	246,865	-
	\$ 430,453	135,138

* Eight months period ended December 31, 2010

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 or payable to key management for employee services is shown below:

Year ended December 31,	2011	2010
Salaries	\$ 77,000	-
Stock-based compensation	208,265	-
	\$ 285,265	-

c) Period-end Balances arising from purchases of services:

	2011	2010
Salaries payable to key management	\$ -	\$ -
Fees payable to key management	-	-
Payable to a firm where a director of the Company is a partner	5,585	-
	\$ 5,585	\$ -

Payables to related parties are due thirty days after reception and bear no interest. All transactions with related parties 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 \$396,000 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 these condensed consolidated 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.

The Company's contractual obligations or commitments to maintain its interest in the Cranbrook Properties, and other required payments over the next five years are summarized as follows:

By September 14,	2012	2013	2014	2015 and thereafter	Total
Option payments	40,000	50,000	75,000	-	165,000
Work commitments	-	302,180	1,250,000	-	1,552,180
	<u>\$ 40,000</u>	<u>\$ 352,180</u>	<u>\$ 1,325,000</u>	<u>\$ -</u>	<u>\$ 1,717,180</u>

Although there are approximately \$1.7 million in existing commitments, the payment of these commitments is dependent on PJX retaining the Mineral Properties. If the Company decides to discontinue its interest in all the Cranbrook Properties, the related commitment would cease to exist.

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.

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.

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

(a) Property risk

Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon its existing projects and properties. If no additional resource properties are acquired by the Company, any adverse development affecting the existing projects and properties would have a material adverse effect on the Company's financial condition and results of operations.

(b) 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, 2011, the Company had cash and cash equivalents balance of \$989,121 (\$356,212, December 31, 2010) to settle current liabilities of \$171,769 (\$25,100, December 31, 2011). 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.

Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as it relates to the mineral commodities to determine the appropriate course of action to be taken by the Company.

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.

Sensitivity Analysis

The majority of the Company's cash and other investments earn interest at fixed interest rates over the next three to twelve months. Sensitivity to a plus or minus 1% change in rates would not have a significant effect on the Company's net income.

The Company's transactions are denominated in Canadian dollars. The Company has not entered into any arrangements to hedge currency risk and maintains cash balances only in Canadian dollars.

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 fiscal year ended December 31, 2011. The Company is not subject to externally imposed capital requirements.

Critical Accounting Estimates and Changes in Accounting Policies

i) Significant accounting judgments and estimates

The preparation of PJXs' financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The Company financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. The estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future event that are believed to be reasonable under the circumstances.

Critical accounting estimates

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 recoverability of sales taxes receivable which are included in the statements of financial position. The Company recognizes all sale tax debits generated. The Company cannot be certain of the full recoverability of these amounts which could be material.
- 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 and risk-free interest rate and expected option life are significant assumptions used in determining the values of options.

Critical accounting judgments

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

(ii) Accounting standards and amendments issued but not yet adopted

The following disclosure includes a summary of all IFRS standards that have been issued but not adopted by PJX. Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013, except for IFRS 9 that is effective for annual periods beginning on or after January 1, 2015, with earlier application permitted. The Company has not yet assessed the impact of these standards and amendments or determined whether it will early adopt them.

(a) IFRS 9, Financial Instruments, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new

mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income.

(b) IFRS 10, Consolidated Financial Statements, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, Consolidation—Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements.

(c) IFRS 11, Joint Arrangements, requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

(d) IFRS 12, Disclosure of Interests in Other Entities, establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities.

(e) IFRS 13, Fair Value Measurement, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is 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. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

Outstanding Share Data

Details about the Company's outstanding capital structure as April 16, 2012 are as follows:

Common shares issued and outstanding	22,335,701
Potential issuance of common shares - warrants	1,210,000
Stock based compensation	2,233,500
	25,779,201

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 7, 2011, the Company granted an aggregate of 2,233,500 incentive stock options to employees, officers and directors of the Company, pursuant to the Plan, at an exercise price of CAD \$0.30 per share. The options are exercisable over a period of five years and vest four months after granted.

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.

Corporate information

Directors

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

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

James Clare, LLB
Partner, Fraser Milner Casgrain LLP
Toronto, Ontario, Canada

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

Joseph Del Campo, 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

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Legal Counsel

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Registrar & Transfer Agent

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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