PJX RESOURCES INC.

Audited Financial Statements

Years ended December 31, 2013 and 2012

April 15, 2014

Independent Auditor's Report

To the Shareholders of
PJX Resources Inc.

We have audited the accompanying financial statements of PJX Resources Inc., which comprise the statements of financial position as at December 31, 2013 and December 31, 2012 and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of PJX Resources Inc. as at December 31, 2013 and December 31, 2012 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

The accompanying financial statements of PJX Resources Inc. (the "Company") are the responsibility of the Board of Directors.

These financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the end of the reporting period. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) 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.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)
John Keating
President and Chief Executive Officer

(signed)
Linda Brennan
Chief Financial Officer

Toronto, Canada
April 15, 2014

PJX Resources Inc.

STATEMENTS OF FINANCIAL POSITION

December 31,	**Note**	**2013**	2012
ASSETS			
Current assets			
Cash		**$ 444,396**	$ 1,119,490
Accounts receivable	**6**	**11,166**	45,551
Prepayments	**7(a)**	**8,436**	13,680
Total current assets		**463,998**	1,178,721
Non-current assets			
Deposits	**7(b)**	**71,265**	$ 50,900
Total non-current assets		**71,265**	50,900
Total assets		**535,263**	1,229,621
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**66,038**	133,926
Tax liability premium	**9(b)(i)**	**8,710**	37,570
Total current liabilities		**74,748**	171,496
Total liabilities		**74,748**	171,496
SHAREHOLDERS' EQUITY			
Share capital	**9(b)**	**3,882,335**	3,513,223
Warrants	**10**	**978,170**	835,577
Contributed surplus		**528,269**	425,610
Accumulated deficit		**(4,928,259)**	(3,716,285)
Total shareholders' equity		**460,515**	1,058,125
Total shareholders' equity and liabilities		**$ 535,263**	$ 1,229,621

See accompanying notes to the financial statements.

Nature of operations (Note 1)

Commitments and contingencies (Note 12)

Subsequent events (Note 15)

Approved by the Board of Directors:

(Signed) John Keating
John Keating, Director

(Signed) Linda Brennan
Linda Brennan, Director

PJX Resources Inc.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Three months ended December 31,	Note	2013	2012
Expenses			
Exploration	**11(a)**	**$ 567,734**	$ 622,932
General and administration	**11(b)**	**582,566**	752,939
Share based compensation	**9(b)(ii)**	**102,659**	235,668
Loss before income taxes		**(1,252,959)**	(1,611,539)
Deferred tax recoveries	**13**	**40,985**	135,400
Net loss and comprehensive loss for the year		**$ (1,211,974)**	$ (1,476,139)
Basic and diluted loss per share		**($0.04)**	($0.06)
Weighted average number of shares outstanding		**32,495,516**	26,121,910

See accompanying notes to the financial statements.

PJX Resources Inc.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

December 31,	Note	2013	2012
Share capital			
Balance, beginning of the year		**$ 3,513,223**	$ 2,763,127
Shares issued under private placement	**9(b)**	**296,694**	709,552
Share premium on flow through shares	**9(b)**	**(12,125)**	(92,900)
Flow through shares issued	**9(b)**	**50,213**	277,378
Shares issued under P&S Agreement	**8(l)**	**65,000**	-
Share issue cost	**9(b)**	**(30,670)**	(143,934)
Balance, end of the year		**3,882,335**	3,513,223
Warrants			
Balance, beginning of the year		**835,577**	130,029
Warrants issued on private placement	**10**	**142,593**	648,790
Compensation warrants issued on private placement	**10**	**-**	56,758
Balance, end of the year		**978,170**	835,577
Contributed surplus			
Balance, beginning of the year		**425,610**	189,942
Share based compensation	**9(b)(ii)**	**102,659**	235,668
Balance, end of the year		**528,269**	425,610
Accumulated deficit			
Balance, beginning of the year		**(3,716,285)**	(2,240,146)
Net loss for the year		**(1,211,974)**	(1,476,139)
Balance, end of the year		**(4,928,259)**	(3,716,285)
Total shareholders' equity		**$ 460,515**	$ 1,058,125

See accompanying notes to the financial statements.

PJX Resources Inc.

STATEMENTS OF CASH FLOWS

Years ended December 31,	**Note**		**2013**		2012
Cash flows from operating activities					
Net loss for the year		**$**	**(1,211,974)**	$	(1,476,139)
Items not involving cash:					
Share based compensation	**9(b)(ii)**		**102,659**		235,668
Deferred tax recoveries	**13**		**(40,985)**		(135,400)
Shares issued under P&S Agreement	**9(b)**		**65,000**		-
Changes in non-cash working capital:					
Deposits			**(20,365)**		(25,300)
Accounts receivable and prepayments			**39,629**		108,537
Other liabilities			**-**		70
Accounts payable and accrued liabilities			**(67,888)**		42,157
Net cash used in operating activities			**(1,133,924)**		(1,250,407)
Cash flow from financing activities					
Proceeds on issuance of common shares			**416,750**		1,208,720
Proceeds on issuance of flow through shares			**72,750**		427,000
Share issue cost			**(30,670)**		(87,176)
Net cash generated by financing activities			**458,830**		1,548,544
Net change in cash			**(675,094)**		298,137
Cash, beginning of the year			**1,119,490**		821,353
Cash, end of the year		**$**	**444,396**	$	1,119,490

See accompanying notes to the financial statements.

PJX Resources Inc.

STATEMENTS OF CASH FLOWS

Years ended December 31,	**Note**	**2013**	2012
Cash flows from operating activities			
Net loss for the year		**$ (1,211,974)**	$ (1,476,139)
Items not involving cash:			
Share based compensation	**9(b)(ii)**	**102,659**	235,668
Deferred tax recoveries	**13**	**(40,985)**	(135,400)
Shares issued under P&S Agreement	**9(b)**	**65,000**	-
Changes in non-cash working capital:			
Deposits		**(20,365)**	(25,300)
Accounts receivable and prepayments		**39,629**	108,537
Other liabilities		**-**	70
Accounts payable and accrued liabilities		**(67,888)**	42,157
Net cash used in operating activities		**(1,133,924)**	(1,250,407)
Cash flow from financing activities			
Proceeds on issuance of common shares		**416,750**	1,208,720
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Share issue cost		**(30,670)**	(87,176)
Net cash generated by financing activities		**458,830**	1,548,544
Net change in cash		**(675,094)**	298,137
Cash, beginning of the year		**1,119,490**	821,353
Cash, end of the year		**$ 444,396**	$ 1,119,490

See accompanying notes to the financial statements.

1. NATURE OF OPERATIONS

PJX Resources Inc. (the "Company" or "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 principal activities of the Company are the exploration of mineral projects located near Cranbrook, British Columbia. To date, the Company has not earned mining revenues. The Company is considered to be in the exploration stage. The Company's corporate offices are located at 5600 One First Canadian Place, Toronto, Ontario.

The financial statements have been prepared using generally accepted accounting principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due in the foreseeable future. For the year ended December 31, 2013, the Company incurred a loss of $1,211,974 or $0.04 per share, (December 31, 2012: $1,476,139 or $0.06 per share), and reported an accumulated deficit of $4,928,259 (December 31, 2012: $3,716,285). As at December 31, 2013 the working capital of the Company was $389,250 (December 31, 2012: $1,007,225). As at December 31, 2013 the Company had work commitments of $1,477,927 as part of its Vine Extension Agreement with Klondike Gold Corp. Subsequent to year end, on February 24, 2014, PJX and Klondike Gold Corp. entered into a Purchase and Sale ("P&S Agreement") Agreement where the Company has no further obligation to fulfill this commitment. See Notes 8(II) and 15.

These financial statements were approved by the Board of Directors for issue on April 15, 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in the periods presented, unless otherwise stated. These financial statements are expressed in Canadian dollars, which is the Company's presentation and functional currency.

(a) Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 2(i).

(b) Financial assets and liabilities

The Company's financial instruments are comprised of the following:

Financial assets:	Classification:
Cash	Loans and receivables

Deposits	Loans and receivables
Account receivable	Loans and receivables
Financial liabilities:	Classification:
Accounts payable and accrued liabilities	Other financial liabilities

Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized, at trade date, at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Other financial liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts receivable and value-added taxes receivable, where the carrying amounts are reduced through the use of an allowance account. When accounts receivable and value-added taxes receivable are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. This policy is not applicable for the current period.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair

value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – valuation techniques using inputs of the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

(c) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are expensed as incurred.

Once a project has been established as commercially viable and technically feasible, the related development expenditure is capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit.

(d) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will require settling the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. There were no such onerous contracts as at December 31, 2013 and 2012.

(e) Share-based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Management estimates that none of the options granted will forfeit giving its short vesting period.

Share-based payment for goods and services received other than those received from employees is determined directly by the fair value of the services received which are based on the market rate for those services. The fair value of the shares given in exchange is determined on the basis of recent comparable

transactions.

(*f) Income taxes*

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted of amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(g) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development and ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charges against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

(h) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

(i) Segmented reporting

The Company operates in one business segment, the business of acquiring and exploring mineral

properties in Canada. The Chief Executive officer determines the reportable operating segments by reviewing various factors including geographical location, quantitative threshold and managerial structure.

(j) Significant accounting judgments and estimates

The preparation of these 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. These 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. These 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 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, 2013. The changes were made in accordance with the applicable transitional provisions.

(i) IFRS 7, *Financial instruments: disclosures (Amendment)*, on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The implementation of these amendments did not have a material effect on the Company's financial statements.

(ii) IFRS 10, *Consolidated financial statements*, replaces the guidance on control and consolidation in IAS 27, *Consolidated and separate financial statements*, and SIC-12, *Consolidation – special*

purpose entities. IFRS 10 requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The accounting requirements for consolidation have remained largely consistent with IAS 27.The Company assessed its consolidation conclusions on January 1, 2013 and determined that the adoption of IFRS 10 did not result in any change in the consolidation status since it does not have any subsidiaries or investees.

(iii) IFRS 11, *Joint arrangements*, supersedes IAS 31, *Interests in joint ventures,* and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in IAS 28, *Investments in associates and joint ventures (amended in 2011).* The Company currently has no joint arrangements and concluded that the adoption of IFRS 11 did not affect its accounting or reporting.

(iv) IFRS 12, *Disclosures of interests in other entities,* includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The Company currently has no interests in other entities and concluded that the adoption of IFRS 12 did not affect its accounting or reporting.

(v) IFRS 13, *Fair value measurement,* provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013, however new or enhanced disclosure are required as per note 5.

(vi) The Company has adopted the amendments to IAS 1 effective January 1, 2013. These amendments required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. The adoption of the policy did not result in any adjustments as the company has no other comprehensive income items.

Future accounting changes:

(i) 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.

(ii) 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.

(iii) 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.

3. CAPITAL MANAGEMENT

The Company considers its capital to be shareholders' equity, which is comprised of share capital, warrants, contributed surplus and accumulated deficit, which as at December 31, 2013 totaled $460,515 (December 31, 2012 – $1,058,125).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 further external financing to fund its working capital and exploration 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 year ended December 31, 2013. The Company is not subject to externally imposed capital requirements.

4. FINANCIAL RISK FACTORS

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

<u>Credit risk</u>

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 sales tax receivable. Cash is 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.

<u>Liquidity risk</u>

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, 2013, the Company had a cash balance of $444,396 (December 31, 2012: $1,119,490) to settle current liabilities of $74,748 (December 31, 2012: $171,496). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. In addition, refer to Note 3 for the Company's approach to capital management.

<u>Market risk</u>

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. A 1% change in interest rates would increase (decrease) the Company's statement of loss by approximately $4,400.

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 affecting PJX's capacity to obtain future financings. 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.

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, 2013, 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.

5. FAIR VALUE MEASUREMENT

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. As at December 31, 2013, the carrying value approximates the fair value amounts of the Company's financial instruments. The Company has not disclosed the fair value of accounts receivable, deposits, accounts payable and cash because the carrying values approximate fair values.

6. ACCOUNTS RECEIVABLE

Accounts receivable corresponds to the sale taxes recoverable paid on taxable purchases of material and services.

7. PREPAYMENTS & DEPOSITS

a) Prepaid totaling $8,436 (December 31, 2012: $13,680) represents advanced payments to suppliers.

b) At December 31, 2013, the Company has deposits with the British Columbia Ministry of Finance for $67,000 (December 31, 2012: $47,000) representing remediation cost bonds associated with its properties and other advances totalling $4,265 (December 31, 2012: $3,900).

8. MINERAL PROPERTIES

I) SG Option Agreement:

On September 14, 2010 the Company entered into an option agreement ("the SG Agreement") with SG Spirit Gold Inc. ("SG") (formerly Ruby Red Resources Inc.) to acquire up to 80% interest in four properties: the Dewdney Trail Gold property, the Vine property, the Zinger Gold property and the Eddy Gold property (together "the Properties"), all located in the Cranbrook area of British Columbia, Canada, approximately 1,000 km east of Vancouver B.C.

Under the terms of the SG Agreement the Company had the option to acquire 80% of these Properties over a four year term by making staged cash payments to the optionors totaling $215,000. The first option payment for $20,000 was paid on execution of the SG Agreement, $30,000 was paid on September 14,

2011 and $40,000 on September 4, 2012. Subsequent payments of $50,000 and $75,000 were due on September 14, 2013 and September 14, 2014, respectively.

In addition, under the terms of the SG Agreement, the Company had the following work commitments:

(a) Complete a cumulative work commitment of $250,000 on or before September 14, 2011, (completed) and maintain all SG Spirit Gold's Rockies claims and Purcell Claims (less the Luv Property claims) in good standing;
(b) Complete a cumulative work commitment of $750,000 to September 14, 2012;(completed)
(c) Complete a cumulative work commitment of $1,250,000 on or before September 14, 2013; (completed) and
(d) Complete a cumulative work commitment of $2,500,000 on or before September 14, 2014.

On October 25, 2011 the Company entered into an amendment of the original SG Agreement, dated September 14, 2010. Under the terms of the amended agreement the parties agreed to add to the area of the Property thirty eight (38) new claims, representing approximately 12,800 additional hectares adjacent to the original Cranbrook Properties, for no additional cost to PJX.

On October 17, 2013, PJX closed the P&S Agreement, originally entered on July 8, 2013 with SG, and acquired 100% ownership in the Cranbrook Properties with no Net Smelter Return ("NSR") or other retained interest by SG. PJX does not have to complete approximately $725,000 in remaining work commitments.

The P&S Agreement required PJX to make the remaining cash payments of the original SG Agreement of $125,000, of which $50,000 were paid on September 13, 2013 and $75,000 paid on October 16, 2013, and issue 500,000 PJX shares (the "Shares") to SG (issued on October 16, 2013), valued at $65,000. 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.

(II) Vine Extension Option Agreement:

On April 26, 2012, PJX entered into the Vine Extension Option Agreement (the "VE Agreement") with Klondike Gold Corp. ("KG"). Under the terms of the VE Agreement, PJX can earn a 50% interest in KG's 6,300 hectares-property by completing $1.5 million in work, with at least $1 million of the $1.5 million spent on drilling, and, subject to certain conditions, make share payments to a maximum total of 200,000 common shares over a 5 year period. Once PJX has exercised the option the companies will form a Joint Venture (JV - 50% PJX and 50% KG) with PJX as operator. If either company decides not to participate in the JV then their interest would be diluted on a pro-rata basis to a 2% NSR with the other company having the right to purchase ½ of the 2% NSR for $2 million.

On March 26, 2013 the Company and KG entered into an amended agreement to the VE Agreement, where certain working commitments and option payments are delayed to 24 and 36 months, respectively, from the date of the signing of the original Agreement.

As at December 31, 2013 the revised work commitments are as follows:

- Complete a work commitment of $75,000 on or before the date which is 24 months from the date of the VE Agreement;
- Complete a work commitment of $150,000 on or before the date which is 36 months from the date of the VE Agreement;

- Complete a work commitment of $275,000 on or before the date which is 48 months from the date of the VE Agreement;
- Complete a work commitment of $400,000 on or before the date which is 60 months from the date of the VE Agreement;
- Complete a work commitment of $600,000 on or before the date which is 72 months from the date of the VE Agreement.

The revised option payments, as at December 31, 2013, are as follows:

- Issue 50,000 common shares of PJX to the Optionor on or before the date which is 36 months from the date of the VE Agreement;
- Issue 50,000 common shares of PJX to the Optionor on or before the date which is 48 months from the date of the VE Agreement;
- Issue 50,000 common shares of PJX to the Optionor on or before the date which is 60 months from the date of the VE Agreement;
- Issue 50,000 common shares of PJX to the Optionor on or before the date which is 72 months from the date of the VE Agreement.

Subsequent to year end PJX entered into a P&S Agreement with KG where PJX acquired a 100% interest in the Vine Extension property. See Note 15(1) Subsequent Events.

9. SHARE CAPITAL

(a) Authorized capital

The Company has authorized and unlimited number of common shares with no par value, and with the following rights, privileges, restrictions and conditions:

- To vote at any meeting of shareholders of the Company;
- To receive any dividends declared by the Company;
- Participate in the distribution of the Company assets in case of dissolution, liquidation or wind-up.

(b) Issued capital

The following schedule describes the class A share transactions since December 31, 2011:

	# of Shares		Value
Balance, December 31, 2011	**22,335,701**	**$**	**2,763,127**
Shares issued under private placement	7,554,500		1,208,720
Fair value allocated to warrants			(499,168)
			709,552
Flow-through shares issued under private placement	2,135,000		427,000
Fair value allocated to warrants			(149,622)
			277,378
Share premium on flow-through shares			(92,900)
Share issue cost:			
- Financing cost			(87,176)
- Fair value of compensation warrants issued			(56,758)
Balance, December 31, 2012	32,025,201	$	3,513,223
Shares issued under private placement	3,334,000		416,750
Fair value allocated to warrants			(120,056)
			296,694
Flow-through shares issued under private placement	485,000		72,750
Fair value allocated to warrants			(22,537)
			50,213
Shares issued under P&S Agreement (Note 8(l))	500,000		65,000
Share premium on flow-through shares			(12,125)
Share issue cost:			
- Financing cost			(30,670)
Balance, December 31, 2013	**36,344,201**	**$**	**3,882,335**

(i) Private placements

On September 25, 2012 PJX closed the first tranche of a non-brokered private placement where the Company issued 5,814,500 units for gross proceeds of $985,720 by issuing 1,385,000 Flow Through Units (“Flow Through Unit”) at a price of $0.20 per Flow Through Unit, and 4,429,500 Non-Flow Through Units (“Unit”) at a price of $0.16 per Unit. Each unit, whether acquired as part of a Unit or a Flow Through Unit, consists of one common share and one non-transferable common share purchase warrant (“Warrant”). Each Warrant entitles the holder to purchase one common share at an exercise price of $0.25 for 24 months.

On October 9, 2012, PJX closed the second tranche of the private placement referred above for gross proceeds of $500,000 by issuing 3,125,000 Units at $0.16 per Unit. Each Unit consists of one common share and one non-transferable common Warrant. Each Warrant entitles the holder to purchase one common share at an exercise price of $0.25 for 24 months.

In conjunction with the above mentioned transaction the Company paid $82,954 in brokerage commissions and issued 507,360 compensation warrants on these two tranches to Union Securities Ltd., Canaccord Genuity Corp., PI Financial Corp., and East-West Trade Partners Inc.

On December 28, 2012 the Company closed a non-brokered private placement for gross proceeds of $150,000 by issuing 750,000 Flow Through Units at a price of $0.20 per unit. Each Flow Through Unit consists of one common share and one non-transferable common share purchase warrant. Each Warrant entitles the holder to purchase one common share at an exercise price of $0.25 for 24 months. No finders' fees or commission were paid in connection with this offering.

On November 20, 2013, the Company announced a non-brokered private placement of up to 4.8 million units for total proceeds of up to $600,000 through the issuance of Flow Through Units and Non-Flow Through units ("Unit") at a price of $0.15 per Flow Through Unit and $0.125 per Unit. Each unit, whether acquired as part of a Unit or a Flow Through Unit, consists of one common share and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.20 for 24 months following completion of the offering.

The first tranche of this private placement was closed on December 9, 2013 where 485,000 Flow Through Units at $0.15 per unit and 3,334,000 Units at $0.125 per unit were issued. The Company paid commissions of $30,670 on this transaction.

As the value of the Flow Through Unit at the time of the transaction was $0.15, compared to the Unit value of $0.125, a premium on flow through shares of $12,125 was recorded. The premium has been deducted from capital and a tax liability premium for the same amount was recorded. The premium is amortized as the flow through funds are utilized in qualified exploration programs. As at December 31, 2013 the unamortized portion of this premium was $8,710.

Subsequent to year end, on February 11th, 2014, PJX closed the second tranche of the above mentioned financing where 670,000 Units and 260,000 Flow Through Units were sold with gross proceeds of $122,750. See subsequent events (Note 15(2)).

(ii) 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 7, 2011 the Company granted an aggregate of 2,233,500 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 $0.30 per share. The options are exercisable over a period of five years and vested four months after granted. The fair value of each option was estimated on the date of the grant using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 184%; risk-free interest rate of 1.27%; and an expected average life of 5 years. The estimated fair value of $425,610 was classified as share-based compensation and was credited to surplus as the option vest. During the first quarter of fiscal 2012 the remaining unvested fair value of the options ($235,668) was charged to the statement of loss. No options were issued, expired or forfeited during fiscal 2012.

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. The options are fully vested on granting and exercisable until November 15, 2018. The fair value of each option was estimated on the date of the grant using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 129.13%; risk-free interest rate of 1.52%; and an expected average life of 5 years. The estimated fair value of $102,659 was recorded as share-based compensation within the statement of loss and was credited to contributed surplus.

The following schedule describes the options outstanding at December 31, 2013 and 2012:

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
November 6, 2016	$0.30	2.85	2,233,500	2,233,500
November 15, 2018	$0.15	4.88	1,018,500	1,018,500
Balance at December 31, 2013			3,252,000	3,252,000

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
November 6, 2016	$0.30	2.85	2,233,500	2,233,500
Balance at December 31, 2012			2,233,500	2,233,500

The following schedule describes the options transactions since December 31, 2011:

	Number of stock options	Weighted average exercise price (CAD$)
Balance at December 31, 2011 and 2012	2,233,500	$0.30
Granted	1,018,500	0.15
Balance December 31, 2013 and April 15, 2014	**3,252,000**	**$0.25**

10. WARRANTS

Warrants issued under private placements:

As described under Note 9(b)(i), as part of financings completed during fiscal 2012, the Company issued 8,939,500 warrants with a fair value of $598,547.The warrants exercisable at $0.25 expire after 24 month of issuance. In addition 507,360 broker compensation (“compensation”) warrants were issued as part of the same transactions.

The Company also issued 750,000 warrants as part of the private placement closed during December of fiscal 2012. The warrants exercisable at $0.25 expire after 24 month of issuance and have a fair value of $50,243.

As part of the first tranche financing closed on December 9, 2013 and described under Note 9(b)(i), the Company issued 3,819,000 warrants with a fair value of $142,593. Each warrant entitles the holder to purchase one common share at an exercise price of $0.20 for 24 months following completion of the offering.

No warrants were cancelled or expired during the years ended December 31, 2013 or 2012.

The fair values of the warrants issued in 2012 and thereafter were calculated using the Black-Scholes

options pricing model using the following assumptions:

			Assumptions				
Expiry date	**Type**	**Number of Warrants**	**Dividend yield**	**Volatility**	**Risk free interest rate**	**Expected average life (years)**	**Fair value**
September 25, 2014	Flow-through	1,385,000	Nil	164%	1.10%	2	$ 99,379
September 25, 2014	Non-flow-through	4,429,500	Nil	164%	1.10%	2	291,673
September 25, 2014	Compensation	507,360	Nil	164%	1.10%	2	56,758
October 9, 2014	Non-flow-through	3,125,000	Nil	167%	1.10%	2	207,495
December 28, 2014	Flow-through	750,000	Nil	159%	1.10%	2	50,243
November 28, 2015	Non-flow-through	3,334,000	Nil	113%	1.06%	2	120,056
November 28, 2015	Flow-through	485,000	Nil	113%	1.06%	2	22,537

Volatility rates were determined based on historical share pricing volatility for the Company's common shares.

The following schedule describes the warrants transactions since December 31, 2011:

All warrants:	**Type**	**Number of Warrants**	**Exercise price CAD$**	**Fair value**
Balance at December 31, 2011	C	1,210,000	$ 0.20	$ 130,029
Issued during fiscal 2012:				
On private placement Flow-through Units	R	2,135,000	0.25	149,622
On private placement Non Flow-through Units	R	7,554,500	0.25	499,168
Issued on private placement	C	507,360	0.25	56,758
Balance at December 31, 2012		11,406,860	$ 0.24	$ 835,577
Issued during fiscal 2013:				
On private placement Flow-through Units	R	485,000	0.20	22,537
On private placement Non Flow-through Units	R	3,334,000	0.20	120,056
Balance at December 31, 2013		15,225,860	0.23	978,170

R: Regular warrants
C: Compensation warrants

The following schedules describe the warrants outstanding at December 31, 2013 and 2012:

Expiry Date	Type	Number of Warrants	Exercise price CAD$	Fair Value
Regular warrants:				
September 25, 2014	FT	1,385,000	$ 0.25	$ 99,379
September 25, 2014	NFT	4,429,500	0.25	291,673
October 9, 2014	NFT	3,125,000	0.25	207,495
December 28, 2014	FT	750,000	0.25	50,243
November 28, 2015	NFT	3,334,000	0.20	120,056
November 28, 2015	FT	485,000	0.20	22,537
		13,508,500	$ 0.24	$ 791,383
Compensation warrants:				
September 9, 2014		1,210,000	$ 0.20	$ 130,029
October 9, 2014		507,360	0.25	56,758
Balance at December 31, 2013		15,225,860	$ 0.23	$ 978,170

FT: Issued with Flow-through Units
NFT: Issued with Non Flow-through Units

Expiry Date	Type	Number of Warrants	Exercise price CAD$	Fair Value
Regular warrants:				
September 25, 2014	FT	1,385,000	$ 0.25	$ 99,379
September 25, 2014	NFT	4,429,500	0.25	291,673
October 9, 2014	NFT	3,125,000	0.25	207,495
December 28, 2014	FT	750,000	0.25	50,243
		9,689,500	$ 0.24	$ 648,790
Compensation warrants:				
September 9, 2014		1,210,000	$ 0.20	$ 130,029
October 9, 2014		507,360	0.25	56,758
Balance at December 31, 2012		11,406,860	$ 0.23	$ 835,577

FT: Issued with Flow-through Units
NFT: Issued with Non Flow-through Units

11. EXPLORATION AND GENERAL AND ADMINISTRATION EXPENSES

a) Exploration Expenses:

The following schedule describes exploration expenses by nature for the years ended December 31, 2013, 2012 and since inception:

Three months ended December 31,	**2013**	2012	Balance Since inception
Geology, geophysics and geochemistry	**$ 198,860**	$ 284,199	$ 1,064,406
Land rights & claim management	**19,441**	5,266	47,555
Drilling	**95,717**	204,725	399,313
Laboratory	**4,467**	45,919	135,537
Roads and surface preparation	**977**	10,060	70,944
Camp cost and exploration supplies	**1,054**	3,827	8,117
Exploration - Travel & transportation	**23,213**	7,703	49,720
Exploration- Meals	**1,703**	3,625	5,328
Rent - Field office	**6,900**	4,915	14,215
Surface sampling and mapping	**-**	3,883	50,505
Option payments	**210,000**	40,000	312,000
	$ 567,734	$ 622,932	$ 2,200,486

The following schedule describes the exploration expenses incurred by PJX for each of its projects, during the years ended December 31, 2013, 2012, and since inception.

Years ended December 31,	**2013**	2012	Balance since inception
Dewdney Trail Property	**$ 88,879**	$ 145,564	843,960
Eddy Property	**64,104**	253,101	497,482
Zinger Property	**141,925**	152,884	428,773
Vine Property	**219,740**	59,113	351,813
Vine Extension	**22,073**	9,875	31,948
West Basin	**24,711**	-	24,711
	561,432	620,537	2,178,687
Other properties:			
Gold Creek & Others	**6,302**	2,395	9,799
Bruyere	**-**	-	12,000
Total exploration expenses	**$ 567,734**	$ 622,932	$ 2,200,486

b) General and administration:

The following is a breakdown of the Company's general and administration expenses incurred during the years ended December 31, 2013 and 2012:

December 31,	**2013**	2012
Insurance	**$ 13,744**	$ 13,693
Interest, bank charges and penalties	**608**	235
Investor Relations	**119,234**	186,627
Listing and regulatory fees	**28,921**	26,988
Office expenses	**14,167**	23,645
Professional fees	**104,906**	137,355
Rent	**1,703**	1,497
Salaries and benefits	**271,922**	339,107
Travel & transportation	**27,361**	23,792
	$ 582,566	$ 752,939

12. COMMITMENTS AND CONTINGENCIES

The Company's contractual obligations to maintain its mineral property interests and other commitments over the next five years and thereafter, as at December 31, 2013, are as follows:

Year	**Work Commitment**	**Actual Expenses**	**Incurred Cummulative**	**Outstanding Commitment**
2013	$ -	22,073	22,073	-$ 22,073
2014	75,000	-	22,073	52,927
2015	150,000	-	22,073	202,927
2016	275,000	-	22,073	477,927
2017	400,000	-	22,073	877,927
2018	600,000	-	22,073	1,477,927
	$ 1,500,000			

Although there are approximately $1.5 million in existing commitments, the payment of these commitments is dependent on the Company retaining the properties. If the Company decides to discontinue its interest in these properties the related commitment would cease to exist.

In addition to the work commitments and option payments outlined in the above table, at December 31, 2013, the Company would have had to issue to the optionor of the Vine Extension property (see Note 8(II)) 200,000 common shares of the Company, on 5 instalments starting March 2014.

Subsequent to year end, the Company entered into a P&S Agreement with Klondike Gold Corp. to acquire a 100% interest in the Vine Extension property, effectively eliminating all exploration and option commitments outstanding. (See subsequent Events (Note 15(1)).

The Company is required to incur qualified exploration expenditures of approximately $135,000 not later than December 31, 2014 as the result of the flow through common shares issued in December 2013. See Note 9(b)(i).

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments up to $462,000 to be made upon the occurrence of certain events such as change of control. As the likelihood of these events taking place is not determinable, the contingent payment has not been provided for in these financial statements.

13. INCOME TAXES

	2013	2012
Loss and comprehensive loss for the year	**$(1,252,959)**	$(1,611,539)
Expected recovery	**(332,034)**	(427,058)
Premium on flow-through shares	**40,985**	135,400
Expenses non deductible for tax purposes	**29,299**	66,780
Share issue cost	**42,125**	40,500
Tax benefits not recognized	**178,640**	48,978
Recovery for income taxes	**$ (40,985)**	$ (135,400)

The applicable tax rate is 26.5% (2012: 26.5%).

The Company has temporary differences for which no deferred tax assets has been recognized of non-capital losses of $2,687,510 (December 31, 2012:$1,953,887), expiring between 2030 and 2033, exploration and development expenses of $1,164,862 (December 31, 2012: $955,751) which have no expiry date, and share issue cost of $356,454 (2012: $484,746) which will be deducted between 2015 and 2018.

14. RELATED PARTY TRANSACTION

The following transactions were carried out with related parties:

a) Purchase of services:

During the years ended December 31, 2013 and 2012 the Company contracted legal services from firms where a partner is also a director of PJX.

The following schedule shows payments made during the years ended December 31, 2013 and 2012:

Years ended December 31,	2013	2012
Fees to legal firm w here a director of PJX is a partner	**$ 21,228**	$ 19,201
	$ 21,228	$ 19,201

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,	2013	2012
Salaries	**$ 264,000**	$330,000
Stock-based compensation	**80,635**	226,858
	$ 344,635	$556,858

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

December 31,	**2013**	2012
Salaries payable to key management	**$ -**	$ -
Payable to a firm where a director of the Company is a partner	**386**	12,260
	$ 386	$ 12,260

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.

15. SUBSEQUENT EVENTS

1. On February 27, 2014 PJX announce that it has completed a P&S Agreement with Klondike Gold Corp. to acquire a 100% interest in the Vine Extension property as referred in Note 8(II).

   Under the Purchase Agreement, which replaces the original Option Agreement, PJX will 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 ("Shares") to KG. In addition to receiving the Shares, KG retains a royalty equal to 1 percent of net smelter returns from minerals produced from claims comprising the Vine Extension Property.

   KG has agreed to vote with PJX Management and Board for a period of 2 years from the closing date. 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 P&S Agreement is subject to compliance with applicable securities laws and to receipt of the approval of the TSX Venture Exchange.

2. In March, 2014 PJX closed the second and last tranche of a financing originally announced on November 20, 2013. The 2nd tranche for 930,000 units was composed of 670,000 Non-Flow Through Units and 260,000 Flow through Units for gross proceeds of $83,750 and $39,000 respectively.