



PJX RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2015

PJX RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis ("MD&A") of the operating results and financial condition of PJX Resources Inc. ("PJX" or the "Company") for the fiscal years ended December 31, 2015 ("Fiscal 2015") and December 31, 2014 ("Fiscal 2014") should be read in conjunction with the audited financial statements of the Company and notes thereto at December 31, 2015.

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

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

The date of this report is April 22, 2016.

APPROVAL

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

FORWARD LOOKING INFORMATION

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

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

NATURE OF OPERATIONS AND GOING CONCERN

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

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

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation of properties, and political uncertainty.

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. Management believes that the working capital is sufficient to support operations for the next twelve months.

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

COMPANY OVERVIEW

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

The Company's principal mineral property is the Dewdney Trail Property. The Company holds 100% interest in the Dewdney Trail Property and 4 additional properties (the Vine (including the Vine Extension), Eddy, Zinger and West Basin). The Company also has the right to earn a 100% interest in the DD Property. All properties are road accessible and proximal to power lines, rail and historical mining communities of Cranbrook and Kimberley, British Columbia.

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

Highlights for 2015

Operations

- The Annual General and Special Meeting was held on June 25, 2015. The Shareholders of record:
 1. approved the Audited Financial Statements;
 2. set the number of directors of the Company at six and re-elected Messrs. John Keating, James Clare, Kent Pearson, Somerset Parker, Joseph Del Campo, and Ms. Linda Brennan;
 3. reappointed PricewaterhouseCoopers LLP as Auditors of the Company for the ensuing year; and
 4. approved the Company's Share Incentive Plan.
- On October 8, 2015, the Company filed a Notice of Change of Auditor on SEDAR to reflect the resignation, at the Company's request, of PricewaterhouseCoopers LLP, Chartered Accountants, and appointment of McGovern, Hurley, Cunningham, LLP, Chartered Accountants, as successive auditors for the Company. The Change of Auditor was effective October 5, 2015.

Exploration

- Computer modelling of the Vine Property gravity geophysical survey has identified 2 separate large target areas (Eastern and Western targets) with potential to host Sedimentary Exhalative (Sedex) massive sulphide (zinc, lead, silver) mineralization.
- Drilling on the East Gravity anomaly continued to intersect mineralization and alteration that supports the potential for a Sedex massive sulphide style deposit in the area.
- Modelling and drilling on the Eastern target during 2015 suggests the potential for flat lying massive sulphides and/or folded vertically oriented massive sulphide bodies with veins or breccia zones. These styles of mineralization could be similar to what occurs at the former Sullivan mine located 35 kilometers ("km") to the north of the Vine Property, or the Broken Hill deposit in Australia.
- Drilling on the West Gravity anomaly has intersected geology with zinc and massive iron sulphide mineralization that also support the potential for a Sedex massive sulphide type of deposit in the area.
- In February 2016, subsequent to the year end, the Company received an expanded permit from the government to drill and trench anywhere within and between the large Eastern and Western Gravity anomalies for the next 5 years on the Vine Property.
- In July 2015, PJX optioned the DD Property which management believes is the third best property in the Cranbrook area, after the Company's Vine and West Basin Properties, with potential to host a Sedex deposit.

Financial

- In April 2015, the Company announced the completion of a non-brokered private placement for gross proceeds of \$1,273,000 by 3,605,000 flow-through units at a price of \$0.20 per flow-through unit and 2,760,000 non-flow-through units at a price of \$0.20 per unit. Each flow-through unit consisted of one common share and one half of one non-transferable common share purchase warrant ("warrant"). Each unit consisted of one common share and one non-transferable common share purchase warrant. Each warrant, regardless of whether issued as part of a flow-through unit or a non-flow-through unit, entitles the holder to purchase one common share at an exercise price of \$0.20 for 24 months following completion of the offering.
- On October 26, 2015, the Company announced the completion of a non-brokered private placement for gross proceeds of \$652,500 by issuing 1,575,000 flow-through units at a price of \$0.20 per

flow-through unit, and 1,687,500 non-flow-through units at a price of \$0.20 per unit. Each flow-through unit consisted of one common share of the Company and one non-transferable common share purchase warrant. Each warrant, regardless of whether issued as part of a flow-through unit or a non-flow-through unit, entitles the holder to purchase one common share at an exercise price of \$0.25 for 24 months following completion of the offering.

Strategy and Objectives

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

Objectives for 2016

- Exploration during 2015 continues to support the potential for Sedex zinc, lead and silver mineralization on the Vine Property and new zones with gold potential on the Dewdney Trail and Zinger Properties. Additional drilling is planned to further test the Vine Property targets during 2016. The Zinger and Dewdney Trail gold targets will also be prioritized for testing which could include further work to refine targets, trenching and/or drilling.

Ability to Deliver Results

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

RESULTS OF OPERATIONS

Exploration

During the year ended December 31, 2015, PJX incurred \$1,037,893 in exploration expenses and received a refundable tax credit of \$27,747 (net exploration expenses of \$1,010,146), compared with \$385,724 and \$149,878, respectively (net exploration expenses of \$235,846) for Fiscal 2014.

The following schedule describes exploration expenses incurred in each project for the years ended December 31, 2015 and 2014 as well as the balances since inception.

	2015	2014	%Change	Balance since inception
Dewdney Trail Property	\$ 32,185	\$ 33,055	-2.6%	\$ 909,200
Eddy Property	1,476	1,938	-23.8%	500,896
Zinger Property	916	27,699	-96.7%	457,388
Vine Property	994,581	319,656	211.1%	1,697,998
DD Property	8,348	-	100.0%	8,348
Others	387	3,376	-88.5%	50,273
	1,037,893	385,724	169.1%	3,624,103
<i>BC refundable tax credits received</i>	(27,747)	(149,878)	-81.5%	(177,625)
Total exploration expenses	\$ 1,010,146	\$ 235,846	328.3%	\$ 3,446,478

Acquisition of the Mineral Properties

On February 27, 2014, PJX announced that it completed a P&S Agreement with Klondike Gold Corp. ("KG") to acquire a 100% interest in the Vine Extension Property. Under the P&S Agreement, PJX purchased full ownership of the Property by issuing 700,000 PJX common shares to KG. In addition to receiving the Shares, KG retains a royalty equal to 1% Net Smelter Royalty ("NSR") from minerals produced from claims comprising the Vine Extension Property.

In July, 2015, PJX optioned the DD Property. PJX also staked over 1,900 hectares of land with mineral potential adjacent to the 440 hectare DD Property. PJX has an option to acquire 100% interest in the DD Property by granting an aggregate total of 250,000 PJX common shares over a 5 year option period (50,000 shares per year to be issued on or before the anniversary date of the option agreement). Once the option is exercised, DD Property the optionors, Doug Anderson (50%) and Dave Pighin (50%), will be granted an aggregate NSR of 2% in respect of the DD Property and adjacent claims staked by the Company. PJX will have the right to purchase 50% of such NSR for \$1,000,000, and the remaining 50% NSR for \$1,000,000.

The Cranbrook Properties are all accessible by road and located within a 40 km radius of Cranbrook and Kimberley, British Columbia. Three properties (Dewdney Trail, Zinger and Eddy) cover historical gold showings and have the potential to host large tonnage gold deposits. The Vine Property has an historical resource estimate of 1.3 million tonnes averaging 2.2 g/t gold, 36.3 g/t silver, 3.12% lead, 3.12% zinc and 0.11% copper. This historical resource was not prepared using resource categorizations as set out in NI 43-101. PJX is uncertain about the relevance or reliability of the resource estimate. PJX is not treating the historical estimate as current mineral resources or reserves, as a qualified person has not done sufficient work to classify the historical estimate. The West Basin Property contains two known zinc-lead occurrences (Fors and Smoker). Historical drilling by other companies adjacent to the DD Property intersected zinc-lead-silver mineralization at the Sullivan-time-horizon. The DD Property was never drilled to that depth.

DEWDNEY TRAIL PROPERTY

The large Dewdney Trail Property straddles Wildhorse Creek and is considered to be one of the most prospective because of gold discoveries found in geology favourable for hosting large tonnage SHV gold deposits. The large road accessible property is over 13,500 hectares in size and is located 29 km northeast of Cranbrook, British Columbia.

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

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

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

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

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

Outlook

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

ZINGER PROPERTY

The road-accessible Zinger Property is located 24 km west of Cranbrook, British Columbia. The large property, comprised of over 14,000 hectares of land, is located on the north flank of Perry Creek, directly upstream from the historic Perry Creek placer gold deposits. PJX plans to explore the Zinger Property to determine whether it may have been a source for the placer gold.

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

Data compilation and mapping have identified a trend of gold mineralization in bedrock samples that is at least 8 km long and 1.5 km wide. Over 1,380 bedrock grab sample analyses were compiled. Approximately 750 samples reported analyses above 20 ppb (0.02 g/t) gold. Of these, 86 samples ranged from 500 ppb (0.5 g/t) to 1,000ppb (1.0 g/t), 101 samples ranged from 1000 ppb (1.0 g/t) to 5,000 ppb (5.0 g/t), and 37 samples were equal to or greater than 5,000 ppb (5.0 g/t) gold. The highest value reported was 39,597 ppb (39.6 g/t) gold. Gold mineralization appears to be associated with folding in Proterozoic age sediments. Characteristics common to gold mineralized zones include: sericite-quartz-pyrite alteration; multiple vein sets on the millimetre and centimetre scale; brick red hematite staining; extensive silicification.

PJX's drill hole (Hole ZG12-02) intersected 2.92 g/t gold over 2 m within a broader interval of 0.50 g/t gold over 22.38 m from a depth of 2.62 m (bedrock) down to 25 m.

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

Outlook

Two highly anomalous gold in soil anomalies occur on strike with an 8 km long trend of gold mineralization in bedrock grab samples. Additional soil sampling is required as the gold anomalies

appear to extend off the grids. In addition, areas with the highest concentrations of gold in soils should be trenched to help identify the source of the gold in bedrock, prior to 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. The large property is comprised of more than 15,000 hectares of land on the north flank of the Moyie River. The Eddy Property hosts a succession of gold-mineralized quartz veins which occur along shear zones within the fold hinge of a regional anticline that is at least 9.5 km long. A total of 64 grab samples of bedrock have returned values up to 57 g/t gold and demonstrate the potential for high-grade gold concentrations along the shear zones.

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

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

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

Outlook

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

VINE PROPERTY (INCLUDES THE VINE EXTENSION PROPERTY)

The road-accessible Vine Property is located 11 km south of Cranbrook, British Columbia. The property is over 8,000 hectares in size.

In the late 1970s, Cominco discovered lead, zinc and silver mineralization on the Vine Property. The following summary of the Vine occurrence is quoted from the B.C Ministry of Energy Mines, and Petroleum Resources' Minfile Record Summary (082GSW050):

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

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

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

Kokanee Exploration Ltd.’s resource estimate reported above is a historical estimate and was not prepared using the resources categorizations set out in NI 43-101. The Company is not aware of any more recent resource estimate for this property. The Company is uncertain as to the relevance or reliability of the historical estimate. PJX is not treating the historical estimate as current mineral resources or reserves, as a qualified person has not done sufficient work to classify the historical estimate.

Data compilation and modeling of historical drilling suggest the mineralized Vine vein structure continues to depth and along strike beyond previous drilling. The compilation also suggests the potential for bedded massive sulphide mineralization at depth that would be more consistent with a Sedex style massive sulphide as opposed to the Vine vein.

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

Drilling during in 2014 and 2015 has discovered what the Company believes are restricted sedimentary basins. Restricted sedimentary basins are important geological environments often associated with Sedex deposits.

Drilling on the Eastern Target intersected Proterozoic age Lower Aldridge sediments that contain anomalous sphalerite (zinc sulphide) and pyrrhotite (iron sulphide) mineralization along fractures and disseminated in sedimentary beds that are locally altered by sericite, chlorite, albite, silica and occasional garnets. The presence of anomalous sphalerite mineralization with alteration supports the potential for massive sulphides to be deposited in the basin at the target sedimentary horizon called the Footwall Quartzite. Historical holes (KV90-41 and KV94-57) drilled in the early 1990’s by other companies discovered massive sulphide with zinc, lead and silver mineralization at the base of the Footwall Quartzite, approximately 1.2 km west of PJX’s drilling on the Eastern Gravity anomaly. Three dimensional modelling of the gravity data suggests that the Eastern gravity anomaly may have an irregular shape and be possibly folded along the Moyie shear zone. This latter style of folded and vertically oriented mineralization along a shear zone would be more similar to the Broken Hill deposit in Australia.

Drilling on the Western Gravity anomaly suggests that syn-sedimentary faulting has created restricted basins that could host a Sedex deposit. Preliminary testing in one area intersected multiple narrow bands of Sedex Style bedded massive pyrrhotite (iron) and pyrite (iron) sulphide mineralization over a 10.3 meter interval. Another area, encountered anomalous disseminated sphalerite (zinc) and thin layers of bedded sphalerite and pyrrhotite mineralization in the same geological unit.

Given the initial positive results on the Eastern and Western Gravity anomaly targets, the company applied for an expanded permit to drill or trench anywhere within and between the large anomalies. In February, 2016, the Company received a government issued permit to drill and/or trench within the expanded permit area for the next 5 years.

Dr. Trygve Hoy (P.Eng), former research economic geologist with the British Columbia Department of Mines, noted in a report to PJX about the regional and local geological significance of the Vine and West Basin Properties that, “In summary, the Vine and West Basin area has potential for discovery of a significant lead-zinc-silver Sedex deposit. The area is within a highly favourable structural and metallogenic belt, has characteristics and controls that are similar to those in the Sullivan camp area, has known Proterozoic-age

lead-zinc-silver mineralization, and a prominent geophysical target. Future exploration should be directed to mainly defining more rigorously the gravity geophysical anomaly and systematic diamond drilling to test the “footwall quartzite” horizon as well as the overlying Sullivan horizon.”

Outlook

Exploration during 2014 and early 2015 has identified the potential for Sedex style zinc, lead, and silver mineralization similar to the Sullivan deposit. Drilling continues to encounter mineralization and alteration that support the potential for a Sedex deposit. New geological information and existing geophysical data are being used to refine target depths and locations in preparation for the next phase of drilling during 2016.

WEST BASIN PROPERTY

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

The British Columbia Geological Survey describes the Fors as a “well preserved example of a small, high grade lead-zinc-silver sedimentary exhalative and vein deposit”. The BC Ministry of Energy, Mines and Petroleum Resources’ Minfile Record Summary (082GSW041) describes the Smoker occurrence as “a vent complex measures 400 by 100 m and is composed of breccia fragments in a matrix of siltstone. The breccia contains zones of weak to abundant disseminated galena (lead), sphalerite (zinc) and pyrrhotite (iron sulphide) associated with intense albite and sericite alteration.”

Outlook

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

DD PROPERTY

In July 2015, PJX optioned the 440 ha DD Property near Cranbrook, British Columbia. PJX also staked over 1,900 ha of land with mineral potential adjacent to the DD Property. Historical drilling proximal to the DD Property intersected zinc-lead mineralization at the same time horizon that the Sullivan Sedex deposit was formed, which is located approximately 45 km north of the DD Property. The historical mineralization combined with the Company’s new insight on geological controls for mineralization on the Vine Property supports the potential for a Sedex type deposit on the DD Property. The property is road accessible and close to rail, power and a local workforce.

Outlook

The Company believes that the DD Property has the next best potential to host a Sedex type deposit after the Vine and West Basin Properties. Geological data from historical drilling by other companies in the area is being used to assess potential target areas for future drilling on the DD Property.

In conclusion, the Company remains focused on advancing priority gold, silver, zinc, lead, and copper targets to test and make a discovery. The Vine Property targets are the next priority to evaluate as they are accessible year round.

SELECTED ANNUAL INFORMATION

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

Years ended December 31,	2015	2014	2013
Revenue	\$ -	\$ -	\$ -
Loss for the year	(1,581,563)	(761,327)	(1,211,974)
Loss per share	(0.03)	(0.02)	(0.04)
Total assets	980,294	674,440	535,263
Non-current assets	105,403	53,065	71,265
Total liabilities	57,455	106,227	74,748
Long-term liabilities	-	-	-
Shares issued and outstanding	53,440,946	43,813,446	43,813,446

The Company generated a net loss of \$1,581,563 for the year ended December 31, 2015 (Fiscal 2015) compared with a loss of \$761,327 for Fiscal 2014.

The main drivers of Fiscal 2015 losses were general and administration expenses (“G&A”) and exploration expenditures as detailed below.

General and administration:

Years ended December 31,	2015	2014	Change
Insurance	\$ 15,712	\$ 13,437	\$ 2,275
Interest, bank charges and penalties	3,915	761	3,154
Investor relations	120,634	104,588	16,046
Listing and regulatory fees	25,124	25,084	40
Office expenses	10,592	22,574	(11,982)
Professional fees	75,665	112,093	(36,428)
Rent	1,317	2,217	(900)
Salaries and benefits	272,714	287,256	(14,542)
Travel and transportation	2,808	10,052	(7,244)
	\$ 528,481	\$ 578,062	\$ (49,581)

General and administration expenses remained relatively stable during Fiscal 2015, when compared to Fiscal 2014. The most significant changes in G&A for Fiscal 2015 were as follows:

Investor relations expenses for the year ended December 31, 2015 increased by \$16,046 when compared to last fiscal year. The increase is mainly related to an increase in traveling related expenses for approximately \$15,400.

Office expenses decreased by \$11,982 during Fiscal 2015 when compared to the same period of Fiscal 2014 mainly as a result of a decrease in courier and postage expenses for approximately \$1,700, and a decrease in general office expenses for approximately \$7,700.

A decrease in professional fees of \$36,428 is composed of a decrease in accounting and auditing charges of approximately \$30,000 and a decrease in legal expenses of approximately \$6,700;

The decrease in salaries and benefits of \$14,542 is associated with a relocation bonus of \$15,000 paid to the CFO of the Company during the fourth quarter of Fiscal 2014. (See related party transactions.) The bonus paid was related to the relocation of the CFO in an effort to reduce travel and transportation costs and have an office in British Columbia.

The decrease in travel and transportation of \$7,244 are related to the decrease in non-investor-relation traveling expenses for about \$6,700, principally resulting from the relocation of the CFO (see previous paragraph).

Exploration:

Years ended December 31,	2015	2014	Change	%Change	Balance Since inception
Geology, geophysics and geochemistry	\$ 173,255	\$ 169,069	4,186	2.5%	\$ 1,409,573
Exploration-other accomodation	-	-	-	0.0%	2,440
Permitting	5,912	3,438	2,474	72.0%	46,212
Land rights and claim management	8,820	6,824	1,996	29.2%	61,066
Drilling	792,986	67,638	725,348	1072.4%	1,259,227
Laboratory	8,439	17,704	(9,265)	-52.3%	161,680
Roads and surface preparation	-	-	-	0.0%	70,944
Camp cost and exploration supplies	1,387	1,529	(142)	100.0%	11,033
Exploration - travel and transportation	40,397	21,720	18,677	86.0%	111,837
Exploration- meals	5,209	2,162	3,047	140.9%	16,242
Rent - field office	1,488	4,640	(3,152)	-67.9%	20,343
Surface sampling and mapping	-	-	-	0.0%	50,506
Option payments	-	91,000	(91,000)	-100.0%	403,000
	\$ 1,037,893	\$ 385,724	\$ 652,169	169.1%	\$ 3,624,103
<i>BC refundable tax credits received</i>	(27,747)	(149,878)	122,131	-81.5%	(177,625)
Total exploration expenses	\$ 1,010,146	\$ 235,846	\$ 774,300	328.3%	\$ 3,446,478

Exploration expenses during Fiscal 2015, before government grants, increased by \$652,169 when compared to the same period of Fiscal 2014. Government grants received during Fiscal 2015 decreased by \$122,131 since funds received during F2014 included refunds from years not previously claimed.

Other areas with significant changes during Fiscal 2015, when compared to Fiscal 2014 were:

Geology, geophysics and geochemistry expenses increased by \$4,186 were composed of:

- a decrease in general geological consulting fees of \$34,539;
- an increase in prospecting fees of \$3,262;
- an increase in report costs of \$4,100 and
- an increase in geophysics of \$31,363.

The increase in drilling expenses of \$725,348 is the result of the Vine Property drilling campaign performed during fiscal 2015 for a total of \$792,986. No other area was drilled during the current fiscal year.

For Fiscal 2015 there was a decrease in laboratory costs of \$9,265 composed by a decrease in related charges to the Dewdney Trail Property of \$2,578, a decrease in charges to the Zinger Property of \$9,927 and increase in the Vine Property of \$3,240.

The increase in travel expenses/ exploration related of \$18,677 was principally related to the exploration carried out on the Vine Property.

Meal expenses related to exploration increased by \$3,047 or 141% mainly as a result of the drilling campaign performed in the Vine Property.

Rent – Field offices expenses decreased by \$3,152 as the Company discontinued the rental of its field offices in Cranbrook.

Option payments during Fiscal 2015 decreased by \$91,000 as during Fiscal 2014 the Company paid \$91,000 to acquire the Vine Extension Property. No option payments were made during fiscal 2015.

The following schedule describes exploration expenses incurred for each project during the years ended December 31, 2015 and 2014:

	2015	2014	%Change	Balance since inception
Dewdney Trail Property	\$ 32,185	\$ 33,055	-2.6%	\$ 909,200
Eddy Property	1,476	1,938	-23.8%	500,896
Zinger Property	916	27,699	-96.7%	457,388
Vine Property	994,581	319,656	211.1%	1,697,998
DD Property	8,348	-	100.0%	8,348
Others	387	3,376	-88.5%	50,273
	1,037,893	385,724	169.1%	3,624,103
<i>BC refundable tax credits received</i>	(27,747)	(149,878)	-81.5%	(177,625)
Total exploration expenses	\$ 1,010,146	\$ 235,846	328.3%	\$ 3,446,478

During Fiscal 2015, PJX focused its exploration work in the Vine Property where it incurred \$994,581 compared to \$319,656 during Fiscal 2014. As mentioned above, a significant part of this expenditure was incurred in drilling where \$792,986 were spent. The other most significant expense component for this property was geophysics for \$132,964 and traveling for \$39,120.

Activity in the Dewdney Trail Property, where \$32,185 were spent were principally related to geological consulting work for approximately \$14,000 and laboratory related expenses for \$5,000, permitting for approximately \$4,000 and prospecting for approximately \$9,000.

LIQUIDITY AND CAPITAL RESOURCES

On February 11th, 2014, PJX closed the second tranche of a private placement originally announced on November 23, 2013, where 670,000 non-flow-through units at \$0.125 and 260,000 flow-through units at \$0.15 were sold for gross proceeds of \$122,750.

On August 22, 2014, the Company announced a private placement of 4,800,000 units through the issuance of flow-through and non-flow-through units at a price of \$0.15 per flow-through unit and \$0.125 per non-flow-through unit. Each flow-through Unit consisted of one flow-through share and one non-transferable common share purchase warrant. Each non-flow-through unit consisted of one common share and one non-transferable common share purchase warrant. Each warrant, whether acquired as part of a flow-through unit or a non-flow-through unit, will entitle the holder to purchase one common share at an exercise price of \$0.20 for 24 months following completion of the offering.

As part of the financing announced on August 22, 2014, on September 23, 2014, PJX issued 2,650,000 non-flow-through units at \$0.125 and 190,000 flow-through units at \$0.15, for gross proceeds of \$359,750.

On October 9, 2014, the Company announced that it had amended its previously announced non-brokered private placement (August 22, 2014) from 4,800,000 units to up to 6,000,000 units. On November 5, 2014, PJX issued 1,905,000 flow-through units at a price of \$0.15 per flow-through unit, and 1,094,245 non-flow-through units at a price of \$0.125 per unit for gross proceeds of \$422,531.

On April 8, 2015, the Company announced the completion of a private placement for gross proceeds of \$1,273,000 by issuing 3,605,000 flow-through units at a price of \$0.20 per flow-through unit, and 2,760,000 non-flow-through units at a price of \$0.20 per unit. Each flow-through unit consisted of one flow-through share and one half of one non-transferable warrant. Each non-flow-through unit consisted of one common share and one non-transferable warrant exercisable at \$0.20.

On October 28, 2015, the Company announced the completion of a private placement for gross proceeds of \$652,500 by issuing 1,575,000 flow-through units at a price of \$0.20 per flow-through unit, and 1,687,500 non-flow-through units at a price of \$0.20 per unit. Each flow-through unit consisted of one flow-through share and one non-transferable common share purchase warrant exercisable at \$0.25. Each non-flow-through unit consisted of one common share of the Company and one non-transferable common share purchase warrant exercisable at \$0.25.

The Company also received, during Fiscal 2015, Mining Exploration Tax Credit refunds of \$27,747 from the British Columbia government.

As at December 31, 2015, the Company had a current cash position of \$874,891 (cash, receivables, prepaid and deposits) that will be used to for general and administrative expenses and continued exploration on its properties.

The working capital of the Company has increased from \$515,148 at December 31, 2014 to \$817,436 at December 31, 2015 and it has no exploration commitments as at the date of this report. The Company has successfully secured its key properties and is not required to make any cash payments or conduct material exploration work. This provides PJX management with the flexibility to adapt its investment and operations decisions as best fit market conditions.

Outlook

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

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

SUMMARY OF QUARTERLY RESULTS

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

Quarter Ended	Revenue	Net income (loss)		Exploration expenses	General and administration
		Total	Per Share		
December 31, 2015	Nil	(\$287,452)	(\$0.01)	\$264,369	\$144,230
September 30, 2015	Nil	(561,411)	(0.01)	225,061	130,595
June 30, 2015	Nil	(488,460)	(0.01)	390,418	123,979
March 31, 2015	Nil	(244,240)	(0.01)	130,298	129,677
December 31, 2014	Nil	(254,186)	(0.01)	88,629	183,780
September 30, 2014	Nil	(130,675)	(0.00)	30,428	119,395
June 30, 2014	Nil	(90,864)	(0.00)	(25,497)	123,023
March 31, 2014	Nil	(285,602)	(0.01)	142,286	151,864

FOURTH QUARTER

The following schedule describes the exploration expenses and general and administration expenses incurred by PJX during the fourth quarter of Fiscal 2015 compared to the same period of Fiscal 2014:

Three months ended December 31,	2015	2014
Expenses		
Exploration	\$ 264,369	\$ 88,629
General and administration	144,230	183,780
Depreciation	6,853	
Loss before income taxes	(415,452)	(272,409)
Deferred tax recoveries	128,000	18,223
Net loss and comprehensive loss for the period	\$ (287,452)	\$ (254,186)
Basic and diluted loss per share	(\$0.01)	(\$0.01)
Weighted average number of shares		
outstanding	52,448,011	42,639,828

The following schedules describes the exploration expenses, by function and by project, incurred by PJX during the fourth quarter of Fiscal 2015 compared to the same period of Fiscal 2014:

Three months ended December 31,	2015	2014	Change	%Change
Geology, geophysics and geochemistry	\$ 20,764	\$ 65,293	(44,529)	-68.2%
Permitting	(1,675)	1,100	(2,775)	-252.3%
Land rights and claim management	4,495	4,838	(343)	-7.1%
Drilling	226,367	1,362	225,005	16520.2%
Laboratory	3,636	7,967	(4,331)	-54.4%
Camp cost and exploration supplies	594	1,083	(489)	-45.2%
Exploration - travel and transportation	8,594	6,135	2,459	40.1%
Exploration- meals	1,294	851	443	52.1%
Rent - field office	300	-	300	100.0%
	\$ 264,369	\$ 88,629	\$ 175,740	198.3%

Three months ended December 31,	2015	2014	Change	%Change
Dewdney Trail Property	\$ 1,847	\$ 16,623	(14,776)	-88.9%
Eddy Property	100	550	(450)	-81.8%
Zinger Property	100	300	(200)	-66.7%
Vine Property	258,538	71,156	187,382	263.3%
DD Property	3,683	-	3,683	100.0%
Others	101	-	101	100.0%
	264,369	88,629	\$ 175,740	198.3%

Exploration expenses during the fourth quarter of Fiscal 2015 were concentrated on the Vine Property where \$258,538 were incurred. The main expenditures were drilling with \$226,367, geophysics for \$12,214 and travel related expenses for \$8,594.

At the Dewdney Trail Property, the Company incurred \$3,636 in laboratory expenses. In addition, an adjustment for \$2,300 related to permitting expenses reduced the account for the fourth quarter.

The following schedule describes the general and administration expenses incurred by PJX during the fourth quarter of Fiscal 2015 compared to the same period of Fiscal 2014:

Three months ended December 31,	2015	2014	Change
Insurance	\$ 5,587	\$ 3,375	\$ 2,212
Interest, bank charges and penalties	198	63	135
Investor relations	27,487	28,348	(861)
Listing and regulatory fees	1,585	2,526	(941)
Office expenses	2,539	4,070	(1,531)
Professional fees	39,411	61,963	(22,552)
Rent	249	357	(108)
Salaries and benefits	67,148	82,420	(15,272)
Travel and transportation	26	658	(632)
	\$ 144,230	\$ 183,780	\$ (39,550)

The most significant changes in general and administration expenses during the fourth quarter of Fiscal 2015, when compared to the same period of Fiscal 2014, were professional fees, with a decrease of approximately \$24,000 in accounting fees and an increase in legal fees of approximately \$1,600. The decrease in salaries and benefits is due to the payment of a relocation bonus paid to the CFO of the Company during the fourth quarter of Fiscal 2014.

RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

a) Purchase of services:

During the years ended December 31, 2015 and 2014 the Company contracted legal services from a firm where a partner is also a director of PJX.

Years ended December 31,	2015	2014
Fees to a law firm where a director of the Company is a partner	\$ 3,612	\$ 9,006

b) Key management compensation:

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

Years ended December 31,	2015	2014
Salaries	\$ 264,000	\$ 279,000
Share-based compensation	204,120	-
	\$ 468,120	\$ 279,000

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

December 31,	2015	2014
Payable to a law firm where a director of the Company is a partner	\$ 1,770	\$ -

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

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

COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

The Company is a party to certain employment contracts. These contracts contain clauses requiring that \$462,000 be paid upon a change of control of the Company. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in the Company's December 31, 2015 audited financial statements.

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

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

The Company is required to incur qualified exploration expenditures of approximately \$243,000 not later than December 31, 2016 as the result of the flow-through common shares issued during Fiscal 2015 and the mining tax refund received from the British Columbia government.

TREND INFORMATION

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

OFF-BALANCE SHEET ARRANGEMENTS

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

PROPOSED TRANSACTIONS

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

CRITICAL ACCOUNTING ESTIMATES AND CHANGES IN ACCOUNTING POLICIES

Critical accounting estimates and judgements

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

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

Changes in accounting policies

The Company did not adopted new or changed current accounting policies during fiscal 2015, except for Property and Equipment policies described under Note 2(l) in the audited financial statements for the Company's year ended December 31, 2015.

Future accounting changes:

- (i) IFRS 9, *Financial instruments: classification and measurement* – IFRS 9 as issued reflects the IASB's work to date on the replacement of IAS 39, *Financial instruments: recognition and measurement* (IAS 39), and applies to the classification and measurement of financial assets and financial liabilities as defined in IAS 39. In November 2013, the IASB issued a new version of IFRS 9 (IFRS 9 (2013)) which includes the new hedge accounting requirements and some related amendments to IAS 39 and IFRS 7. IFRS 9 (2013) is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.
- (ii) IAS 1, 'Presentation of Financial Statements' – IAS 1 was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

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

Fair Value

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

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

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

Financial risk

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and deposits. Cash is held with reputable Canadian chartered banks, from which management believes the risk of loss to be minimal. Deposits are held with the British Columbia Ministry of Energy and Mines, from which management believes that the credit risk is minimal.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At December 31, 2015 the Company had cash and cash equivalents balance of \$847,107 (December 31, 2014: \$599,703) to settle current liabilities of \$57,455 (December 31, 2014: \$106,227). 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. As at December 31, 2015, the Company did not have any amounts invested in interest bearing accounts.

Sensitivity analysis

As of December 31, 2015, both the carrying and fair value amounts of the Company's financial instruments are the same. Based on Management's knowledge and experience of the financial markets, the Company believes that is "reasonably possible" that commodity price fluctuation could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of mineral commodities. As of December 31, 2015, the Company was not in the production phase. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Capital Management

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended December 31, 2015. The Company is not subject to externally imposed capital requirements.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

DISCLOSURE CONTROLS AND PROCEDURES

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

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

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

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

RISKS AND UNCERTAINTIES

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

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

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

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

Liquidity and Capital Markets Risks

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

OUTSTANDING SHARE DATA

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

Total number of shares issued at December 31, 2015		53,440,946
Total number of warrants issued at December 31, 2015	14,594,245	
Expired warrants subsequent to year-end	<u>(930,000)</u>	13,664,245
Total number of options issued at December 31, 2015		4,867,000
Fully diluted number of shares at the date of this report		<u>71,972,191</u>

Warrants outstanding:

The following schedule describes the warrants outstanding at December 31, 2015:

Expiry Date	Number of Warrants	Exercise price	Value
February 8, 2016	670,000	\$ 0.20	\$ 27,681
February 8, 2016	260,000	0.20	12,890
September 22, 2016	2,650,000	0.20	105,633
September 22, 2016	190,000	0.20	9,088
November 4, 2016	1,094,245	0.20	45,237
November 4, 2016	1,905,000	0.20	94,580
April 7, 2017	4,562,500	0.20	315,780
October 25, 2017	3,262,500	0.25	210,644
Balance at December 31, 2015	14,594,245	\$ 0.21	\$ 821,533

Subsequent to December 31, 2015 the following warrants expired unexercised:

Expiry Date	Number of Warrants	Exercise price CAD\$	Fair Value
February 8, 2016	670,000	0.20	27,681
February 8, 2016	260,000	0.20	12,890
	930,000	0.20	40,571

Warrants issued under private placements:

As part of the second tranche financing closed on February 11, 2014, the Company issued 930,000 warrants, with a fair market value of \$40,571. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.20 for 24 months following completion of the offering.

As part of the first tranche financing closed on September 23, 2014, the Company issued 2,840,000 warrants, with a fair market value of \$114,721. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.20 for 24 months following completion of the offering.

In connection with the financing completed on November 5, 2014 the Company issued 2,999,245 warrants, with a fair market value of \$139,817. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.20 for 24 months following completion of the offering.

In connection with the financing completed on April 8, 2015 the Company issued 4,562,500 warrants, with a fair value of \$315,780. Each warrant, entitles the holder to purchase one common share at an exercise price of \$0.20 for 24 months following completion of the offering.

In connection with the financing completed on October 26, 2015 the Company issued 3,262,500 warrants, with a fair value of \$210,644. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.25 for 24 months following completion of the offering.

Warrants amended:

On August 22, 2014 the Company announced it had extended the exercise period of a total of 8,939,500 outstanding share purchase warrants. The warrants were issued pursuant to a private placement completed between August 17, 2012 and October 9, 2012 and accepted for filing by the TSX Venture Exchange on October 4, 2012. The warrants were due to expire on September 25, 2014 and October 9, 2014 and exercisable at \$0.25 per share. The new expiration date of the warrants was September 25, 2015.

On August 22, 2014 the Company also announced that it had also amended the purchase price of 6,319,500 of the aforementioned 8,939,500 warrants. The amended warrants would have been exercisable at \$0.20 per share. The remaining 2,620,000 warrants, held by insiders of the Company, were not re-priced and remained exercisable at \$0.25 per share.

On December 22, 2014 the Company announced that it had amended the expiry date of a total of 750,000 warrants originally expiring on December 27, 2014. The new expiration date of these warrants was December 27, 2015 and the exercise price remained unchanged at \$0.25.

These amended warrants expired unexercised (see "Warrants expired" below).

Warrants expired:

During the year ended December 31, 2015 the following warrants expired unexercised:

Expiry Date	Number of Warrants	Exercise price	Fair Value
September 25, 2015	6,319,500	0.20	\$ 215,864
September 25, 2015	2,620,000	0.25	74,200
December 27, 2015	750,000	0.25	50,243
November 28, 2015	3,334,000	0.20	120,056
November 28, 2015	485,000	0.20	22,537
	13,508,500	\$ 0.21	\$ 482,900

During the year ended December 31, 2014 the following warrants expired unexercised:

Expiry Date	Number of Warrants	Exercise price	Value
September 9, 2014	1,210,000	\$ 0.20	\$ 130,029
September 9, 2014	507,360	0.25	56,758
	1,717,360	\$ 0.21	\$ 186,787

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 July 21, 2015 the Company granted an aggregate of 1,615,000 incentive stock options to employees, officers, directors and consultants of the Company, pursuant to the Company's Plan, at an exercise price of \$0.19 per share. The options are fully vested on granting and exercisable until July 20, 2020.

The following schedule describes the options outstanding at December 31, 2015:

Expiry Date	Exercise price	Life remaining in years	Number outstanding	Number vested
November 6, 2016	\$0.30	0.85	2,233,500	2,233,500
November 15, 2018	\$0.15	2.88	1,018,500	1,018,500
July 20, 2020	\$0.19	4.56	1,615,000	1,615,000
Balance at December 31, 2015		2.50	4,867,000	4,867,000

QUALIFIED PERSON

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

SUBSEQUENT EVENT

Subsequent to December 31, 2015, 930,000 warrants exercisable at \$0.20 expired unexercised.

Corporate information

Directors

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

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

James Clare, LLB
Toronto, Ontario, Canada

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

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

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

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

Officers

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

Linda Brennan, B.Comm
CFO, PJX Resources Inc.
Vancouver, British Columbia, Canada

Stock Listing

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

Auditors

McGovern, Hurley, Cunningham, LLP
Toronto, Ontario

Legal Counsel

Bennett Jones LLP
Toronto, Ontario

Fraser Milner Casgrain, LLP
Vancouver, British Columbia

Registrar & Transfer Agent

Computershare Trust Company of Canada
Toronto, Ontario

Bank

Royal Bank of Canada
Toronto, Ontario

Executive Office

100 King Street West
Suite 5600
Toronto, Ontario Canada
M5X 1C9
Telephone: (416) 799-9205
Facsimile: (416) 644-8801
E-mail: info@pjxresources.com

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