Platinex Inc.

Consolidated Financial Statements
For the Years Ended December 31, 2011 and 2010
Expressed in Canadian Dollars

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PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Platinex Inc

I have audited the accompanying consolidated balance sheets of Platinex Inc. as at December 31, 2011 and 2010 and the consolidated statements of operations, comprehensive loss and deficit and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

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

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Platinex Inc. as at December 31, 2011 and 2010, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying my opinion, I draw attention to note 1 in the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Platinex Inc.'s ability to continue as a going concern.

Mahendra CA Professional Corporation

Mahendra CA Professional Corporation
Authorized to practise public accounting by The Institute of Chartered Accountants of Ontario

Markham, Ontario
April 26, 2012

Platinex Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	As at December 31 2011	As at December 31 2010 (Note 21)	As at January 1 2010 (Note 21)
Assets				
Current assets				
Cash	7	$ 745,108	$ 2,511,273	$ 114,515
HST receivable		16,716	212,796	32,032
Funds held in trust	8	0	0	15,607
Prepaid expenses		26,104	32,335	22,335
Total current assets		$ 787,928	$ 2,756,404	$ 184,489
Non-current assets				
Exploration and evaluation assets	9	$ 3,427,434	$ 2,263,358	$ 1,294,834
Property, plant and equipment	10	33,035	43,365	53,741
Total non-current assets		$ 3,460,469	$ 2,306,723	$ 1,348,575
Total assets		$ 4,248,397	$ 5,063,127	$ 1 ,533,064
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and accrued liabilities	19	$ 905,976	$ 137,353	$ 1,155,315
Note payable	11	0	0	130,000
Advances or settlements		0	0	150,000
Other liability	12	41,450	21,852	0
Total current liabilities		$ 947,426	$ 159,205	$ 1,435,315
Shareholders' equity				
Share capital	13	$ 6,101,049	$ 5,878,425	$ 5,303,211
Share warrants reserve	14a	427,083	378,613	221,000
Share options reserve	14b	251,250	150,000	60.000
Accumulated deficit		(3,478,411)	(1,503,116)	(5,486,462)
Total shareholders' equity		$ 3,300,971	$ 4,903,922	$ 97,749
Total liabilities and shareholders' equity		$ 4,248,397	$ 5,063,127	$ 1,533,064

Nature of operations and going concern	1
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Approved on behalf of the Board of Directors:

"James R Trusler" — Director

"Michael Blair" — Director

The accompanying notes are an integral part of these consolidated financial statements.

Platinex Inc.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)
For the Years Ended December 31, 2011 and *December* 31, 2010

	Share Capital	Share Option Reserve	Share Warrant Reserve	Accumulated Deficit	Total
Balance at January 1, 2010	$ 5,303,211	$ 60,000	$ 221,000	$ (5,486,462)	$ 97,749
Income for the year	0	0	0	3,758,746	3,758,746
Share capital issued	942,624	0	0	0	942,624
Stock options granted	0	93,600	0	0	93,600
Stock options expired	0	(3,600)	0	3,600	0
Warrants issued	0	0	378,613	0	378,613
Warrants expired	0	0	(221,000)	221,000	0
Share issue costs	(367,410)	0	0	0	(367,410)
Balance at December 31, 2010	$ 5,878,425	$ 150,000	$ 378,613	$ (1,503,116)	$ 4,903,922
Balance at December 31, 2010	$ 5,878,425	$ 150,000	$ 378,613	$ (1,503,116)	$ 4,903,922
Loss for the year	0	0	0	(2,003,095)	(2,003,095)
Share capital issued	243,850	0	0	0	243,850
Stock options granted	0	129,050	0	0	129,050
Stock options expired	0	(27,800)	0	27,800	0
Warrants issued	0	0	48,470	0	48,470
Warrants expired	0	0	0	0	0
Share issue costs	(21,226)	0	0	0	(21,226)
Balance at December 31, 2011	$ 6,101,049	$ 251,250	$ 427,083	$ (3,478,411)	$ 3,300,971

The accompanying notes are an integral part of these consolidated financial statements.

Platinex Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Years Ended December 31 2011	2010
Expenses			
Audit and legal		$ 44,753	$ 101,483
Consulting		0	256,080
Depreciation	10	10,330	12,532
Directors fees	16	0	56,500
General exploration		64,378	102,935
Write off of unsuccessful exploration	9	336,433	0
Insurance		15,192	12,150
Investor relations		102,433	57,234
Management salaries and fees	16	344,482	544,451
Office and general		56,339	61,815
Rent		76,916	78,663
Regulatory fees, Part XII.6 tax, interest and penalties	19	211,570	46,962
Share based payments	14	129,050	93,600
Tax indemnity	19	633,071	0
Total expenses		2,024,947	1,424,405
Loss before other items		2,024,947	1,424,405
Cost recovery fee related to Ontario Government Settlement		0	(5,000,000)
Loss (Income) before income tax		2,024,947	(3,575,595)
Income tax recovery	15	(21,852)	(183,151)
Total comprehensive loss (income) for the year		$ 2,003,095	$ (3,758,746)
Loss (income) per common share, basic and diluted	18	$ 0.042	$ (0.093)
Weighted average number of shares outstanding, basic and diluted	18	47,786,119	40,422,522

The accompanying notes are an integral part of these consolidated financial statements.

Platinex Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Note		Years Ended December 31 2011		2010
Cash flows from operating activates					
Income (loss) for the year		$	(2,003,095)	$	3,758,746
Adjustments to reconcile loss (income) to net cash used in operating activities:					
Depreciation	10		10,330		12,532
Income tax expense	15		(21,852)		(183,151)
Share based payments	14b		129,050		93,600
Write off of unsuccessful exploration	9		327,963		0
Changes in non-cash working capital balances:					
Accounts receivable			196,080		(180,764)
Funds held in trust	8		0		15,607
Prepaid expenses			6,231		(10,000)
Accounts payable			768,623		(1,017,962)
Note payable			0		(130,000)
Advances on settlement			0		(150,000)
Total cash flows from operating activities		$	(586,670)	$	2,208,608
Cash flows from investing activities					
Exploration and evaluation assets	9	$	(1,377,039)	$	(944,524)
Property, plant and equipment	10		0		(2,156)
Total cash flows from investing activities		$	(1,377,039)	$	(946,680)
Cash flows from financing activities					
Share capital issued		$	213,250		1,229,598
Cost of issue of shares			(15,706)		(94,768)
Total cash flows from financing activities		$	197,544	$	1,134,830
Change in cash during the year			(1,766,165)		2,396,758
Cash at beginning of year	7		2,511,273		114,515
Cash at end of year	7	$	745,108	$	2,511,273
Supplementary information					
Shares issued per property options granted	13(g)	$	115,000	$	24,000
Interest paid		$	0	$	0
Income tax paid		$	0	$	0
Cash and cash equivalents are comprised of					
Cash in bank		$	715,108	$	2,481,273
Cash equivalents		$	30,000	$	30,000

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Platinex Inc., which together with its subsidiary is collectively referred to as the "Company", is a Canadian company whose business activity is the exploration and evaluation of mineral properties in Canada. Platinex Inc. (the "Company") was incorporated under the Ontario Business Corporations Act on August 12, 1998.

The Company is listed on the TSX Venture Exchange, having the symbol PTX-V, as a Tier 2 mining issuer. The address of the Company's corporate office and principal place of business is 114-445 Apple Creek Blvd., Markham, Ontario, Canada.

These consolidated financial statements of the Company for the years ended December 31,2 011 and December 31, 2010 were approved and authorized for issue by the Board of Directors on April 26, 2012.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration and development programs will result in profitable mining operations. The recoverability of the carrying value of mineral properties and the Company's continued existence is dependent upon the perseveration of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

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 operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, 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, political uncertainty and currency exchange fluctuations and restrictions.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing operating losses and a working capital deficiency, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

2. BASIS OF PREPARATION AND ADOPTION OF IFRS

Statement of Compliance

These annual consolidated financial statements of the Company and its subsidiary were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). As these financial statements represent the Company's initial presentation of its results and financial position under IFRS, they were prepared in accordance with International Accounting Standards ("IAS") 1, Presentation of Financial Statements and by accounting policies based on the IFRS standards and International; Financial Reporting Interpretations Committee ("IFRIC") interpretations. The policies set out below were consistently applied to all periods presented unless otherwise noted below.

The Company's consolidated financial statements were previously prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). Canadian CAAP differs in some areas from IFRS. The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies of financial position as at January 1, 2010 and December 31, 2010 and the consolidated statements of operations and comprehensive loss for the year ended December 31, 2010.

The preparation of financial statements in accordance with IAS 1 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

Basis of presentation

In February 2008, the Canadian Institute of Chartered Accountants ("CICA") Accounting Standards Board confirmed its strategy of replacing Canadian Generally Accepted Accounting Principles ("GAAP") with IFRS for Canadian publicly accountable enterprises. The accompanying financial statements are the first annual financial statements to be presented by the Company in accordance with IFRS. The Company has determined that the conversion to IFRS has had no material effect on the Company's reported financial position, financial performance and cash flows, as had been previously reported

2. BASIS OF PREPARATION AND ADOPTION OF IFRS cont'd

Basis of presentation cont'd

under GAAP. The accompanying financial statements include financial statements as at December 31, 2011 and for the comparative year ended December 31, 2010 and as at January 1, 2010, the Company's date of transition.

The policies applied in the accompanying financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended December 31, 2010, with consideration given to the explanation of how the transition to IFRS has affected the previously reported financial position, financial performance and cash flows of the Company, under Canadian Generally Accepted Accounting Principles, provided in note 21, including the exemptions and exceptions of IFRS 1.

Unless otherwise noted, all amounts in the accompanying financial statements and these notes are presented in Canadian funds, which is the functional currency of the Company.

The accompanying financial statements have been prepared on the historical cost basis with the exception of certain financial instruments that are measured at fair value, as discussed elsewhere in Note 3. Historical cost is generally based on the fair value of the consideration given in exchange for assets received.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and Evaluation Assets

Pre-exploration costs are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials, surveys, sampling costs, geological expenses, geophysical studies and drilling costs during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive income/loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mine under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operating income, any incidental revenues earned in connection with exploration activities are applied as a reduction of capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

b) Property, Plant and Equipment

Property, plant and equipment are recorded at cost net of any landlord leasehold allowances. Amortization is provided at one half annual rates in the year of acquisition. Depreciation is provided at the following rates:

Computer equipment	30%	declining balance method
Computer software	100%	declining balance method
Furniture and equipment	20%	declining balance method
Leasehold improvements		term of the lease straight line basis

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

b) Property, Plant and Equipment cont'd

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net in other income in the consolidated statement of loss and comprehensive loss.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

c) Impairment of Non-Financial Assets

Exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

An impairment loss is recognized in the statement of loss and comprehensive loss, except to the extent it reverses gains previously recognized in other comprehensive loss/income.

d) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on cash on hand, deposits in banks and highly liquid investments having original terms to maturity of 90 days or less when acquired.

e) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expire. At initial recognition, the Company classifies its financial instruments depending on the purpose for which the instruments were acquired. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities.

Cash and cash equivalents are measured at fair value, with changes in fair value being recorded in net earnings at each reporting period end.

Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

e) Financial Instruments cont'd

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses.

Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available-For-Sale Investments

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in the statement of loss and comprehensive loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

Purchases and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to the statement of loss and comprehensive loss.

Financial Liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise trade payables and accrued liabilities. These liabilities are initially recognized at fair value net of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest rate method.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid. Trade payable amounts are unsecured and are usually paid within 30 days of recognition.

Impairment on Financial Assets

Financial assets other than those carried at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset, in which the cash flows can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses, if any, are recognized in the accompanying statements of loss and comprehensive loss and are reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss would be reversed through the same financial statements.

f) Provisions

Rehabilitation Provision

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

f) Provisions cont'd

Rehabilitation Provision cont'd

The operations of the Company may be affected by changes in environmental regulations, including those relating to future reclamation and site restoration. The likelihood of new regulations and their overall effect upon the Company are unknown

and unpredictable. The Company plans to meet and, if possible, surpass standards set by legislation, by applying technically proven and economically feasible measures.

Environmental expenditures relating to environmental and reclamation programs are charged to operations, or are capitalized and amortized, depending on their future economic benefits, over the estimated remaining life of the related business operation, net of expected recoveries. Liabilities related to environmental protection and reclamation costs are recognized when the obligation is incurred and the fair value of the related costs can be reasonably estimated. This includes future removal and site restoration costs required by environmental law or contracts.

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Onerous Contracts

A provision for onerous contracts would be recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision would be measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company would recognize any impairment loss on the assets associated with the contract.

g) Income Taxes

Income tax expense comprises current and deferred income tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the end of the fiscal period.

Deferred income tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred income tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable income will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred income tax asset to the extent that it has become probable that future taxable income will allow the deferred income tax asset to be recovered.

h) Flow-through Shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

h) Flow-through Shares cont'd

liability for the amount of tax reduction renounced to the shareholders. The premium and the related deferred tax are recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

i) Earnings / Loss Per Share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

j) Share-Based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in share option reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share option reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

k) Basis of Consolidation

The consolidated financial statements include the accounts of the Company, and its wholly owned subsidiary PTX Nevada LLC, which has been inactive since its incorporation on November 23, 2009.

l) Equity

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity. Share option reserves comprise the cumulative value of stock-based compensation where the options have not been exercise. Share warrant reserves comprise the fair value of the Company's outstanding warrants. The Company's deficit comprises all current and prior period income and losses.

m) Comprehensive Income (Loss)

Comprehensive income (loss), if any, comprises net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) represents changes in shareholders' equity and includes foreign exchange gains and losses on the translation of the financial statements of the Company's foreign operations and would be presented as accumulated other comprehensive income (loss). The Company's earnings per share presented on the accompanying statements of operations and comprehensive loss are based upon its net income (loss) and not its comprehensive income (loss), however the Company has not had material income or losses from these sources and, accordingly, has made no adjustments to the accompanying financial statements.

n) Standards, Amendments and Interpretations Not Yet Effective

There are certain pronouncements issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2011 or later periods and that have not been early adopted in these interim consolidated financial statements. These new standards, amendments and interpretations that will or may have an effect on the Company's future results and financial position include:

IFRS 7 Financial Instruments – Disclosures ("IFRS 7") was amended by the IASB in October 2010 and provides guidance on identifying transfers of financial assets and continuing involvement in transferred assets for disclosure purposes. The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained. The amendments to IFRS 7 are effective for annual periods beginning on or after July 1, 2011. The Company has not yet determined the impact of the amendments to IFRS 7 on its financial statements.

IRFS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2013. The Company is in the process of evaluating the impact of the new standard.

IFRS 10 Consolidated Financial Statements ("IFRS 10") provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of SIC 12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 Consolidated and Separate Financial Statements. The Company intends to adopt IFRS 10 in its financial statements for the annual period beginning on January 1, 2013. The Company has not yet determined the impact of the amendments to IFRS 10 on its financial statements.

IFRS 11 Joint Arrangements ("IFRS 11") replaces the guidance in IAS 31 Interests in Joint Ventures. Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. IFRS 11 essentially carves out previous jointly controlled entities, those arrangements which although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for the liabilities and are accounted for as joint operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11 joint ventures are stripped of the free choice of equity accounting or proportionate consolidation; these entities must now use the equity method.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

n) Standards, Amendments and Interpretations Not Yet Effective cont'd

Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation shall collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment's opening balance is tested for impairment in accordance with IAS 28 Investments in Associates and IAS 36 Impairment of Assets. Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented. The Company intends to adopt IFRS 11 in its financial statements for the annual period beginning on January 1, 2013. The Company has not yet determined the impact of the amendments to IFRS 11 on its financial statements.

IFRS 13 Fair Value Measurement ("IFRS 13") converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company has not yet determined the impact of the amendments to IFRS 13 on its financial statements.

On June 16, 2011, the IASB issued amendments to two previously released standards. These are as follows:

1) IAS 1, 'Presentation of Financial Statements," amends IAS 1 to require additional disclosures for items presented in other comprehensive income ("OCI") on a before-tax basis and requires items to be grouped and presented in OCI based on whether they are potentially reclassifiable to profit or loss subsequently (i.e. items that may be reclassified and those that will not be reclassified to profit or loss). This amendment is effective for annual periods beginning on or after July 1, 2012 and requires full retrospective application. The Company will apply this amendment beginning of its 2013 fiscal year and is currently assessing the impact to its financial statements.

2) IAS 19, "Employee Benefits," amends IAS 19 to eliminate the option to defer the recognition of gains and losses (known as the 'corridor approach'), to streamline the presentation of changes in assets and liabilities arising from defined benefit plans and to require enhanced disclosures. This amendment is effective for annual periods beginning on or after January 1, 2013. The Company does not believe that adoption of this standard will have a material effect.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below:

i) Capitalization of Exploration and Evaluation Costs

Management has determined that exploration and evaluation costs incurred during the year have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 9 for details of capitalized exploration and evaluation costs.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS cont'd

ii) Impairment of Mineral Properties and Deferred Exploration Expenditures

While assessing whether any indications of impairment exist for mineral properties and deferred exploration expenditures, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of mineral properties and deferred exploration expenditures. Internal sources of information include the manner in which mineral properties and deferred exploration expenditures are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted futures after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecast, increases in estimated future production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's mineral properties and deferred exploration expenditures.

iii) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

iv) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

v) Share-Based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 14.

vi) Contingencies

Refer to note 19.

5. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The capital of the company consists of share capital, warrants and options. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration and development stage; as such the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development, and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed

5. CAPITAL MANAGEMENT cont'd

primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the company will be able to raise funds in the future. All equity financing requires the approval of the Board of Directors. 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 years ended December 31, 2011 and December 31, 2010.

6. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company has designated its cash as held-for-trading, measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at December 31, 2011 and December 31, 2010, the carrying value of the Company's financial instruments represent their fair value.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Fair Value Hierarchy and Liquidity Risk Disclosure

The fair value hierarchy shall have the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). The adoption of these amendments resulted in additional disclosures in the notes to the consolidated financial statements.

At December 31, 2011 and as at December 31, 2010, the company's financial instruments that are carried at fair value, consisting of cash have been classified as Level 2 within the fair value hierarchy.

Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is maintained at a major financial institution. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore management believes bear minimal risk.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2011, the Company had cash balances of $745,108 December 31, 2010 - $2,511,273) to settle current liabilities of $81,565 (December 31, 2010 - $137,353).

Market Risk

a) Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has no loans and consequently is not required to hedge against interest rate risk.

b) Foreign Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

6 FINANCIAL INSTRUMENTS AND RISK FACTORS cont'd

c) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. See note 4 (i) and (ii).

d) Fair values

The estimated fair value of the Company's financial instruments has been determined based on the Company's assessment of available market information and appropriate valuation methodologies. However, these estimates may not necessarily be indicative of the amounts that the Company could realize in a current market exchange. The Company's cash, funds held in trust and accounts payable and accrued liabilities are considered financial instruments. The estimated fair values of these financial instruments approximate their carrying amounts because of the limited terms of these instruments.

7. CASH AND CASH EQUIVALENTS

Included in cash as at December 31, 2011 is $207,250 ($69,198 - December 31, 2010) of proceeds received from the issue of flow-through shares. The use of these funds is restricted to exploration expenditures.

8. FUNDS HELD IN TRUST

Funds held in trust represent monies advanced to lawyers.

ORATION AND EVALUATION ASSETS

	Shining Tree $	North McFaulds Lake $	South McFaulds Lake $	Awkward Lake $	Core Zone $	Norton Lake $	Tib Lake $	Big Trout Lake $	Muskox $
ce at January 1, 2010	687,377	169,490	213,138	25,243	58,576	42,133	31,609	1	67,267
ploration costs	1,034,880	912	0	0	0	0	0	0	36,347
quisition of property	0	0	0	0	0	0	0	0	0
te-off of unsuccessful exploration penditure	0	0	0	0	0	0	0	(1)	(103,614
ce at December 31, 2010	1,722,257	170,402	213,138	25,243	58,576	42,133	31,609	0	0
ploration costs	1,182,132	4,126	309,907	0	0	4,344	0	0	0
quisition of property	0	0	0	0	0	0	0	0	0
te-off of unsuccessful exploration penditure	0	(174,528)	0	(25,243)	(58,576)	(46,477)	(31,609)	0	0
ce at December 31, 2011	2,904,389	0	523,045	0	0	0	0	0	0

9. EXPLORATION AND EVALUATION ASSETS Cont'd

a) Shining Tree Property, Ontario

In April 2008, the Company entered into a property option agreement with Skead Holdings Ltd. with respect to certain claims situated in Churchill, MacMurchy and Asquith Townships, in Ontario (the "Shining Tree property"). The Company has the right to acquire a 100%-interest in the 139 claim units 5,680 acres (2,299 ha), subject to a 3% NSR, by issuing 250,000 shares of Platinex, by making cash payments (or share equivalent) of $250,000 and by incurring property expenditures of $850,000 during the ensuing four-year period to April 11, 2012. The Company released a qualifying report on the property on October 3, 2008 and has commenced exploration including an airborne geophysical survey, stripping, trenching, till sampling and drilling of 49 holes for 5,500 MT. In May 2011, the Company vested its interest in the property by satisfying the final option payment. In October 2010, the Company entered into an agreement with Canadian Prospective Ventures (CPV") to acquire an option on twelve claim units for 474 acres (192ha) adjoining the Shining Tree claims optioned from Skead Holdings Ltd. Under the agreement, Platinex must make payments totaling $20,000, issue 300,000 shares and incur expenditures on the property of $100,000 over a three year period. Upon exercise of the option CPV will retain a 2% NSR royalty.

b) North McFaulds, Ontario

The North McFaulds property is located 22 km north of Noront Resources' Eagle One and Double Eagle nickel-copper-PGE discoveries and 30 km southeast of the recent White Pine Resources/Metalex Ventures VMS discoveries. This property comprises 609 contiguous claim units covering 9,862 ha (24,360 acres). The property adjoins on the south and east a claim block held by MacDonald Mines and Temex Resources, and on the west blocks held by Noront Resources/Bold Resources option and Renforth Resources. It was staked to cover a layered intrusion coupled with magnetic anomalies which was recently revealed in survey publications by the Ontario government. A strong linear magnetic anomaly coincident with a strong regional gravity anomaly underlies the property. A qualifying report on the property was filed in May 2011. Subsequent to the year end these mining claims have lapsed (note 20).

c) South McFaulds, Ontario

The South McFaulds property is located 25 km southwest of Noront Resources' Eagle One and Double Eagle nickel-copper-PGE and Black Bird chromitite discoveries. This property comprises 696 claim units in nine blocks covering 11,271 ha (27,840 acres). The property adjoins a block held by MacDonald Mines, Temex and Ring of Fire Resources on the southeast. James Bay Resources holds blocks of claims within and to the north of the Platinex holdings. Platinex's property was staked to cover a layered intrusion that is coupled with magnetic anomalies and the projected strike extension to the southwest of the host environment for the Noront discoveries evidenced in outcrop on the property; all of which have been recently revealed in survey publications by the Ontario government. The property is also centered on, and in part marginal to, a regional gravity anomaly.

A qualifying report was filed on this property in May, 2011 and an airborne geophysics program was carried out in September, 2011.

d) Awkward Lake, Ontario

The Awkward Lake property is located 175 km north of Thunder Bay. This property comprises 88 contiguous claim units covering 1,425 ha (3,520 acres). The property adjoins the Navigator Minerals Inc property on the south and the Obongo Precious Metals Inc and Vale Canada Limited properties on the east. It was staked to cover the northern portion of the Awkward Lake intrusion which is believed to be the same age and style as the producing Lac des Iles intrusion belonging to North American Palladium Ltd. and contains known nickel-copper-PGE mineralization. Subsequent to the year end these mining claims have lapsed (note 20).

e) Core Zone, Ontario

The Core Zone property is located 174 km north of Thunder Bay and to the south of the previously mentioned Navigator Minerals Inc. property. Platinex's property covers 306 claim units comprising 4,896 ha (12,240 acres) and was staked to cover a layered intrusion believed genetically related to the chromium-bearing Puddy Lake ultramafic intrusion. Nickel-copper-PGE mineralization has been found within the area described. Subsequent to the year end these mining claims have lapsed (note 20).

9. EXPLORATION AND EVALUATION ASSETS Cont'd

f) Norton Lake, Ontario

The Norton Lake property is located 413 km north of Thunder Bay and 50 km northeast of Fort Hope in Ontario. This property comprises 56 claim units for 907 ha (2,240 acres). The property covers a magnetic anomaly to the south and west of a 2.46 million-tonne resource of nickel, copper, cobalt, and palladium held by White Tiger Mining Corp, Rainy Mountain Royalty Corp. and Trillium North Minerals. Lake sediment anomalies in the area suggest an environment promising for these metals on the Norton Lake prospect. A qualifying report was filed on the property in May 2011. Subsequent to the year end these mining claims have lapsed (note 20).

g) Tib Lake, Ontario

The Tib Lake property is located 60 km northwest of Thunder Bay. This property comprises 49 claim units covering 793.5 ha (1960 acres). The property adjoins the Tib Lake property of Houston Lake Resources to the south and was staked to cover the northern portion of the Tib Lake layered intrusion. The intrusion is known to be related to the producing Lac des Iles intrusion and is mineralized on the adjacent property with nickel-copper-PGEs. The Company performed initial till sampling on the property.

h) Big Trout Lake, Ontario

During 1999, the Company acquired a 100% interest in 221 mining claims located in the Patricia Mining Division of northwestern Ontario. On February 10, 2006 the Company acquired a 100% unencumbered interest in 81 renewable mining leases, expiring from April 1, 2010 to April 1, 2011, from a joint venture operated by INCO Limited for $162,312 cash and the issuance of $150,000 worth of the Company's common shares (428,751 common shares issued). The Company attempted to commence its exploratory drill program on the Big Trout Lake property in February, 2006. Members of the First Nation, Kitchenuhmaykoosib Inninuwug ("KI") restricted access to the property preventing commencement of the drill program. In April 2006, Platinex commenced a lawsuit against KI for damages and sought unobstructed access to its mining claims and leases. In February 2008, Platinex delivered written notice to the Province of Ontario of its intention to proceed with legal action for recovery from Ontario of damages suffered by Platinex arising from the dispute with KI. The claims and leases were surrendered in December 2009 to the Ontario government in return for a payment of $5,000,000 plus additional mediation and negotiation costs totaling $377,056 and a 2.5% Net Smelter Royalty.

i) Muskox Property, Nunavut

In November, 2007, the Company completed the staking of 38 mining claims totaling 87,058 acres (35,246 ha.) on the Muskox intrusion. The Muskox property is located 30 km south of Kugluktuk and 350 km north of Yellowknife and has been staked to cover a portion of the Muskox layered intrusion. The feature is one of the largest mafic layered intrusions in the world and is prospective for PGE's. The Company posted a qualifying report on this property in October 2008. As the Company chose not to complete the necessary assessment work to maintain the Muskox property claims, the claims expired in November 2010 and the property has accordingly been written down.

(Expressed in Canadian Dollars)

10. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment	Furniture and Equipment	Leasehold Improvements	Total
Cost				
Balance at January 1, 2010	$ 29,609	$ 55,507	$ 7,782	$ 92,898
Additions	2,155	0	0	2,155
Disposals	0	0	0	0
Balance at December 31, 2010	$ 31,764	$ 55,507	$ 7,782	$ 95,053
Additions	0	0	0	0
Disposals	0	0	0	0
Balance at December 31, 2011	$ 31,764	$ 55,507	$ 7,782	$ 95,053
Depreciation and impairment losses				
Balance at January 1, 2010	$ 19,857	$ 16,749	$ 2,551	$ 39,157
Depreciation	3,249	7,752	1,531	12,532
Impairment loss	0	0	0	0
Disposals	0	0	0	0
Balance at December 31, 2010	$ 23,106	$ 24,501	$ 4,082	$ 51,689
Depreciation	2,597	6,201	1,531	10,329
Impairment loss	0	0	0	0
Disposals	0	0	0	0
Balance at December 31, 2011	$ 25,703	$ 30,702	$ 5,613	$ 62,018
Carrying amounts				
At January 1, 2010	$ 9,752	$ 38,758	$ 5,231	$ 53,741
At December 31, 2010	$ 8,658	$ 31,006	$ 3,700	$ 43,364
At December 31, 2011	$ 6,061	$ 24,805	$ 2,169	$ 33,035

(Expressed in Canadian Dollars)

11. NOTE PAYABLE

A promissory note payable was repaid during fiscal 2010 and the note has been retired.

12. OTHER LIABILITIES

Other liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuances.

Flow-through Shares	Flow-through Share Liability
Balance at January 1, 2010	$ 0
Liability incurred on flow-through shares issued	21,852
Settlement of flow-through share liability on incurring expenditures	0
Balance at December 31, 2010	$ 21,852
Liability incurred on flow-through shares issued	41,450
Settlement of flow-through share liability on incurring expenditures	(21,852)
Balance at December 31, 2011	$ 41,450

On December 22, 2011 the Company completed a private placement of 2,763,333 flow-through units at $0.075 per unit. Each unit consisted of one flow-through common share and 1/2 of one common share purchase warrant. For further details refer to note 13h. The Company recorded a Premium of $41,450 on these shares generating a liability.

On December 16, 2010, the Company completed a private placement of 364,200 flow-through units at $0.19 per unit. Each unit consisted of one flow-through common share and 1/2 of one common share purchase warrant. For further detail refer to note 13f. The Company recorded a premium of $21,852 on these shares, generating a liability which was recordable as a credit on the statement of operations on renunciation in February 2012.

(Expressed in Canadian Dollars)

13. SHARE CAPITAL

a) Authorized: Unlimited number of common shares

b) Issued:

	Number of shares	Amount
Balance at January 1, 2010	36,381,339	$5,303,211
Share issued via private placement (note 13d, 13f)	4,980,000	547,548
Flow-through shares issued for cash (note 13d, 13f)	5,289,200	660,198
Shares issued per property option agreement (note 13c, 13e)	200,000	24,000
Share purchase warrants		(289,122)
Financing cost of share issue		(184,259)
Tax benefits renounced		(183,151)
Balance at December 31, 2010	46,850,539	5,878,425
Share issue per property option agreement (note 13g)	1,045,454	115,000
Shares issued via private placement (note 13h)	100,000	6,000
Flow-through shares issued for cash (note 13h)	2,763,333	207,250
Share purchase warrants		(42,950)
Premium on flow-through shares		(41,450)
Value of broker warrants		(5,520)
Financing cost of share issue		(15,706)
Balance at December 31, 2011	50,759,326	$ 6,101,049

c) On April 12, 2010, the Company issued 50,000 common shares with a determined value per share of $0.125 in consideration of the execution of the property option agreement with Skead Holdings Ltd. for the Shining Tree property (note 9a) and the granting of the property option contained therein and on November 22, 2010 an additional 100,000 shares with a determined value per share of $0.115.

d) On July 29, 2010, the Company completed a non-brokered private placement of flow-through and non-flow-through units of proceeds for $851,000. The Company issued 4,925,000 flow-through units at $0.12 per unit. Each unit consisted of one flow-through common share and 1/2 of one common share purchase warrant. Each common share purchase warrant is exercisable for one common share at an exercise price of $0.16 no later than July 29, 2012. The Company also issued 2,600,000 non-flow-through units at $0.10 per unit. Each unit consisted of one common share and 1/2 of one common share purchase warrant. Each common share purchase warrant is exercisable for one common share at an exercise price of $0.15 no later than July 29, 2012. The Company paid an 8% cash finder's fee and 8% broker warrants. The broker warrants consisted of (i) 394,000 warrants each exercisable for $0.12 no later than July 29, 2012 to purchase one common share and 1/2 of one common share purchase warrant (exercisable for $0.16 no later than July 29, 2012 to purchase one common share), and (ii) 208,000 warrants each exercisable for $0.10 no later than July 29, 2012 to purchase one common share and 1/2 of one common share purchase warrant (exercisable for $0.15 no later than July 29, 2012).

(Expressed in Canadian Dollars)

13. SHARE CAPITAL cont'd

e) On October 13, 2010, the Company issued 50,000 shares with a determined value per share of $0.125 in consideration of the execution of the property option agreement with Canadian Prospecting Ventures Inc. for inclusion in the Shining Tree property (note 9a) and the granting of the property option contained therein.

f) On December 16, 2010, the Company completed a private placement of 364,200 flow-through units at $0.19 per unit. Each unit consisted of one flow-through common share and 1/2 of one common share purchase warrant. Each common share purchase warrant is exercisable for one common share at an exercise price of $0.27 no later than December 16, 2012 and 2,380,000 non flow-through shares at $0.13 per share. Agents were paid cash commission of $30,288 representing 8% cash finder's fee and 27,032 warrants each exercisable for $0.19 no later that June 16, 2012 to purchase one common share and 1/2 of one common share purchase warrant (each whole warrant exercisable for $0.27 no later than June 16, 2012 to purchase one common share), and 190,400 warrants each exercisable for $0.13 no later than June 16, 2012 to purchase one common share.

g) On May 14, 2011, the Company issued 1,045,454 common shares with a determined value per share of $0.11 as final consideration under the option agreement with Skead Holdings Ltd. for the Shining Tree property (note 9a).

h) On December 22, 2011 the company completed a non-brokered private placement of 2,763,333 flow-through units at $0.075 per unit, and 100,000 working capital units at $0.06 per unit, to raise $213,250. Each flow-through unit consisted of one flow-through common share and 1/2 of one warrant. Each working capital unit consisted of one common share and 1/2 of one warrant.

Each whole warrant is exercisable for a common share of Platinex at an exercise price of $0.10 on or before September 22, 2012 and thereafter at an exercise price of $0.15. The warrants expire on June 22, 2013; provided that if the average closing price of Platinex' common shares is over $0.20 per share for 20 consecutive trading days ending more than four months after the closing of this offering, Platinex may give written notice to the holders of the warrants changing the expiry date to a date which is not less than 30 days following that written notice.

Platinex paid finder's fees of $9,200 and issued 122,667 broker warrants in connection with this closing. The broker warrants may be exercised on or before June 22, 2013 at an exercise price of $0.075 per warrant. Upon exercise of a broker warrant, the holder will receive one common share and 1/2 of one warrant on the same terms as the warrant issued in the offering.

14. SHARE BASED PAYMENTS

a) Share Purchase Warrants

	Number of warrants		Weighted average Exercise price		Value of warrants
Balance, January 1, 2010	6,700,000	$	0.38	$	221,000
Granted, private placements	5,067,136		0.15		378,613
Exercised	0		0.00		0
Expired or cancelled	(6,700,000)		0.38		(221,000)
Balance, December 31, 2010	5,067,136	$	0.15	$	378,613
Granted, private placements	1,615,667		0.13		48,470
Exercised	0		0.00		0
Expired or cancelled	0		0.00		0
Balance December 31, 2011	6,682,803	$	0.15	$	427,083

(Expressed in Canadian Dollars)

14. SHARE BASED PAYMENTS cont'd

a) Share Purchase Warrants cont'd

Number of Warrants	Exercise Price	Grant Date Fair Value Of Warrants	Date of Expiry
2,462,500	$0.16	$172,375	29-Jul-12
1,300,000	0.15	104,000	29-Jul-12
394,000	0.12	31,520	29-Jul-12
197,000	0.16	15,760	29-Jul-12
208,000	0.10	16,640	29-Jul-12
104,000	0.15	7,280	29-Jul-12
182,100	0.27	12,747	16-Dec-12
29,136	0.19	3,059	16-Jun-12
190,400	0.13	15,232	16-Jun-12
1,431,667	0.13	42,950	22-Jun-13
184,000	0.07	1,840	22-Jun-13
6,682,803		$427,083	

The warrants granted were valued using the Black-Scholes option pricing model with the following assumptions, quoted at their weighted averages.

	2011	2010
Expected dividend yield	0	0
Expected volatility	159%	136%
Risk free interest rate	0.92%	1.53%
Expected life	1.5 years	1.5 to 2 years

b) Share Purchase Options

In October 2005, the Company's Board of Directors approved a new stock option plan. Under the terms of the Company's new stock option plan, a maximum of 10% of the issued and outstanding common shares have been reserved for issuance to the Company's directors, officers, employees and eligible consultants. The new stock option plan was approved by the Company's non participatory shareholders on May 24, 2006.

In 2007, the Company granted 1,460,000 options (1,165,000 – 2006, 240,000 of which were granted in 2005 subject to shareholder approval which was obtained on May 24, 2006). The fair value of $469,600 has been charged to the statement of loss and comprehensive loss and has been offset to contributed surplus. During the year ended December 31, 2010, 120,000 (December 31, 2009 325,000) of these options were cancelled.

In March 2009, the Company granted options to purchase 220,000 shares at an option price of $0.20 per share to certain employees and eligible consultants. In March 2009, the Company approved and in June 2009, the non participatory shareholders ratified, the re-pricing of 2,180,000 options issued in prior periods having a weighted average exercise price of $0.35 per share to $0.20 per share.

On June 1, 2010, the Company issued 120,000 options with an exercise price of $0.20 per share, with a five year term to an investor relations firm.

(Expressed in Canadian Dollars)

14. SHARE BASED PAYMENTS cont'd

b) Share Purchase Options cont'd

On June 25, 2010, the Company issued 1,020,000 options to certain of the Company's directors, officer and eligible consultants at an option price of $0.20 per share.

On January 5, 2011, the Company issued 170,000 options with an exercise price of $0.20 per share, with a five year term to an investor relations firm. As at March 31, 2011, 42,500 of the options had vested.

On April 1, 2011, the Company granted options to purchase 1,560,000 shares at an option price of $0.12 per share to certain employees, directors and eligible consultants.

Summary of stock option activity:

	Number of Stock Options	Weighted Average Exercise Price	Value of Options
Balance, January 1, 2010	2,460,000	$ 0.20	$ 60,000
Granted	1,140,000	0.20	93,600
Exercised	0	0.00	0
Expired or cancelled	(180,000)	0.20	(3,600)
Balance, December 31, 2010	3,420,000	$ 0.20	$ 150,000
Granted	1,730,000	0.13	129,050
Exercised	0	0.00	0
Expired or cancelled	(1,180,000)	0.20	(27,800)
Balance, December 31, 2011	3,970,000	$ 0.16	$ 251,250

As at December 31, 2011, the following stock options were outstanding:

Date of Expiry	Number of Options Exercisable	Number of Options Outstanding	Exercise Price	Grant Date Fair Value of Options Granted
June 18, 2012	40,000	40,000	0.20	$ 800
October 16, 2012	780,000	780,000	0.20	15,600
November 19, 2012	60,000	60,000	0.20	1,200
March 11, 2014	220,000	220,000	0.20	11,000
May 31, 2015	120,000	120,000	0.20	12,000
June 25, 2015	1,020,000	1,020,000	0.20	81,600
January 5, 2016	85,000	170,000	0.20	4,250
April 1, 2016	1,560,000	1,560,000	0.12	124,800
	3,885,000	3,970,000		$ 251,250

Black-Scholes Option Pricing Assumptions	2011	2010
Expected dividend yield	0%	0%
Expected volatility	96.58%	135.85%
Risk-free interest rate	2.56%	2.35%
Expected life	5 years	5 years

(Expressed in Canadian Dollars)

15 INCOME TAXES

a) Provision for income taxes

Major items causing the Company's tax rate to differ from the combined federal and provincial statutory rate of 28.25% (30.99% - 2010) are as follows:

	December 31, 2011	December 31, 2010	January 1, 2010
Income (loss) before income taxes	$ 2,024,947	$ 3,575,595	$ (1,184,214)
Income tax recovery at the statutory rate	$ 572,048	$ (1,108,077)	$ 390,791
Adjustments:			
Exploration expenditures (capitalized) amortized	(113,229)	151,172	(22,852)
Renounced mineral expenditures on flow through shares	(19,548)	(183,151)	0
Tax indemnity	(178,843)	0	0
Stock based compensation	(36,457)	(29,007)	(18,018)
Non capital losses (not utilized) utilized	(218,233)	986,743	(342,720)
Other	(5,738)	(832)	(7,201)
Flow-through share premium	(21,852)	0	0
Actual income tax (recovery)	$ (21,852)	$ (183,151)	$ 0

b) Future tax balances

The effects on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for tax purposes are as follows:

	2011	2010
Future income tax liability		
Renounced mineral expenditures on flow-through shares	$ (19,548)	$ (183,151)
Future income tax assets		
Non - capital losses carried forward	1,604,940	1,549,500
Canadian development and exploration expenditures	762,153	436,787
Total future tax assets	2,367,093	1,986,287
Valuation allowance for future tax assets	(2,347,545)	(1,803,136)
Future income tax assets	19,548	183,151
Net future income tax liability and assets	$ 0	$ 0

c) Tax loss carry forwards

As at December 31, 2011, the Company has federal non-capital loss carry forwards of approximately $5,681,202 for Canadian income tax purposes and approximately $2,697,885 of various classes of exploration expenditures, which under certain circumstances can be used to reduce the taxable income of future years

(Expressed in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS

Remuneration of directors and key management personnel during the years ended December 31, 2011 and December 31, 2010 was:

	December 31 2011	December 31 2010
Management salaries and fees	$ 480,000	$ 476,119
Directors fees	0	56,500
Share-based payments	109,600	69,600
	$ 469,600	$ 443,061

For the year ended December 31, 2011, $204,200 ($80,867 – 2010) of the management fees and salaries were allocated to exploration and evaluation assets. Share based payments are the fair value of options granted to directors and key management personnel which vested during the period. At December 31, 2011, accounts payable included $0 (December 31, 2010 - $0) due to related parties.

17. SEGMENTAL REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities.

18. LOSS PER SHARE

The basic and diluted loss per share is computed by dividing the loss by the weighted average number of common shares outstanding during the period. The conversion of stock options and warrants was not included in the calculation of diluted loss per share since the calculation would be anti-dilutive.

19. COMMITMENTS AND CONTINGENCIES

Pursuant to the issuance of 364,200 flow-through shares in December 2010, the Company renounced $69,198 of qualified exploration expenditures in February 2011. As at December 31, 2011, the Company has met its expenditure commitment.

The Company has agreed to indemnify certain subscribers of current and previous flow-through share offerings against any income tax payable by the subscriber in the event the Company does not meet its expenditure commitments.

During the years 2005 to 2008, the Company issued flow-through common shares for gross proceeds of $1,550,000 from private placement offerings of securities. In accordance with the terms of these flow-through share offerings and pursuant to certain provisions of the Income Tax Act (Canada) (the “Act”), the Company renounced for income tax purposes these exploration expenditures and was obligated to spend these funds on Qualifying Canadian Exploration Expenditures (“CEE”).

Following an audit by CRA of the Company’s CEE for 2005 to 2008 which was substantially completed prior to December 31, 2011, the CRA has taken the position that only $590,801 of flow-through proceeds were spent on CEE. On this basis, the remainder of $959,199 is potentially subject to tax in accordance with Part XII.6 of the Act and, together with related penalties and interest, the amount of $191,340 has been included in accrued liabilities as at December 31, 2011. On April 4, 2012, CRA issued Notices of Assessment and Reassessment to the Company totaling $191,340 including penalties and interest which has been included in accrued liabilities. The Company intends to file Notices of Objection to dispute CRA’s interpretation and the validity of the Notices of Assessment and Reassessment.

In accordance with the terms of subscription agreements with certain purchasers of flow-through shares, the Company has agreed to indemnify such investors for an amount equal to the amount of any income tax payable, or income tax that may become payable, by the purchaser, under the Act, as a result of the reduction of previously renounced CEE. The Company has also estimated the potential liability resulting from potential claims which may arise as a result of possible reassessments denying CEE claimed by investors in 2005 to 2008 to be $633,071 which has been included in accrued

(Expressed in Canadian Dollars)

19. COMMITMENTS AND CONTINGENCIES cont'd

liabilities as at December 31, 2011. The actual liability will depend upon a number of factors including the personal tax income tax positions of the investors and the Company's success in its objection proceedings with CRA. The outcome of these matters is uncertain and there can be no assurance that such matters will be resolved in the Company's favour.

Lease Commitments

The company is committed to the following minimum payments under operating leases for office space:

2012	$	78,135
2013	$	32,841

20. SUBSEQUENT EVENTS

Subsequent to the year end, the North McFaulds, Norton Lake, Core Zone and Awkward Lake properties have been allowed to lapse. Further, the Tib Lake property has been extended and portions of the South McFaulds property has also lapsed.

21. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's financial statements for the year-ending December 31, 2011 are the first annual financial statements prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was January 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be December 31, 2011. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP").

In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with pre-changeover Canadian GAAP.

The IFRS 1 optional exemptions and exceptions applied in the conversion from Canadian GAAP to IFRS are as follows:

a) Business Combinations

The Company elected not to retrospectively apply IFRS 3 Business Combinations to any business combinations that may have occurred prior to its Transition Date and such business combinations have not been restated.

b) Share-Based Payment Transactions

The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date to IFRS.

The IFRS 1 mandatory applied in the conversion from Canadian GAAP to IFRS are as follows:

a) Estimates

The estimates previously made by the Company under Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the Company has not used hindsight to revise estimates.

Reconciliations of Canadian GAAP Equity and Comprehensive Income to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The changes made to the statements of financial position and statements of comprehensive income as shown on the pages following have resulted in reclassifications of various amounts on the statements of cash flows, however as there have been no material adjustments to the net cash flows, no reconciliation of the statement of cash flows have been prepared.

(Expressed in Canadian Dollars)

RECONCILIATION OF STATEMENT OF FINANCIAL POSITION AS AT JANUARY 1, 2010 – TRANSITION DATE

	Sub Note	Canadian GAAP	Effect of Transition to IFRS	IFRS
Assets				
Current assets				
Cash and cash equivalents		$ 114,515	$ 0	$ 114,515
Accounts receivable		32,032	0	32,032
Funds held in trust		15,607	0	15,607
Prepaid expenses		22,335	0	22,335
Total current assets		$ 184,489	$ 0	$ 184,489
Non-current assets				
Exploration and evaluation assets		$ 1,294,834	$ 0	$ 1,294,834
Property, plant and equipment		53,741	0	53,741
Total non-current assets		$ 1,348,575	$ 0	$ 1,348,575
Total assets		$ 1,533,064	$ 0	$ 1,533,064
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and accrued liabilities		$ 1,155,315	$ 0	$ 1,155,315
Note payable		130,000	0	130,000
Advances on settlement		150,000	0	150,000
Other liability	(i)	0	0	0
Total current liabilities		$ 1,435,315	$ 0	$ 1,435,315
Shareholders' equity				
Share capital	(i)	$ 5,303,211	$ 0	$ 5,303,211
Share purchase warrants		221,000	0	221,000
Share purchase options		0	60,000	60,000
Contributed surplus		2,497,806	(2,497,806)	0
Deficit		(7,924,268)	2,437,806	(5,486,462)
Total shareholders' equity		$ 97,749	$ 0	$ 97,749
Total liabilities and shareholders' equity		$ 1,533,064	$ 0	$ 1,533,064

(Expressed in Canadian Dollars)

RECONCILIATION OF STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2010

	Sub Note	Canadian GAAP	Effect of Transition to IFRS	IFRS
Assets				
Current assets				
Cash and cash equivalents		$ 2,511,273	$ 0	$ 2,511,273
Accounts receivable		212,796	0	212,796
Funds held in trust		0	0	0
Prepaid expenses		32,335	0	32,335
Total current assets		$ 2,756,404	$ 0	$ 2,756,404
Non-current assets				
Exploration and evaluation assets		$ 2,263,358	$ 0	$ 2,263,358
Property, plant and equipment		43,365	0	43,365
Total non-current assets		$ 2,306,723	$ 0	$ 2,306,723
Total assets		$ 5,063,127	$ 0	$ 5,063,127
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and accrued liabilities		$ 137,353	$ 0	$ 137,353
Other liability	(i)	0	21,852	21,852
Total current liabilities		$ 137,353	$ 21,852	$ 159,205
Non-current liabilities				
Shareholders' equity				
Share capital	(i)	$ 5,900,277	$ (21,852)	$ 5,878,425
Share purchase warrants		378,613	0	378,613
Share purchase options		0	150,000	150,000
Contributed surplus		2,812,406	(2,812,406)	0
Deficit		(4,165,522)	2,662,406	(1,503,116)
Total shareholders' equity		$ 4,925,774	$ (21,852)	$ 4,903,922
Total liabilities and shareholders' equity		$ 5,063,127	$ 0	$ 5,063,127

(Expressed in Canadian Dollars)

RECONCILIATION OF THE STATEMENT OF COMPREHENSIVE LOSS/INCOME FOR THE YEAR ENDED DECEMBER 31, 2010

	Sub Note	Canadian GAAP	Effect of Transition to IFRS	IFRS
Expenses				
Audit and legal		$ 101,483	$ 0	$ 101,483
Consulting		256,080	0	256,080
Depreciation		12,532	0	12,532
Directors fees		56,500	0	56,500
General exploration		102,935	0	102,935
Insurance		12,150	0	12,150
Investor relations		57,234	0	57,234
Management salaries and fees		544,451	0	544,451
Office and general corporate		61,815	0	61,815
Rent		78,663	0	78,663
Regulatory fees, Part XII.6 tax, interest and penalties		46,962	0	46,962
Share based payments		93,600	0	93,600
Total expenses		1,424,405	0	1,424,405
Loss before other items		1,424,405	0	1,424,405
Cost recovery fee -Ontario Government settlement		(5,000,000)	0	(5,000,000)
Income before income tax		(3,575,595)	0	(3,575,595)
Income tax expense (recovery)		(183,151)	0	(183,151)
Total comprehensive income for the year		$(3,758,746)	$ 0	$(3,758,746)
Income per common share, basic and diluted		$ 0	$ 0	$ 0

Explanations for the adjustments are as follows:

i) Flow-Through Shares

Under Canadian GAAP, the entire proceeds from the issuance of flow-through shares were recognized in equity less the tax effects of renunciation. Under IFRS, on issuance of flow-through shares, The Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and; ii) share Capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred income tax liability for the amount of tax reduction renounced to the shareholders. The premium and the related deferred tax are recognized as a tax provision.

To the extent that the Company has deferred income tax assets in the form of tax loss carry-forwards and other unused tax credits as at the end of the reporting period, the Company may use them to reduce its deferred income tax liability relating to tax benefits transferred through flow-through shares.

As a result, for issuances of flow-through shares for which expenditures have been incurred, share capital was decreased by $0 at the date of transition (December 31, 2010 - $21,852), deficit was decreased by $0 (December 31, 2010 - $0), the impact on net income for the year ended December 31, 2011 was $21,852 (year ended December 31, 2011 - $0 and an other liability of $0 was recorded (December 31, 2010 - $21,852).