PJX RESOURCES INC.
(formerly 1532063 Alberta Inc.)

Condensed Interim Financial Statements

For the three and nine months ended September 30, 2012 and 2011
Expressed in Canadian Dollars
(UNAUDITED)

The accompanying consolidated financial statements of PJX Resources Inc. (formerly 1532063 Alberta 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 using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

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
November 27, 2012

Notice of Disclosure of Non-auditor Review of Interim Financial Statements

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the interim periods ended September 30, 2012 and 2011 have been prepared in accordance with International Financial Reporting Standards ("IFRS") accounting principles and are the responsibility of the Company's management.

The Company's independent auditors, PriceWaterhouseCoopers LLP, have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

PJX Resources Inc.
(Formerly 1532063 Alberta Inc.)
CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)

		Three months		Nine months	
Periods ended September 30,	**Note**	**2012**	2011	**2012**	2011
Expenses					
Exploration	**11(a)**	**$ 130,558**	$ 130,022	**$ 281,097**	$ 145,948
General and administration	**11(b)**	**206,031**	250,460	**542,900**	710,019
Share based compensation	**8(b(iii))**	**-**	-	**235,668**	-
Loss before income taxes		**(336,589)**	(380,482)	**(1,059,665)**	(855,967)
Future Tax Benefits		**-**	-	**80,000**	-
Net loss and comprehensive loss for the period		**$ (336,589)**	$ (380,482)	**$ (979,665)**	$ (855,967)
Basic and diluted loss per share		**($0.01)**	($0.03)	**($0.04)**	($0.08)
Weighted average number of shares outstanding		**22,525,304**	12,997,658	**22,399,363**	11,166,470

See accompanying notes to the condensed interim financial statements.

PJX Resources Inc.
(Formerly 1532063 Alberta Inc.)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	September 30, 2012 (Unaudited)	December 31, 2011
ASSETS			
Current assets			
Cash		**$ 1,007,476**	$ 821,353
Accounts receivable		**18,642**	137,269
Prepayments	**6(a)**	**35,915**	30,499
Total current assets		**1,062,033**	989,121
Non-current assets			
Deposits	**6(b)**	**$ 50,900**	$ 25,600
Total non-current assets		**50,900**	25,600
Total assets		**1,112,933**	1,014,721
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**79,391**	91,769
Other liabilities		**52,964**	80,000
Total current liabilities		**132,355**	171,769
Total liabilities		**132,355**	171,769
SHAREHOLDERS' EQUITY			
Share capital	**8(b)**	**3,389,577**	2,763,127
Warrants	**9**	**385,202**	130,029
Surplus	**10**	**425,610**	189,942
Deficit		**(3,219,811)**	(2,240,146)
Total Equity		**980,578**	842,952
Total equity and liabilities		**$ 1,112,933**	$ 1,014,721

See accompanying notes to the condensed interim financial statements.

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 12)

Approved by the Board of Directors:

(Signed) John Keating	*(Signed) Linda Brennan*
John Keating, Director	Linda Brennan , Director

PJX Resources Inc.
(Formerly 1532063 Alberta Inc.)
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

	Three months ended		Nine Months ended	
September 30,	**2012**	2011	**2012**	2011
Share capital				
Balance, beginning of period	**$ 2,763,127**	$ 950,635	**$ 2,763,127**	$ 950,635
Shares issued under private placement	**543,058**		**543,058**	-
Shares issued on initial public offering	**-**	2,100,000	**-**	2,100,000
Share premium on flowh-through shares	**(55,400)**		**(55,400)**	-
Flow-through shares issued	**212,252**	400,000	**212,252**	400,000
Share issue cost	**(73,460)**	(367,493)	**(73,460)**	(367,493)
Balance, end of period	**3,389,577**	3,083,142	**3,389,577**	3,083,142
Warrants				
Balance, beginning of period	**130,029**	-	**130,029**	-
Warrants issued on initial public offering	-	66,043	-	66,043
Warrants issued on private placement	**230,410**	-	**230,410**	-
Broker warrants issued on private placement	**24,763**	-	**24,763**	-
Balance, end of period	**385,202**	66,043	**385,202**	66,043
Surplus				
Balance, beginning of period	**425,610**	-	**189,942**	-
Share based compensation	**-**	-	**235,668**	-
Balance, end of period	**425,610**	-	**425,610**	-
Deficit				
Balance, beginning of period	**(2,883,222)**	(1,095,008)	**(2,240,146)**	(619,523)
Net loss for the period	**(336,589)**	(380,483)	**(979,665)**	(855,968)
Balance, end of period	**(3,219,811)**	(1,475,491)	**(3,219,811)**	(1,475,491)
Total equity	**$ 980,578**	$ 1,673,694	**$ 980,578**	$ 1,673,694

See accompanying notes to the condensed interim financial statements.

PJX Resources Inc.
(Formerly 1532063 Alberta Inc.)
CONDENSED INTERIM STATEMENT OF CASH FLOWS

(Unaudited)

Nine months ended September 30,	**2012**	2011
Cash flows from operating activities		
Net loss for the period	**$ (979,665)**	$ (855,968)
Items not involving cash:		
Share based compensation	**235,668**	-
Premium on flow-through shares	**(55,400)**	-
Changes in non-cash working capital:		
Deposits	**(25,300)**	-
Accounts receivable and prepayments	**113,211**	(92,063)
Other liabilities	**(27,036)**	-
Accounts payable and accrued liabilities	**(12,378)**	396,525
Net cash used in operating activities	**(750,900)**	(551,506)
Cash flow from financing activities		
Proceeds on issuance of common shares	**708,720**	2,100,000
Proceeds on issuance of flow-through shares	**277,000**	400,000
Share issue cost	**(48,697)**	(301,450)
Net cash generated by financing activities	**937,023**	2,198,550
Net change in cash	**186,123**	1,647,044
Cash, beginning of period	**821,353**	350,988
Cash, end of period	**$ 1,007,476**	$ 1,998,032

1. NATURE OF OPERATIONS AND GOING CONCERN

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 100 King street West suite 100, Toronto, Ontario.

These financial statements have been prepared in Canadian dollars, the Company's functional currency, 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 for the foreseeable future. For the nine months ended September 30, 2012, the Company incurred a loss of $979,665 or $0.04 per share, (September 30, 2011: $855,967 or $0.08 per share), and reported an accumulated deficit of $3,219,811 (December 31, 2011 $2,240,146). As at September 30, 2012 the working capital of the Company was $929,678 (December 31, 2011: $817,352). Such circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness ultimately of the use of accounting principles applicable to a going concern, given the Company is not yet able to generate revenue from operations.

After its incorporation the Company raised seed capital totalling $88,000 and closed in November 2010 a private placement for gross proceeds of $827,355 by issuing 5,515,700 common shares. On September 9, 2011 PJX closed an Initial Public Offering ("IPO") for gross proceeds of $2.5 million by issuing 12,100,000 common shares. During the third quarter of fiscal 2012 the Company raised on a private placement gross proceeds of $985,720 by issuing 5,814,500 common shares on the first tranche of a private placement. Subsequent to quarter end additional $500,000 were raised in a second tranche of the financing above mentioned (see note 15 "Subsequent Events").

PJX'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.

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. These 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.

These financial statements were approved by the board of directors for issue on November 27, 2012.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with International Financial Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2011, which have been prepared in accordance with IFRS as issued by the IASB.

The principal accounting policies and methods of computation applied in the preparation of these unaudited condensed interim financial statements are the same used in the preparation of the Company's last annual audited financial statements. For a full detail of these policies please refer to the Company's audited financial statements at December 31, 2011. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3. 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 nine months ended September 30, 2012. 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 September 30, 2012, the Company had a cash balance of $1,007,476 (December 31, 2011: $821,353) to settle current liabilities of $132,355 (December 31, 2011: $171,769). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

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 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.

Sensitivity analysis

As of September 30, 2012, both the carrying and fair value amounts of the Company's financial instruments are the same. Based on Management's knowledge and experience of the financial markets, the Company believes that is "reasonably possible" that commodity price fluctuation could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of mineral commodities. As of September 30, 2012, 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.

Carrying value of financial instruments

The carrying values of the financial assets and liabilities at September 30, 2012 and December 31, 2011 are as follows:

	September 30, 2012	December 31, 2011
Financial Assets		
At fair value through profit or loss		
Cash	**$ 1,007,476**	$ 821,353
Deposits	**50,900**	25,600
Loans and receivable		
Measured at amortized cost		
Accounts receivable	**$ 18,642**	$ 137,269
Prepaids	**$ 35,915**	$ 30,499

5. ACCOUNTS RECEIVABLE

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

6. PREPAYMENTS & DEPOSITS

a) Prepaid totaling $35,915 (December 31, 2011: $30,499) represents advanced payments to suppliers.

b) At September 30, 2012, the Company has deposits with the British Columbia Ministry of Finance for $47,000 (December 31, 2011: $25,600) representing remediation cost bonds associated with its properties and $3,900 with an investment banker as deposit on future financing expenses.

7. MINERAL PROPERTIES

I) SG Option Agreement:

On September 14, 2010 the Company entered into an option agreement ("the SG Agreement") with Ruby Red Resources Inc. (SG Spirit Gold 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 has 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 are due as follows:

- $50,000 on or before September 14, 2013;
- $75,000 on or before September 14, 2014.

In addition, under the terms of the SG Agreement, the Company has 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; and

(d) Complete a cumulative work commitment of $2,500,000 on or before September 14, 2014.

Some of the cash required to fund the work commitments can be paid by in PJXs' shares priced at the previous 10 day volume weighted average trading price and subject to Regulatory approval. The amount of cash to be paid on a share basis is to be agreed upon by both parties.

If the Company has paid a cumulative $140,000 to the Optionor and completed a cumulative $1,250,000 in work on the Properties on or before September 14, 2013, the Company shall be deemed to have exercised one part of the Option and will have acquired an undivided 60% right, title and interest in and to the Property.

If the Company has paid a cumulative $215,000 to the Optionor and completed a cumulative $2,500,000 in work on the Properties on or before September 14, 2014, the Company shall be deemed to have exercised the Option and will have acquired an undivided 80% right, title and interest in and to the Property.

During the three and nine months ended September 30, 2012, PJX incurred in its Dewdney, Eddy, Vine and Zinger properties, excluding option payments, a total of $90,558 and $241,097, respectively, in exploration expenses, compared to $100,022 and $115,948, respectively, incurred for the same periods during fiscal 2011.

Upon completion of the Expenditures and Work Commitment by the Company, and exercise of the option at a 60% or 80% interest, as determined by the Company, the parties will negotiate in good faith and enter into a Joint Venture (JV) Agreement substantially in the form of Form 5A of the Rocky Mountain Mineral Law Foundation. The JV Agreement will provide that each party will contribute to the costs of the JV in proportion to its respective interests in the JV and the Agreement will contain other normal and customary terms, covenants, representations and warranties.

During the term of the Option and any subsequent JV, the Company will be the operator for purposes of developing and executing exploration programs.

During the JV period, if either party decides not to participate (Non-participant) in funding the projects then its interest in the JV will be diluted on a pro-rata basis, in accordance with the JV agreement entered into, to a 2% Net Smelter Royalty (NSR), calculated and payable from the Property in accordance with the provisions of the Agreement. The participating company (Participant) will have the right to purchase ½ of the 2% NSR for $1,000,000, leaving the Non-participant with a 1% NSR.

On October 25, 2011 the Company entered into an amendment of the original Cranbrook Properties Agreement, dated September 14, 2010, signed between SG Spirit Gold Inc. (formerly Ruby Red Resources Inc.) and PJX Resources Inc. 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.

II) Vine Extension Option Agreement:

On April 26, 2012, PJX entered into the Vine Extension Option Agreement (the "Agreement") with Klondike Gold Corp. ("KG"). Under the terms of the 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.

8. SHARE CAPITAL

(a) Authorized capital

As at December 31, 2010 the capital structure of the Company was composed by an unlimited number of authorized common shares with no par value, series A to G, with different rights and privileges.

On March 3rd, 2011, the Company amended its capital structure as follows:

(i) Changing the designation of the authorized and issued Class A Shares of the corporation to common Shares 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.

(ii) Cancelling the authorized but unissued Class B,C,D,E,F and G shares.

(iii) Cancelling the restriction on transferability of the shares.

(b) Issued capital

The following schedule describes the class A share transactions since December 31, 2010:

	# of Shares		Value
Balance at December 31, 2010	10,235,701	$	950,635
Shares issued on IPO	10,500,000		2,100,000
Flow -through shares issued on IPO	1,600,000		400,000
Share premium on flow -through shares			(80,000)
Share issue cost:			
- Financing cost	-		(477,479)
- Fair value of compensation w arrants issued	-		(130,029)
Balance, December 31, 2011	**22,335,701**	**$**	**2,763,127**
Shares issued under private placement	4,429,500		708,720
Flow -through shares issued under private placement	1,385,000		277,000
Fair value allocated to warrants:			
Non-flow -trhough w arrants			(165,662)
Flow -through			(64,748)
Share premium on flow -through shares			(55,400)
Share issue cost:			
- Financing cost			(48,697)
- Fair value of compensation w arrants issued			(24,763)
Balance, September 30, 2012	**28,150,201**	**$**	**3,389,577**

(i) Initial Public Offering (IPO)

On September 9, 2011 the Company closed an IPO where 10,500,000 common shares of the Company were issued at a price of $0.20 per share and 1,600,000 flow-through (“FT”) shares of the Company were issued at a price of $0.25 per share.

In connection with the offering, PJX paid to the agent cash commission of $250,000 and $25,000 corporate finance fee. In addition, PJX issued to the agent 1,210,000 compensation warrants entitling the holder thereof to acquire one common share of the Company at a price of $0.20 until September 9, 2014.

(ii) Private placements

During September of 2012 PJX closed the first tranche of a non-brokered private placement originally announced on September 17, 2012. The Company issued of 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 non-flow through 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 will entitle the holder to purchase one common share at an exercise price of $0.25 for 24 months, until September 25, 2014. All securities issued under the offering are subject to a four-month hold period.

In aggregate, and in accordance with the policies of the TSX Venture Exchange, $42,954 brokerage commissions and 507,360 broker warrants were paid on this tranche to Union Securities Ltd., Canaccord Genuity Corp., PI Financial Corp., and East-West Trade Partners Inc.

(iii) 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 vest 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, as all options fully vested during the period, PJX charged to income the remaining balance of $235,668.

9. WARRANTS

(i) Warrants issued under IPO:

In connection with the IPO mentioned under Note 8 b(i), the Company paid to the agent 1,210,000 compensation warrants entitling the holder thereof to acquire one common share of the Company at a price of $0.20 until September 9, 2014.The fair value of the warrants issued to the agent was estimated at $130,029 by using a standard tree binomial model allowing for a dilution effect and using the following assumptions: dividend yield of 0%, expected volatility of 89.1%; risk-free interest rate of 0.93%; and an expected average life of 3 years.

(ii) Warrants issued under private placements:

As described under Note 8 (b) (ii), during September 2012 the Company issued 5,814,500 warrants as part of the first tranche of a private placement. In addition 507,360 broker warrants were issued under the same transaction. The fair values of the warrants issued were calculated using the Black-Scholes options pricing model using the following assumptions:

		Assumptions				
Warrants issued on:	**Number of Warrants**	**Dividend yield**	**Volatility**	**Risk free interest rate**	**Expected average life (years)**	**Fair value**
Flow-through warrants	1,385,000	-	112%	1.13%	2	$ 64,748
Non-flow-through units	4,429,500	-	112%	1.13%	2	$ 165,662
Broker Warrants	507,360	-	112%	1.13%	2	$ 24,763

The following schedules describe the warrants transactions since December 31, 2011 and the balance outstanding at September 30, 2012:

	Number of Warrants	Exercise price CAD$	Fair value
Balance at December 31, 2011	-	$ -	$ -
Issued during fiscal 2012:			
On private placement Flow-through units	1,385,000	$ 0.25	$ 64,748
On private placement Non-flow-through units	4,429,500	$ 0.25	$ 165,662
Balance at September 30, 2012	5,814,500	$ 0.25	$ 230,410

Expiry Date	Number of Warrants	Exercise price CAD$	Fair Value
September 25, 2014	1,385,000	$ 0.25	$ 64,748
September 25, 2014	4,429,500	$ 0.25	$ 165,662
Balance at September 30, 2012	5,814,500	$ 0.25	$ 230,410

The following schedules describe the broker warrants transactions since December 31, 2010 and the balance outstanding at September 30, 2012:

	Number of Warrants	Exercise price CAD$	Fair value
Balance at December 31, 2010	-	$ -	$ -
Issued on IPO	1,210,000	$ 0.20	$ 130,029
Balance at December 31, 2011	1,210,000	$ 0.20	$ 130,029
Issued on private placement	507,360	0.25	24,763
Balance at September 30, 2012	1,717,360	$ 0.21	$ 154,792

Expiry Date	Number of Warrants	Exercise price	Fair Value
September 9, 2014	1,210,000	$ 0.20	$ 130,029
September 25, 2014	507,360	0.25	24,763
Balance at December 31, 2011	1,717,360	$ 0.21	$ 154,792

10. CONTRUBUTED SURPLUS

The following schedule describes PJX contributed surplus movements from December 31, 2010:

Balance December 31, 2010	$	-
Share based compensation		189,942
Balance December 31, 2011	$	189,942
Share based compensation		235,668
Balance September 30, 2012	**$**	**425,610**

11. EXPLORATION AND GENERAL AND ADMINISTRATION EXPENSES

a) **Exploration Expenses:**

The following schedules describe explorations expenses by nature for the three and nine month-periods ended September 30, 2012 and 2011:

	Three months		Nine months	
Periods ended September 30,	**2012**	2011	**2012**	2011
Geology, geophysics and geochemistry	**66,467**	57,239	**190,486**	61,839
Exploration-Other Accomodations	**-**	-	**2,440**	-
Permitting	**1,795**	2,226	**6,370**	5,983
Land rights & claim management	**523**	756	**523**	2,192
Laboratory	**3,711**	-	**12,864**	-
Roads and surface preparation	**8,085**	765	**8,085**	765
Camp Cost	**1,740**	186	**3,415**	186
Exploration- Meals	**1,410**	-	**2,300**	-
Exploration - Travel & transportation	**4,618**	10,977	**7,643**	10,977
Rent	**2,100**	2,400	**3,715**	2,400
Surface sampling and mapping	**109**	25,473	**3,256**	31,606
Option payments	**40,000**	30,000	**40,000**	30,000
	$130,558	$130,022	**$ 281,097**	$ 145,948

The following schedules describe the exploration expenses incurred by PJX for each of its projects, during the three and nine months ended September 30, 2011, 2012 and since inception.

	Q3		YTD		Balance since inception
	2012	2011	**2012**	2011	
Dewdney Trail Gold Property	**$34,767**	$101,550	**$111,993**	$113,945	721,508
Eddy Gold Property	**26,021**	11,721	**47,162**	13,772	325,513
Zinger Gold Property	**54,641**	9,941	**72,052**	11,421	206,015
Vine Property	**14,604**	6,810	**49,365**	6,810	122,325
Gold Creek & Others	**525**	-	**525**	-	1,627
Bruyere	**-**	-	**-**	-	12,000
Total exploration expenses	**$130,558**	$130,022	**$ 281,097**	$ 145,948	$ 1,388,988

b) General and administration:

The following is a breakdown of the Company's general and administration expenses incurred during the three and nine month-periods ended September 30, 2012 and 2011:

	Three months ended		Nine months ended	
September 30,	**2012**	2011	**2012**	2011
Insurance	**$ 2,430**	$ 3,250	**$ 9,103**	$ 5,417
Interest, Bank Charges and Penalties	**15**	68	**235**	448
Investor Relations	**37,581**	33,687	**135,170**	52,038
Listing and regulatory fees	**10,598**	44,484	**25,566**	45,414
Management fees (Note 12(a))	**-**	54,900	**-**	183,588
Office Expenses	**7,214**	(24,443)	**16,898**	(17,768)
Professional fees *	**7,829**	106,008	**63,483**	381,533
Rent	**420**	651	**1,140**	1,302
Salaries and benefits	**132,249**	13,421	**272,259**	13,421
Travel & transportation	**7,695**	18,434	**19,046**	44,626
	$ 206,031	$250,460	**$ 542,900**	$ 710,019

* Including in professional fees for the three and nine months ended September 30, 2011 are $250,517 in legal fees of which $187,341 correspond to accrued legal fees that were subsequently classified as share issue cost since they related to legal cost associated with an IPO closed on September 9, 2011. See also Note 8(b(i)).

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 are as follows:

	2012	2013	2014	2015	2016 and thereafter	Total
Option payments	-	50,000	75,000	-	-	125,000
Work commitments	-	75,000	1,273,316	275,000	1,000,000	2,623,316
	$ -	$ 125,000	$1,348,316	$ 275,000	$ 1,000,000	$ 2,748,316

Although there are approximately $2.7 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.

The Company is required to incur qualified exploration expenditures of approximately $277,000 not later than December 31, 2013 as the result of the flow-through common shares issued. See Note 8(b)(ii).

13. RELATED PARTY TRANSACTION

The following transactions were carried out with related parties:

a) Purchase of services:

During the three and nine month-periods ended September 30, 2011 the Company purchased management services from companies controlled by its senior officers (CEO and CFO) and contracted legal services from a firm where a partner is also a director of PJX.

During the same period in fiscal 2012, PJX did not obtain consulting services from its CEO or CFO as employment contracts were signed between the Company and these officers in September 2011. During the nine month ended September 30, 2012 and 2011 the Company contracted legal services from a firm where a partner is also a director of PJX.

The following schedule shows payments made during the three and nine month-periods ended September 30, 2012 and 2011 to these companies.

	Three months		Nine months	
Periods ended September 30,	**2012**	2011	**2012**	2011
Management fees	**$ -**	54,900	**$ -**	$ 183,588
Fees paid to legal firm where a director of PJX is a partner	**-**	61,517	**1,500**	250,517
	$ -	116,417	**$ 1,500**	$ 434,105

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:

	Three months		Nine months	
Periods ended September 30,	**2012**	2011	**2012**	2011
Salaries	**$ 66,000**	$ 11,000	**$ 198,000**	$ 11,000
Stock-based compensation	**-**	-	**226,858**	-
	$ 66,000	$ 11,000	**$ 424,858**	$ 11,000

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

September 30,	**2012**	2011
Salaries payable to key management	**$ -**	$ 11,000
Payable to a firm where a director of the Company is a partner	**-**	327,437
	$ -	338,437

Payables to related parties are due on 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.

14. SEGMENTED REPORTING

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

15. SUBSEQUENT EVENTS

In October 2012 PJX closed a second tranche of the financing referred on note 8(b)(ii) for gross proceeds of $500,000 by issuing 3,125,000 Non-flow-through units at $0.16 per unit. Each unit consists of one common share and one non-transferable common share purchase warrant. Each warrant will entitle the holder to purchase one common share at an exercise price of $0.25 for 24 months, until October 2014. All securities issued under the offering are subject to a four-month hold period.