



PJX RESOURCES INC.

(formerly 1532063 Alberta Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2012

PJX RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis of the operating results and financial condition ("MD&A") of PJX Resources Inc. ("PJX" or the "Company") for the three and nine months ended September 30, 2012 ("Q3 F2012") and its financial position as at September 30, 2012 and should be read in conjunction with the unaudited condensed interim financial statements of the Company and notes thereto at September 30, 2012. The comparative reporting periods are the three and nine months ended September 30, 2011 ("Q3 F2011").

The condensed interim financial statements of PJX for the period ended September 30, 2012 have been prepared in accordance with IFRS as issued by the 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. All monetary amounts are expressed in Canadian dollars.

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

The date of this report is November 27, 2012.

Forward-looking Information

The Company's interim consolidated financial statements for the nine months ended September 30, 2012, and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, *Continuous Disclosure Obligations* of the Canadian Securities Administrators. Forward-looking information includes, but is not limited to, information concerning PJX's exploration program as well as PJX's strategies and future prospects. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Assumptions upon which such forward-looking information is based include, without limitation, availability of skilled labour, equipment, and materials. Many of these assumptions are based on factors and events that are not within the control of PJX and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking information include changes in market conditions, variations in ore reserves, resources, grade or recovery rates, risks relating to international operations (including legislative, political, social, or economic developments in the jurisdictions in which PJX operates), economic factors, government regulation and approvals, environmental and reclamation risks, actual results of exploration activities, fluctuating metal prices and currency exchange rates, costs, changes in project parameters, conclusions of economic evaluations, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes and the availability of skilled labour, failure of plant, equipment or processes to operate as anticipated, capital expenditures and requirements for additional capital, risks associated with internal control over financial reporting, and other risks of the mining industry as well as those risk factors discussed in the Long Form Prospectus of PJX available at www.sedar.com. Although PJX has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in Forward-looking Information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. PJX undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.

Nature of Operations and Going Concern

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

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

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

Company Overview

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

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

Highlights for Q3 2012

Financing

- On September 30, 2012 the Company closed the first tranche of a non-brokered private placement originally announced on August 17, 2012 and issue 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 following completion of the offering.

Exploration

- Exploration on the Dewdney Trail and Zinger properties has identified geological structures that appear to influence the distribution and concentration of gold mineralization.
- Approximately 4,500 additional hectares of land were staked over potentially favourable geology in the Cranbrook area.

Events subsequent to the quarter end

- The second tranche of the non-brokered private placement closed on October 4, 2012 with the issuance of 3,125,000 non-flow-through units ("Unit") at a price of \$0.16 per non-flow through unit for additional proceeds of \$500,000. 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 following completion of the offering. In aggregate, 8,939,500 shares were issued for total proceeds of \$1,485,720.
- Drilling commenced in October as a first phase to evaluate some of the gold and/or base metal targets on the Eddy and Zinger properties.

Strategy and Objectives

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

Objectives for 2012.

- Approximately 60% of historical data on the Dewdney Trail, Zinger, Eddy and Vine properties has been compiled into an electronic database. The remaining 40% is to be compiled.
- The current compilation of historical and recent survey data has identified numerous target areas on all the properties. The many target areas will be prioritized for further field surveys, trenching and/or drilling programs.
- Finance the Company to support continued exploration
- Continue to communicate to existing and prospective shareholders the potential of the Cranbrook properties and how PJX will attempt to realize that potential.

Key Performance Drivers

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

2011 was one of the most volatile years in recent memory for all stock markets. This volatility continues into 2012. Market volatility, the price of gold and the appetite for risk cannot be controlled by the Company. However, the Company has assembled a team that has more than 100 years of working experience in the mining and exploration industry and meeting its related challenges. With gold trading at high prices and positive exploration results, PJX believes it is well positioned to attract investor interest. The prime objective is to focus resources on exploration activities to discover a gold deposit.

Ability to Deliver Results

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

Exploration

Acquisition of the Mineral Properties

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

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

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

On April 26, 2012 PJX entered into the Vine Extension Option Agreement (the “Vine Agreement”) with Klondike Gold Corp. (“KG”). Under the terms of the Vine Agreement, PJX can earn a 50% interest in KG’s 6,300 ha property by completing \$1.5 million in work, with at least \$1 million of the \$1.5 million spent on drilling, and 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 their interest is 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. The issuance of shares was approved by the TSX-Venture Exchange on May 9, 2012.

DEWDNEY TRAIL PROPERTY

The Dewdney Trail Property is the largest in size and considered to be one of the most prospective at this time because of gold discoveries found in geology favourable for hosting large tonnage SHV gold deposits. The optioned and staked property covers over 18,000 hectares and is located 29 km northwest of Cranbrook, British Columbia.

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

Prospecting and geological mapping by SG had discovered a broad sedimentary rock unit of interbedded quartzites and argillites containing gold mineralization. Over 12 km of the favourable gold bearing quartzite-argillite unit occurs on the Dewdney Trail property. The unit ranges from 75 to over 200 m true width and has not been systematically explored or drilled. Rock grab samples of the unit from prospecting and mapping contain gold concentrations up to 15 g/t. This target unit is pervasively altered (sericite-quartz-pyrite-Fe oxide-Fe carbonate) and veined throughout its length and width. Veins are locally closely spaced (centimetre scale), have widths ranging from millimetres to centimetres, and range in length from centimetres to a metre. Given the significant size potential of the sedimentary unit, PJX considers the Dewdney Trail Property to have great gold deposit potential. In December 2010, RIT Minerals Corp. completed a 43-101 Technical Report (the “43-101”) on the Dewdney Trail Property for the Company.

The 43-101 concludes that the Dewdney Trail Property contains: i) 3 large-tonnage SHV gold prospects called Spirit, Tac (“Tackle”) and Lewis; ii) a vein-type prospect called Jack Leg, and iii) a skarn and stockwork Cu-Au (possible porphyry) prospect called Dew Drop. In the author’s opinion, exploration emphasis and expenditures should focus on the Spirit and Lewis showings as they exhibit many features in common that support potential for a large tonnage deposit of the SHV type. These zones have the following characteristics that make them suitable as bulk tonnage targets: (i) stratigraphic continuity measured in km; (ii) large, intense alteration systems featuring sericite-quartz-pyrite-Fe carbonate-Fe oxide; (iii) centimetre scale spaced fractures throughout the host unit; (iv) evidence of resurgence; and (v) gold distributed throughout the host unit.

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

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

During 2011, 400 grab samples were collected from 60% of the 20 large target areas with gold mineralization potential initially identified by airborne geophysics on the Dewdney Trail Property. The Company also completed initial trenching and drilling programs on part of the Spirit Showing area to assess the orientation and continuity of structures and rock units hosting gold mineralization. PJX drilled 4 diamond drill holes (totaling 796 m) to test the quartzite unit at depth in one part of the M1 target area of the Spirit Showing. The drilling confirmed that anomalous gold mineralization is most often associated with the more altered, veined and fractured sections of the interbedded quartzites

and argillites. The altered and veined zones in the drill core consistently contain anomalous gold ranging from 10 parts per billion (“ppb”) up to 600 ppb. This low grade mineralization supports the potential for SHV deposits where a halo of anomalous gold mineralization can occur in rock units hosting ore deposits. Additional exploration is required across and along strike and/or at depth to help determine which direction may be most favourable for hosting a deposit. The results of this work will be used to plan the most efficient way to evaluate the entire M1 target area and other target areas on the property

Additional mapping, sampling and compilation of historical data during 2012 has further defined 2 large target areas (Lewis and Tackle) in addition to the M1 area. Lewis and Tackle have gold in soils over large areas that occur within rocks and structures favourable for hosting gold deposits. Exploration on the M1 and Lewis areas during 2012 has also identified fold structures that appear to influence the distribution and concentration of gold mineralization.

Outlook

The Lewis, Tackle and M1 target areas are the primary focus for exploration on the Dewdney Trail Property. Sample results from field work are pending. This data will be compiled with other recent work and historical data to define targets for testing and future work.

ZINGER PROPERTY

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

The Zinger Property is located within the Kimberley Gold Trend on the north flank of Perry Creek, 5 km directly upstream from the historic Perry Creek placer gold deposits. PJX plans to explore the Zinger Property to determine whether it may have been a source for the placer gold.

Bedrock samples taken in 2008 and 2009 from the Zinger Property contain gold concentrations. The zone with mineralization is at least 8 km long and 1.5 km wide. Approximately 1,380 grab samples of bedrock were collected and assayed. Approximately 750 samples reported analyses above 20 ppb (0.02 g/t) gold. Of these, 86 samples ranged from 500 ppb (0.5 g/t) to 1000ppb (1.0 g/t), 101 samples ranged from 1000 ppb (1.0 g/t) to 5000 ppb (5.0 g/t), and 37 samples were equal to or greater than 5000 ppb (5.0 g/t) gold. The highest value reported was 39,597 ppb (39.6 g/t) gold.

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

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

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

Compilation of historical data with the new survey information has identified a 5 km long magnetic and resistivity high trend in the airborne geophysics that is coincidental with gold in rock from surface grab samples. Mapping during 2012 has identified a structural fold/flexure feature where sub-vertically dipping sediments warp or flex into a flat orientation and then return to a steep dip angle. These flexures in the sediments combined with cross faults appear to influence the location of alteration zones and possibly gold mineralization.

Outlook and Subsequent Events

The newly discovered possible structural controls to the alteration and gold mineralization will need to be tested to identify areas that could host gold deposits. Preliminary drilling commenced in October as a first phase to test selected

mineralized zones and structures. Drilling results will be compiled with recent work and historical data to identify targets for further trenching and drilling.

EDDY PROPERTY

The road accessible Eddy Property is located 14 km south west of Cranbrook, British Columbia and 6 km southeast of the Zinger Property. In November 2011, the Company expanded the Eddy property by more than 4,400 hectares to over 11,500 contiguous hectares through an amendment to the Cranbrook Property Agreement. Additional claims were staked in December 2011 and June/July 2012, increasing the property size to over 19,000 hectares.

The Eddy Property is located within the Kimberley Gold Trend on the north flank of Moyie Creek. The Eddy Property covers a succession of gold-mineralized quartz veins which occur along shear zones within the fold hinge of a regional anticline that is at least 9.5 km long. A total of 64 grab samples of bedrock have returned values up to 57 g/t Au and demonstrate the potential for high-grade gold concentrations along the shear zones.

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

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

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

Outlook and Subsequent Events

Compilation of historical data with the new survey information has identified 4 large VTEM conductivity anomalies for drill testing. These new targets are close to roads and may represent porphyry gold/copper or Sullivan style silver-lead-zinc mineralization. Preliminary drilling commenced in October to evaluate the possible source of the VTEM anomalies.

VINE PROPERTY

The road-accessible Vine Property is located 11 km south of Cranbrook, British Columbia. The property optioned from SG initially comprised 459 hectares. Additional claims were staked in December 2011, increasing the property size to about 650 hectares. The Vine Extension Option Agreement subsequently increased the property to over 6,300 ha.

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

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

“The Vine 1 occurrence is a shear-related vein system in Middle Aldridge Formation argillites and quartzites. Trenching and drilling has exposed massive and disseminated sulphides (pyrite, sphalerite and galena) within a sheared vein system striking about 120 degrees and dipping 45 to 85 degrees to the northwest. Stringer and disseminated sulphides are conspicuous in the shear zone for several metres on either side of the massive sulphides. The mineralized Vine structure has been traced for over 1000 metres along strike and a downdip extension of at least 700 metres.”

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

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

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

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

In December 2011, PJX contracted Terralogic Exploration Services, (geologic consultants) to enter the historical drilling data into a digital format for computer modeling. This work was completed in early 2012. Rock and soil samples were taken during Q2, 2012 to assess potential mineralized trends at surface.

Outlook

The last significant drilling done on the Vine Property was between 1989 and 1991. PJX plans to utilize the historical drill data compilation and more recent work on the Vine Property to assess and test potential additional mineralization on strike and/or at depth.

OTHER PROPERTIES

PJX staked/acquired 2,755 hectares of land in British Columbia (Gold Creek Property) and 736 hectares in Ontario (Bruyere Property) to review historical data and determine if gold and other metal potential of those areas warrants exploration programs. No significant expenditures are proposed for these project generative properties at this time.

Results of Operations

The following schedule describes exploration expenses for each project incurred since inception and for the three and nine months ended September 30, 2012, compared to the same periods of fiscal 2011:

| | 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 |

The following schedule compares exploration expenses incurred during the three and nine months ended September 30, 2012 by function:

| Periods ended September 30, | Three months | | Nine months | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2012 | 2011 | 2012 | 2011 |
| Geology, geophysics and geochemistry | 66,467 | 57,239 | 190,486 | 61,839 |
| Exploration-Other Accommodations | - | - | 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 |

Exploration expenses during the three and nine months ended September 30, 2012 PJX incurred \$130,558 and \$281,097 respectively, compared to \$130,022 and \$145,948 for the same periods during fiscal 2011.

Geology, geophysics and geochemistry work were the main components of exploration expenses for both the three and nine months periods ended September 30, 2012. Of the \$190,486 incurred during the nine months period ended September 30, 2012, 43% of the amount was incurred in Dewdney, a 14.5% in Eddy, a 26% in Zinger and a 16.5% in the Vine property.

Roads and surface preparation showed an increase of \$7,320 for both, the three and nine-month periods ended September 30, 2012. Of this amount, \$5,585 was incurred in the Eddy project and \$2,500 in Zinger.

Also, in September 2012 the Company paid its second option payment of \$40,000 (F2011: \$30,000) to Ruby Red Resources Inc. corresponding to the second option payment on the Dewdney, Vine, Zinger and Eddy properties.

General and administration:

The following schedule describes PJX general and administration expenses for the three and nine months period ended September 30, 2012 and 2011:

| September 30, | Three months ended | | Nine months ended | |
|--------------------------------------|--------------------|-------------------|-------------------|-------------------|
| | 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 |

The most significant elements of general and administration (“G&A”) during the three and nine months ended September 30, 2012 were:

Investor relation expenses for the third quarter of fiscal 2012, increased marginally by \$3,894, when compared to the

same period in fiscal 2011. For the nine months period ended Q3 F2012 the increase was \$83,132. Of the amount incurred during the nine months ended September 30, 2012, 44% represents traveling expenses (2011: 50%), investor relation fees paid to service provider companies 39% (F2011: 9%) and meals and entertainment 13% (F2011: 35%).

Professional fees incurred during the three and nine months periods ended September 30, 2012 decreased by \$125,179 and \$318,050, respectively. The decreases are mainly due to legal (\$250,517) and accounting and auditing fees (\$104,016) related to the IPO. During December, 2011 the amount of \$187,341 of the previously estimated IPO legal fees were reclassified as share issue cost. * 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.

Listing and regulatory fees for the nine months ended September 30, 2012, when compared to the same period of fiscal 2011, decreased by \$33,886 and \$19,848, respectively. The reduction in fees is mainly due to listing and regulatory fees related to the IPO and paid to the TSX Venture Exchange in September, 2011.

The decrease in management fees for the three and nine months ended September 30, 2012 of \$54,900 and \$183,588 respectively, when compared to the same periods of F2011 was due to the change in compensation method to PJXs' CEO and CFO, where compensation until mid-September 2011 was paid as a management fee. Subsequent to this date, management entered into employment contracts with the Company and payments were subsequently classified as salaries. This also explains the increase in salaries and benefits by \$118,828 and \$258,838 for the three and nine months ended September 30, 2012, respectively, when compared to the same periods of F2011.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected financial information derived from the Company financial statements for each of the eight most recently completed quarters:

| Quarter Ended | Revenue | Net income (loss) | | Exploration expenses | General and administration |
|--------------------|---------|--------------------|-----------|----------------------|----------------------------|
| | | Total | Per Share | | |
| September 30, 2012 | Nil | \$ (336,589) | (\$0.01) | \$ 130,558 | \$ 206,031 |
| June 30, 2012 | Nil | (243,879) | (0.01) | 61,826 | 182,053 |
| March 31, 2012 | Nil | (399,197) | (0.02) | 88,713 | 154,816 |
| December 31, 2011 | Nil | (574,714) | (0.03) | 543,149 | 31,565 |
| September 30, 2011 | Nil | (380,483) | (0.03) | 130,023 | 250,460 |
| June 30, 2011 | Nil | (349,810) | (0.03) | 2,444 | 347,366 |
| March 31, 2011 | Nil | (125,675) | (0.01) | 13,482 | 112,192 |
| December 31, 2010 | Nil | (554,964) | (0.06) | 300,723 | 254,241 |

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

In June and September 30, 2011 financial statements, management accrued legal expenses (which included these share issue costs). At the time the Company had not yet received the legal invoice relating to the 2011 IPO. While the June and September 30, 2011 interim financial statements reflected an increase to net loss instead of a reduction in share capital, management has considered materiality and concluded a restatement of the third quarter interim financial statements was not required.

Liquidity and Capital Resources

On September 9, 2011 the Company completed its initial public offering of an aggregate of 10,500,000 common shares at a price of \$0.20 per common share, and 1,600,000 common shares that qualify as "flow-through shares" at a price of

\$0.25 per flow-through common share for total gross proceeds of \$2,500,000. A \$250,000 cash commission and \$25,000 corporate finance fee was paid to the Agent in connection with this financing. The Company also issued 1,210,000 compensation warrants entitling the holder to acquire one common share of the Corporation at a price of \$0.20 until September 9, 2014.

On September 27, 2012 the Company completed the first tranche of a non-brokered private placement by issuing 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 following completion of the offering. Cash finder's fees of \$58,480 were paid in connection with this financing. The Company also issued 507,360 compensation warrants entitling the holder to acquire one common share of the Corporation at a price of \$0.20 until September 26, 2014.

On October 4, 2012 the Company issued the second tranche of this financing with the issuance of 3,125,000 non-flow-through units ("Unit") at a price of \$0.16 per non-flow through unit for additional gross proceeds of \$500,000 (see "Subsequent Event", here below).

As at September 30, 2011 the Company has a cash position of \$1,007,476 and current liabilities of \$132,355. The Company's cash position will enable it to fund the Corporation's exploration program, and cover limited operating expenses during 2012-2013.

The Company has no producing properties and, consequently, has no current operating income or cash flow. The company's access to capital may not be available on terms acceptable to the Company or at all. Financing of the Company's activities to date has been obtained from equity issues. The continuing short-term development of the Company's properties therefore depends on the Company's ability to obtain additional financing through equity investments. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and evaluation of the property interests of the Company with the possible dilution or loss of such interests.

A loss of confidence in the broader U.S. and European markets as well as the sovereign debt and deficit issues across the globe create a climate of greater volatility, decreased liquidity, widening of credit spreads, increased credit losses and tighter credit conditions. These disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult to obtain, or increase our cost of obtaining capital and financing for our operations.

Subsequent Event

The second and final tranche of the non-brokered private placement closed on October 4, 2012 with the issuance of 3,125,000 non-flow-through units ("Unit") at a price of \$0.16 per non-flow through unit for additional gross proceeds of \$500,000. 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 following completion of the offering. \$40,000 cash finder's fees were paid in connection with the final tranche of the financing.

Outlook

PJX's management are encouraged by the positive results received from the exploration completed to date. Evaluation of 60% of the more than 20 large target areas identified by airborne geophysical surveys, and compilation of historical data, has identified three large target areas with gold deposit potential on the Dewdney Trail Property. Compilation of historical data and new airborne and other survey results has also identified gold and base metal deposit targets on the Zinger and Eddy Properties. Historical drill holes on the Vine property have been digitized for computer modelling to help identify targets for drilling on strike and at depth of the Vine deposit. Given the potential of the targets identified to date, the company has increased its land holdings by staking and acquiring land through option agreements. The company plans to focus resources on defining existing targets for trenching and drilling, and continue to develop additional targets through field surveys and further compilation of historical data

As with all junior exploration companies, financing remains a challenge. With gold trading at high prices and positive exploration results, PJX believes it is well positioned to attract investor interest. A priority will be to continue marketing efforts to promote PJX's exploration results and potential.

Trend Information

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

Off-Balance Sheet Arrangements

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

Related Party Transactions

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

The following transactions were carried out with related parties:

a) Purchase of services:

During the three and nine month-periods ended September 30, 2011 the Company purchased consulting services from its senior officers (CEO and CFO).

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 three and nine month-periods 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.

| Periods ended September 30, | Three months | | Nine months | |
|--|---------------------|----------------|--------------------|-------------------|
| | 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:

| Periods ended September 30, | Three months | | Nine months | |
|------------------------------------|---------------------|------------------|--------------------|------------------|
| | 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 |

Commitments, Contingencies and Contractual Obligations

The Company is a party to certain employment contracts with its CEO and CFO. These contracts contain clauses requiring that \$396,000 be paid upon a change of control of the Company. As the likelihood of these events taking

place is not determinable, the contingent payments have not been reflected in these condensed consolidated interim financial statements.

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

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

| | 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 |

The following schedules describe the work commitments that PJX has with Ruby Red Resources Inc. on its Dewdney Trail, Vine, Zinger and Eddy gold properties as well as the obligations on its optioned property from Klondike Gold Corp., the Vine Extension.

Rubi Red Option agreement:

| Year | Commitment (Sept. 14) | Actual Expenses (To Sept.30) | Incurred Cumulative | Outstanding commitment |
|------|-----------------------|------------------------------|---------------------|------------------------|
| 2011 | 250,000 | 466,671 | 466,671 | (216,671) |
| 2012 | 500,000 | 910,013 | 1,376,684 | (626,684) |
| 2013 | 500,000 | - | 1,376,684 | (126,684) |
| 2014 | 1,250,000 | | 1,376,684 | 1,123,316 |
| | 2,500,000 | 1,376,684 | | |

Vine Extension Option agreement:

| Year | Commitment | Actual Expenses | Incurred Cumulative | Outstanding commitment |
|------|------------|-----------------|---------------------|------------------------|
| 2013 | 75,000 | - | - | 75,000 |
| 2014 | 150,000 | - | - | 225,000 |
| 2015 | 275,000 | - | - | 500,000 |
| 2016 | 400,000 | - | - | 900,000 |
| 2017 | 600,000 | - | - | 1,500,000 |
| | 1,500,000 | | | |

Although there are approximately \$2.7 million in existing commitments, the payment of these commitments is dependent on PJX retaining the Mineral Properties. If the Company decides to discontinue its interest in all the Cranbrook Properties, the related commitment would cease to exist.

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.

Proposed Transactions

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

Critical Accounting Estimates and Changes in Accounting Policies

i) Significant accounting judgments and estimates

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

Critical accounting estimates

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

- The recoverability of sales taxes receivable which are included in the statements of financial position. The Company recognizes all sale tax debits generated. The Company cannot be certain of the full recoverability of these amounts which could be material.
- The inputs used in accounting for share-based payment transactions in profit or loss. PJX estimates the value of stock based compensation granted using the Black-Scholes valuation method. Several assumptions including volatility and risk-free interest rate and expected option life are significant assumptions used in determining the values of options.
- 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 and risk-free interest rate and expected option life are significant assumptions used in determining the values of options.

Critical accounting judgments

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

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

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

(a) IFRS 9, Financial Instruments, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

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

(b) IFRS 10, Consolidated Financial Statements, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, Consolidation—Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements and is effective for annual periods beginning on or after January 1, 2013.

(c) IFRS 11, Joint Arrangements, requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers. This standard will be effective for annual periods beginning on or after January 1, 2013.

(d) IFRS 12, Disclosure of Interests in Other Entities, establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities. This standard will be effective for annual periods beginning on or after January 1, 2013.

(e) IFRS 13, Fair Value Measurement, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures. This standard will be effective for annual periods beginning on or after January 1, 2013.

Financial Instruments and other instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, deposits and advances, accounts payable and accrued liabilities. Cash and cash equivalents have been designated as held-for-trading, which are measured at fair value. Accounts receivable is classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments and that their fair values approximate their carrying value unless otherwise noted.

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

(a) Property risk

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

(b) Financial risk

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

Credit risk

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

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At September 30, 2012, the Company had cash and cash equivalents 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. The Company does not have or expect to have a working capital deficiency. There is no default or arrears or significant risk of default or arrears on any payments (dividend, lease, principal or interest), on any debt covenants or on any redemption or retraction or sinking fund payments of PJX.

Market risk

Interest rate risk

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

Commodity price risk

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

Fair Value

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

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

Sensitivity Analysis

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

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

Capital Management

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the quarter ended September 30, 2012. The Company is not subject to externally imposed capital requirements.

Outstanding Share Data

Details about the Company's outstanding capital structure as at November 27, 2012 are as follows:

| | |
|--|------------|
| Common shares issued and outstanding | 31,275,201 |
| Potential issuance of common shares - warrants | 10,656,860 |
| Stock based compensation | 2,233,500 |
| | <hr/> |
| | 44,165,561 |

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. As at September 30, 2012 all based compensation shares are fully vested.

Risks and Uncertainties

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

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

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

Liquidity and Capital Markets Risks

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

Disclosure Controls and Procedures

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

financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

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

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

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

Qualified Person

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

Corporate information

Directors

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

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

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

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

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

Somerset Parker^{(1) (2)}
Toronto, Ontario, Canada

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

Officers

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

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

Stock Listing

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

Auditors

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Legal Counsel

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Investor Relations

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

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