Platinex Inc.

(An Exploration Stage Company)
Management's Discussion and Analysis
For the Fiscal Year and Quarter Ended December 31, 2010

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Platinex Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year and Quarter Ended December 31, 2010

General

The following management's discussion and analysis, of operating results and financial position is supplementary to, and should be read in conjunction with the audited financial statements for the fiscal year ended December 31, 2010. The financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada and all amounts, unless otherwise indicated, are expressed in Canadian dollars. The financial statements and management's discussion and analysis were reviewed and approved by the Company's Audit Committee and the Board of Directors. This discussion covers the last completed fiscal year and the subsequent period up to the date of the filing of this MD&A.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com or the Company's website at www.platinex.com.

Forward Looking Statements

This management's discussion and analysis contains statements about expected future events and financial and operating results of Platinex Inc. that are forward looking. By their nature, forward looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. These forward looking statements are based on current expectations. There is substantial risk that forward looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on the Company's forward looking statements as a number of factors including economic conditions, technological change, regulatory change, and competitive factors, could cause actual future results, conditions, actions or events to differ materially from targets, expectations, estimates or intentions expressed in the forward looking statements; many of which are beyond the Company's control.

Fiscal 2010 Highlights

Platinex achieved several milestones in 2010:

- **Earnings per share of $0.093 (1:1 PE Ratio)**
- **Settlement recovery from the Government of Ontario totaling $5,000,000 plus a 2.5% Net Smelter Royalty on the former Big Trout Lake property.**
- **The Shining Tree Gold property advanced to the discovery stage with the revelation of spectacular gold counts in soil along a nine kilometre length of a shear zone.**
- **Sixty three holes drilled on the Herrick gold deposit to date on Shining Tree property have all intersected gold with a resource valuation to be conducted later this year.**
- **Joint Venture agreement entered with Creso Exploration to explore a nine claim portion of adjoining property.**
- **An extensive sampling program on the Caswell prospect at Shining Tree has confirmed the widespread and partially very high grade historic gold mineralization.**

Overview of Company

The Company was incorporated on August 12, 1998 under the laws of the Province of Ontario. The Company which is an exploration stage entity as defined by the Canadian Institute of Chartered Accountants ("CICA") *Accounting Guideline 11* is engaged in the acquisition, exploration and development of properties for the mining of precious and base metals. The Company is in the process of exploring its resource properties for mineral resources and had not determined whether the properties contain economically recoverable reserves. The recovery of the amounts shown for the mineral properties and the related deferred expenditures is dependent upon the existence of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the

Overview of Company cont'd

exploration, the ability of the Company to recover value for its properties and/or upon future profitable production.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation 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 value.

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 development 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, breakdown in law and order, arbitrary and punitive actions of governments and their failure to comply with their own laws and regulations.

The Company has a long term need for equity capital and financing for working capital and exploration and development of its properties. However, a one time extra-ordinary recovery of capital to the treasury without dilution occurred in 2010 as described below under 'Overall Performance and Market Conditions'.

Overall Performance and Market Conditions

During 2009 and early 2010, Platinex's coordinated efforts to return shareholder value for its Big Trout Lake property realized a substantial return. Subject to meeting certain terms and conditions, the Ontario government on December 13, 2009 agreed to pay Platinex Inc. $5,000,000 plus mediation costs, plus a 2.5% Net Smelter Royalty in a settlement agreement. In return Platinex surrendered its 221 claims and 81 leases forming the Big Trout Lake property and had all of its legal proceedings dismissed without costs. The Net Smelter Royalty will continue in perpetuity if the same area is acquired by another party within 25 years. The terms and conditions as per this settlement agreement were satisfied and on February 11, 2010 the final payment of the settlement was released from trust. Refer also to page 7 for further discussion in the "Former Big Trout Lake Property" section.

Platinex has retained exclusive rights to the bulk of the data and much of the core drilled on the property. Since four PGE bearing reefs had been identified in a highly metamorphosed layered intrusion environment Platinex believes it will be able to apply this ability to synthesize litho-geochemistry and magnetic data in the exploration for PGE elsewhere.

An additional dividend obtained from the lawsuits filed was that Platinex was able to protect all of its Ontario claims from aging in a "Pending Proceedings Order" while lawsuits were being pursued. Now that the lawsuits have been dismissed Platinex's claims will remain in good standing until dates between January and March, 2012.

The Big Trout Lake odyssey for Platinex has been bittersweet. Many of the shareholders and geologists associated with the company were hoping to finally be able to carry out plans to explore the property. Unfortunately Platinex was caught in the middle of a conflict between KI and the Ontario government. It became apparent the only way to obtain value from the property was to reach a settlement with the government which management accomplished in December, 2009. The success of Platinex in recovering some shareholder value was, management believes, a unique accomplishment in Canadian history. It will allow the Company stability in delivery of its exploration plans, but it needs to be emphasized that it was a onetime event.

During 2010, capital markets worldwide were able to recover some of the pre-recession levels. Junior resource stocks such as Platinex were able to recover some but not all of their pre-recession capitalization.

Overall Performance and Market Conditions cont'd

Globalization and unprecedented growth rates in China and India continue to underpin world markets. Growth in commodity markets is happening. The improved outlook for gold and PGE have not yet spurred a price recovery of junior venture capital stocks in general and Platinex in particular. The underpinnings for such a recovery are in place since in the last three years the expansion of the US debt, lowering of real interest rates and increasing the money supply has lead to a substantial increase in the price of gold and platinum and devaluation of the US dollar against other currencies.

Efforts by the U.S. Government to increase the money supply have created optimism for future gold prices as people believe the US authorities will flood the markets with new currency. This is expected to lower the U.S. dollar and increase the price of gold dramatically. In 2009, 2010 and early 2011 these expectations have been partially fulfilled.

The Company is in the exploration stage on its various properties that are herein described and as such has no revenues to fund these activities. The Company accesses the public markets (limited to accredited investors and flow-through rules) to finance exploration activity; the ability to raise additional capital is subject to existing market conditions at that time. The projects do not have a defined mineral resource in place whereby the Company can establish a measured asset value. However, based on current or previous geological programs that have been completed on and adjacent to certain of the properties, further exploration work is warranted. This has been established on certain of the properties based on independent technical reports by Qualified Persons that meet the criteria of National Instrument 43-101 and on certain other properties with internal summary reports which do not meet all the criteria of National Instrument 43-101.

The market decline has made it very difficult to finance remote property exploration for platinum through issuance of equity. Many companies trade at a discount to working capital and book value signifying absence of goodwill value. In order to attract investment it is necessary for a company to distinguish itself from its competitors. In order to deal with this challenge Platinex has adopted a strategic plan. The Company has shifted its focus to exploration of the Shining Tree Gold property (described under Properties). The ability to establish resources and to be able to bring such a property to production quickly should the exploration bear fruit were key to this decision. Drilling commenced on this property in May. The program targeted the Herrick deposit with 9 holes drilled and one previous hole deepened for 1,800m. Thirteen more holes for 2,500m were completed in September and October in addition to stripping, trenching geophysical surveys and geological mapping. All holes hit persistent gold mineralization in the Central Zone. Drilling at Shining Tree on the Herrick deposit has identified a large structural gold system. Specialized soil sampling on the property has revealed persistent high gold values spatially aligned along a 9 km east west composite shear structure tentatively identified as The Larder Lake Break or an associated splay. The gold in soil occurrences are interpreted to indicate the presence of one or more gold deposits probably, but not necessarily, on Platinex's property. Exploration to locate these deposits is ongoing and results will be forthcoming on a continuous basis through the summer months of 2011.

Among the Company's properties with potential for nickel, copper, PGEs and chromium are the two major holdings in the Ring of Fire area. Since staking of these properties a major chromium discovery has been made in the area which is believed to be the largest known deposit in the world. A major steel company, Cliffs Resources, has bought a controlling interest in two of the companies and plans are in the early stages to develop the properties and bring both permanent road and rail transportation into the area. Statements have been made by some of the provincial politicians that this is the most significant discovery in Canada in the last 100 years. Platinex believes its holdings are well positioned in the Ring of Fire area and the Company intends to ensure that exploration is pursued on these properties in an orderly manner.

In addition Noront Resources has recently released results of drilling the Eagle One deposit in the Ring of Fire intrusion. They revealed a combined resource of over 20 million tonnes of high grade Ni-Cu-PGE mineralization. This is a significant discovery.

Overall Performance and Market Conditions cont'd

The Ring of Fire intrusion outcrops on Platinex's South McFaulds property approximately 20 km to the southwest. Platinex has recently published a qualifying report on the property.

In late July 2010, the Company secured a financing for gross proceeds of $851,000 and in December secured another financing for gross proceeds of $378,598 to continue exploration on its Shining Tree property.

Platinex entered into an agreement with Canadian Prospecting Ventures Inc. on September 16, 2010, to acquire one hundred percent interest, in its 12 claim unit (192 ha.) property. The property adjoins the former producing Ronda Gold Mine property of Strike Minerals Inc. on the east and south and straddles the Michiwakenda fault and the possible southward extension of the Herrick gold deposit 4kms south of Platinex's current drilling program.

Under the agreement the Company made initial payments of $5,000 and 50,000 shares of Platinex. In order to exercise the option Platinex must make further payments totaling $15,000, issue an additional 250,000 shares and expend $100,000 on exploration over a three year period. Upon exercise of the option Canadian Prospecting Ventures Inc. will retain a 2% NSR royalty; up to 1.0% of the royalty may be purchased in 0.5% increments for $500,000 per 0.5% of NSR.

Discussions are being held with several major companies and other possible sources of financing to form a syndicate or partnership to conduct a continuing search for platinum in North America over a three to four year period. The seven PGE properties as well as a few other properties identified through research would be subject to the syndicate if management is successful in creating this entity.

Properties

During the second half of 2008, Platinex staked a property in Nunavut, completed several qualifying reports and summary reports and commenced exploration on one gold property and six additional PGE prospects in Ontario comprising 1,905 claim units for 30,850 ha. (76,200 acres). Initial exploration was carried out on several of these properties in 2008. Each property requires assessment work to keep it in good standing.

Due to the lawsuit previously filed against the Ontario government, the time to conduct this work on the six Ontario PGE properties has now been extended to 2012. Work may involve airborne geophysical surveys, ground geological, geophysical, and geochemical surveys with line-cutting and drilling.

The properties are described below.

a) **Shining Tree Gold Property**

In April 2008, Platinex entered into an option agreement with Skead Holdings Ltd., with respect to certain claims situated in Churchill, Macmurchy and Asquith Townships, in Ontario (the "Shining Tree property"). Platinex has the right to acquire a 100%-interest in the 139 claim units (5,680 acres or 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 3% NS Royalty may be reduced by payment of $400,000 for each 0.5% NSR purchased to a maximum of 1.5% NSR. If the optionor wishes to sell the remaining royalty interest Platinex retains a right of first refusal on the sale of the royalty interest. To date Platinex has satisfied all requirements except the final $100,000 payment.

The Company SEDAR-filed its NI 43-101 qualifying report dated October 2, 2008, by J.G. Bryant and D. Jamieson (the "Report") which examines the Herrick gold deposit on Shining Tree property and seven other known gold prospects, some of which have been explored underground. The Report qualifies the sampling and drilling work by Unocal (1989) and Fort Knox (1990) compliant to NI 43-101 standards.

The property is underlain by a northwest trending, steeply dipping, sequence of felsic to mafic metavolcanic rocks intruded by irregular quartz feldspar porphyries of Early Precambrian age.

Properties cont'd

a) **Shining Tree Gold Property cont'd**

Shining Tree's Herrick deposit was discovered in 1918 and subsequently was developed by a 94 m shaft with 345 m of lateral development on two veins. In 1989 Unocal Ltd. evaluated the historic data and, based on that, stated a potential for the system to carry 1,732 tonnes per vertical foot at 7.2 g/t Au over a width of 1.8 m (400 ounces per vertical foot), Unocal carried out diamond drilling of 11 holes for 1,473m and collected 201 channel samples and 35 composite grab samples on the Herrick vein. In 1990 Fort Knox Gold Inc. followed this work with 45 further channel samples and confirmed the presence of gold mineralization over a 385 m strike length, obtaining samples grading up to 56.5 g/t Au over 1.0 m.

The Report states that, "Judging from evidence of previous results on the Herrick deposit there is a potential to outline a small commercial gold deposit. On a larger scale the bulk of the property may be at the low temperature top of an epithermal system that could well be associated with a world-class gold deposit at depth." Gold geologists recognize that the Shining Tree property is located on the westward extension of the Cadillac Malartic/Larder fault systems that are associated with several gold deposits that contained between 10 and 30 million ounces of gold. This potential has been suggested for the Shining Tree property.

Since October 2008, Platinex has carried out its Phase I exploration program and commenced a Phase II program. Particular interest is focused on 155 samples recovered from basal till that have been processed by Overburden Drilling Management. Many of the samples contain pristine gold grains indicating a nearby bedrock source. In addition, 77 samples each returned more than ten gold grains (up to 101 gold grains in one sample) that suggest several nearby previously unexplored gold occurrences in the bedrock. Noticeably a line of the highest counts was obtained along 9 km easterly trending shear believed to be the Larder Lake Break.

The outstanding gold values in soils are comparable to, and in many cases better, than have been obtained over other major gold deposits in Northern Ontario and Quebec. Platinex views this result as the beginning step in the location and identification of one or more major gold deposits.

The Phase I exploration program in 2008 and 2009 included an airborne geophysical survey, till sampling, and 26 holes for a total of 1,270 m of diamond drilling. In 2010 a comprehensive program of drilling on the Herrick deposit (23 holes for 4,300m) till sampling, and stripping was carried out to further evaluate the potential of the property. A substantial program of channel sampling was carried out on the Caswell prospect.

The original surface sampling by Herrick Gold Mines outlined a 97.5 m length in 3 sections of the Central zone averaging 20.28 g/tonne Au/1.30 m and a length of 63.9 m of the West zone averaging 9.15 g/tonne Au/1.27 m. These are now interpreted to be the same zone which is offset by a fault. Further sampling of the upper 25 m of the shaft averaged 50 g/tonne Au/1.5 m. These latter results have not been qualified. Results reported previously are being revised in reference to a new interpretation and more drilling results in preparation for an internal resource estimate.

The Central Zone has been channel sampled in 51 locations along 516 linear metres in two sections (by Unocal and Fort Knox Gold) and intersected by 63 drill holes to a depth of 300 m. These results have been partially qualified.

Platinex intends to complete its comprehensive $2.2 million exploration program in 2011 to include an additional 7,200m of drilling on the Herrick deposit. An 1,800m portion of this program is in progress.

In addition till sampling and stripping is to be carried out commencing in May to locate and sample the sources of the spectacular gold grain in till counts. Separately a comprehensive in house report to include the ore valuation on the Herrick deposit is slated to be completed by August which will form the basis for an independent ore valuation and NI43-101 report.

Properties cont'd

a) **Shining Tree Gold Property cont'd**

In addition Platinex has recently retrieved documents revealing results of testing near the old Westree or Caswell mine workings of its Shining Tree claim group in which a trench was bulk sampled in 1975 with 551 lbs (250.5kg) of vein material returning 2.960 oz/ton gold (101.3 g/t) and 1206.41 oz/ton silver (41,271.3 g/t) and 572 lbs (260.0 kg) of wall rock material returning 0.224 oz/ton Au(7.7 g/t) and 368.9 oz/ton silver (12,620.1 g/t). A second bulk sample consisting of 1742 pounds (791.8 kg) of vein material taken approximately 125 feet (38.1m) west of the first sample returned 32.77oz./ton silver (1120.7g/t) and trace gold. A 100 lb (45.45kg) grab sample of muck and rock taken from the trench between these samples returned 2.033 oz./ton gold (69.53g/t) and 1.08 oz./ton silver (36.94g/t). These results have been verified but require qualification. Stripping was carried out in the autumn of 2010 and drilling is being carried out in this location in March – April.

Platinex Inc. and Creso Exploration Inc. have entered into an agreement to combine claim holdings along the Larder Lake Break into a 50/50 joint venture in the Shining Tree gold area of Ontario. The nine claims (336ha) that constitute the joint venture property bring together the historic high grade vein systems that include the former Churchill, Gold Corona, Cochrane, and Pet occurrences. A 1,003 m drilling program

was carried out in October, 2011 on the joint venture claims. The current drill program has been designed to begin outlining the dimensions and structural controls of an alteration zone and to guide further drilling toward the most prospective part of the system.

The Ontario Department of Mines reported in 1934 that visible gold and significant gold values over 0.5 opt were returned from channel samples on the principal N60E trending Churchill veins in the southeast part of the zone, where secondary veins in the area also showed gold values of up to 6.96 g/t.

Select grab samples from the old Pet Vein on the Churchill Mining property, taken by Vernon Drylie (P.Eng.) for Creso Exploration in 2009, responded well to initial enhanced gravity concentration testing undertaken by the Knelson Research and Technology Centre, with feed material grading 14.7 g/tonne Au gave a Knelson concentrate grading 724.1 g/tonne Au at 39% Au recovery, in a mass pull of 0.8%, indicating good grade enhancement by gravity concentration techniques. The drilling and surface exposed a broad zone of low grade gold mineralization in a formational zone of jasper iron formation and carbonates. Further testing is warranted.

b) **Muskox Property, Nunavut**

In November, 2007, Platinex completed the staking of 38 mining claims totaling 35,231 ha. (87,058 acres) in the Muskox intrusion. A revised NI 43-101 report was filed on SEDAR and the company website during the third quarter of fiscal 2008. The Muskox property is located 30 km south of Kugluktuk and 350 km north of Yellowknife. In late 2010 all claims lapsed.

The Muskox Intrusion is one component of one of the world's largest magmatic episodes – the Mackenzie Magmatic Event. In size and style of magmatic activity, it is strikingly similar to the Permian-Triassic events which created the huge Noril'sk sulphide deposits; the world's principal supplier of Palladium. Despite abandoning the property in 2010 Platinex maintains an active presence in activities on and about the intrusion.

c) **South McFaulds**

The South McFaulds property is located 25 km southwest of Noront Resources' Eagle One and Double Eagle nickel-copper-PGE and Blackbird chromitite discoveries within the Ring of Fire intrusion . This property comprises 696 claim units in six claim 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, and a block held by MacDonald Mines on the northwest known as the Butler Property, James Bay Resources holds blocks of claims within and to the north of the Platinex holdings. McDonald's Butler property is being drill tested and has revealed occurrences of volcanogenic massive sulphide copper-zinc mineralization of significance and vanadium and nickel-copper-PGE mineralization. Platinex's property was staked to cover a layered intrusion that is coupled with magnetic anomalies. The Ring of Fire

Properties cont'd

c) **South McFaulds cont'd**

intrusion outcrops on the property which is on strike with Noront's discoveries in the Ring of Fire intrusion. The property is also centred on and in part marginal to a regional gravity anomaly. A qualifying report was completed on this property recently and an airborne geophysics program is planned to be carried out in 2011 contingent on financing.

d) **North McFaulds**

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 WSR/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 Ventures option. 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 NI 43-101 report has been completed recently and posted on the company website.

Layered intrusions in the McFaulds Lake area containing Ni-Cu-PGE mineralization and thick chromium layers have been correlated with Platinex's former Big Trout Lake holdings 250 km to the west in a domal structure. Platinex Management believes that the Company will be able to apply its unique knowledge of the geology of the Big Trout Lake Igneous Complex and its tectonic setting to the McFaulds Lake area.

e) **Norton Lake**

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 and the magnetic signatures of several anomalies are identical to the anomaly hosting the known deposit. A NI 43-101 report has been recently prepared and is available on the company website.

f) **Awkward Lake**

The Awkward Lake property is located 175 km north of Thunder Bay. This property comprises 88 contiguous units covering 1,425 ha (3,520 acres). The property adjoins the Key Stone Associates Inc. property on the south and the Obongo Precious Metals Inc. and Vale Canada Limited properties to 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 productive Lac des Iles intrusion belonging to North American Palladium Ltd. and contains known nickel-copper-PGE mineralization.

g) **Core Zone**

The Core Zone property is located 174 km north of Thunder Bay and to the south of the previously mentioned Key Stone Associates Inc. property. Platinex's property covers 302 claim units comprising 4,891 ha (12,080 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.

h) **Tib Lake**

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. Testing of this property is warranted, especially when considered in light of North American Palladium's nearby operation that demands feedstock.

Properties cont'd

For the purpose of this Management's Discussion and Analysis James R. Trusler, P.Eng, President and CEO of Platinex Inc. is the qualified person.

Former Big Trout Lake Property, Ontario

As described in detail in the Management's Discussion and Analysis for the year ended December 31, 2009 Platinex made considerable efforts to attain lawful access to its property for the purpose of exploration through both litigation and attempts to discuss with and accommodate KI. As detailed under Overall Performance and Market Conditions on page 2, Platinex obtained a settlement with Ontario in December 2009 the key points of which are listed as follows:

a) Ontario paid to Platinex $5.0 million plus mediation and negotiation costs.
b) Platinex surrendered the 221 claims and 81 leases comprising the Big Trout Lake property to the Crown.
c) Ontario granted a perpetual 2.5% Net Smelter Royalty in favour of Platinex on the land coinciding with the entire former Big Trout Lake property should any party acquire all or a portion of the former property within twenty five years.

d) All of the lawsuits brought by Platinex and KI against Ontario and Platinex and KI against each other were dismissed without cost.
e) Pending Proceedings Orders on six of Platinex`s other properties were surrendered with the time excluded between May 14, 2008 and dates in 2010. All of these properties are in good standing until dates in 2012.

Not included in the settlement is the property data from over $5.0 million in previous exploration establishing an exploration methodology for locating platinum reefs in highly metamorphosed and deformed layered intrusions. This data remains the exclusive property of Platinex.

Litigation with Cartwright Drilling

In November 2008, Platinex began conversations with Cartwright Drilling directly in an effort to resolve the outstanding claim against the Company. Negotiations progressed well and on April 27, 2009 Cartwright agreed to a settlement of the approximate $310,000 legal claim against Platinex for a five year $130,000 note bearing interest at 6% and 700,000 common shares of Platinex at $0.10 per share. The note was retired in June 2010.

Private Placements

For further detail regarding share capital issuances, see the audited financial statements and related notes for the year ended December 31, 2010. The proceeds of the non-flow through common shares are being used for administrative expenses and working capital. The proceeds of flow-through common shares will be used for mineral exploration on Platinex's Canadian mineral properties qualifying as Canadian Exploration Expense (CEE) under the *Income Tax Act (Canada*) enabling the subscriber to obtain applicable tax credits and deductions.

Commitments and Contingencies

a) Environmental Contingencies

The Company's mining and exploration activities are subject to various federal, provincial 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.

Commitments and Contingencies cont'd

b) Flow-Through Expenditures

As at December 31, 2010, the Company is committed to incur prior to December 31, 2011, on a best efforts basis $69,198 ($0 - 2009) in qualifying Canadian exploration expenditures pursuant to private placements for which flow-through proceeds had been received prior to December 31, 2010 and renounced to subscribers effective as at that date.

Selected Annual Information

The following table sets out financial performance highlights for the past three fiscal years prepared in accordance with Canadian GAAP.

		2010	**2009**	**2008**
Operations:				
Revenue	$	0	0	0
Expenses		(1,314,481)	(1,492,023)	(903,091)
Part XII.6 tax, interest and penalties		(6,989)	0	0
Write down of deferred exploration expenditures		(102,935)	(69,247)	(1,478,232)
Cost recovery related to Ontario Government Settlement		5,000,000	377,056	0
Future Income tax recoverable		183,151	0	235,618
Net Income (loss)	$	3,758,746	(1,184,214)	(2,145,705)
Income (loss) per share basic / fully diluted	$	0.093	(0.033)	(0.079)
Financial Position:				
Total assets	$	5,063,172	1,533,064	1,565,445
Total long-term liabilities		0	0	0
Shareholders equity	$	4,925,774	97,749	1,023,863

Results of Operations – Year Ended December 31, 2010

In 2010, several private placements were completed issuing 200,000 (1,760,933 - 2009) non-flow through common shares for property option agreement or trade debt obligations of $24,000 ($165,850 - 2009), 4,980,000 (400,000 - 2009) non-flow through common shares and 5,289,200 (0 - 2009) flow-through common shares for gross proceeds of $1,229,598 ($40,000 - 2009). In conjunction with these placements, 5,067,136 warrants and broker warrants (0 - 2009) were issued with a weighted average exercise price of $0.15 ($0.00 - 2009). During 2010, 6,700,000 warrants (9,189,745 - 2009) with a weighted average exercise price of $0.38 ($0.43 - 2009) expired. In 2010, the Company granted 1,140,000 options (220,000 - 2009) under the Company's stock option plan. The weighted average exercise price on these options was $0.20 ($0.20 - 2009). During 2010, 120,000 options (325,000 – 2009) with a weighted average exercise price of $0.20 expired ($0.47 – 2009). As a result of the option transactions, the fair value of the stock based compensation of $93,600 ($54,600 - 2009) was charged to the statement of operations and has been offset to contributed surplus.

Results of Operations – Year Ended December 31, 2010 cont'd

In 2010, Platinex's operations were focused on exploration projects located in Ontario and in the completion of settlement of the action with Ontario. The Company's 2010 non-exploration expenses decreased to $1,314,481 from $1,492,023 in 2009 largely as a result of decreased legal fees and management fees incurred due to the litigation activities and due to the directors' fees in accordance with the Company's compensation policies. In 2009, the Company capitalized $968,524 ($322,859 - 2009) of mineral property and deferred exploration expenditures in accordance with the Company's accounting policies. In 2010 the

Company wrote-off $102,935 of deferred exploration expenditures due to impairment in value ($69,247 – 2009).

During 2010, the Company received $5,000,000 ($377,056 - 2009) previously written off of cost recovery fees arising from the settlement of the action against Ontario.

In 2010, the Company reported a future income tax recoverable of $183,151 ($0 - 2009) arising from the temporary differences between the carrying amounts of assets and liabilities for financial reporting and for tax purposes. The resulting fiscal 2010 income was $3,758,746 ($1,184,214 loss – 2009) with a basic and fully diluted earnings per share of $0.093 ($0.033 loss - 2009).

Summary of Quarterly Results

The following table sets out financial performance highlights for the last eight fiscal quarters, prepared in accordance with Canadian GAAP.

	Dec-10	**Sep-10**	**June10**	**Mar-10**	**Dec-09**	**Sep-09**	**Jun-0 9**	**Mar-09**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Operations:								
Revenue	0	0	0	0	0	0	0	0
Expenses	192,262	206,285	342,909	573,025	1,121,643	64,895	153,182	152,303
Part XII.6 tax interest and penalties	6,989	0	0	0	0	0	0	0
Write down of deferred exploration expenditures	102,935	0	0	0	13,786	47,758	4,124	3,579
Cost recovery Ontario Gov't	0	0	0	(5,000,000)	(253,756)	(123,300)	0	0
Future income tax recoverable	(183,151)	0	0	0	0	0	0	0
Net loss	119,035	206,285	342,909	(4,426,975)	881,673	(10,647)	157,306	155,882
Loss per share basic and fully diluted	0.0146	0.0047	0.0094	-0.1217	0.0244	-0.0003	0.0044	0.0045

Summary of Quarterly Results cont'd

Financial Position:

	Dec-10 $	Sep-10 $	Jun-10 $	Mar-09 $	Dec-09 $	Sep-09 $	Jun-09 $	Mar-09 $
Total assets	5,063,127	4,549,100	4,549,100	4,749,387	1,533,064	1,441,769	1,402,599	1,565,445
Total long-term liabilities	0	0	0	0	0	0	0	0
Shareholders Equity	4,925,774	4,849,900	4,269,665	4,524,724	931,006	895,359	893,964	1,023,863

Results of Operations – Quarter Ended December 31, 2010

In the fourth quarter of 2010, Platinex's operations were focused on mining capital and on the Shining Tree drill program. The Company's fourth quarter 2010 non-exploration expenses decreased to $192,263 from $1,121,643 for the same period in 2009 largely as a result of decreased legal fees. In the fourth quarter of 2010, the Company capitalized $418,861 ($64,478 - 2009) of mineral property and deferred exploration expenditures in accordance with the Company's accounting policies. The Company wrote off $102,935 of deferred exploration expenditures previously written down due to an impairment of value compared to a $13,786 write down in 2009 for the same period.

In the fourth quarter of 2010 the Company received $0 ($243,750 – 2009) of cost recovery fees in connection with its settlement with Ontario.

In the fourth quarter of 2010, the Company reported a future income tax recoverable of $183,151 ($0 – 2009) arising from temporary differences between the carrying amounts of assets and liabilities for financial reporting and for tax purposes. The resulting fiscal 2010 fourth quarter loss was $119,035 ($881,673 – 2009) with a basic and fully diluted loss per share for the quarter of $0.0146 ($0.0244 – 2009).

In the fourth quarter of 2010, the Company completed several private placements issuing 150,000 (41,667 – 2009) non-flow through common shares for property option agreement or trade debt obligations of $17,750 ($4,167 – 2009) and 2,380,000 (400,000 – 2009) non-flow through common shares and 364,200 (0 - 2009) flow-through common shares for gross proceeds of $378,598 ($40,000 – 2009). In conjunction with these placements, 182,100 warrants and broker warrants (0 – 2009) were issued with a weighted average exercise price of $0.27 ($0.00 – 2009).

In the fourth quarter of 2010, 6,700,000 warrants (400,000 – 2009) with a weighted average exercise price of $0.38 ($0.10 – 2009) expired.

In the fourth quarter of 2010, 120,000 options (0 – 2009) with a weighted average exercise price of $0.20 ($0.00 – 2009) expired.

Liquidity

At December 31, 2010, Platinex reported working capital surplus of $2,619,051 ($1,250,826 deficit – December 31, 2009) and cash balances of $2,511,273 ($114,515 – December 31, 2009). Included in cash as at December 31, 2010 is $69,198 of monies received from the issue of flow-through shares ($0 – December 31, 2009) whose use is restricted to exploration expenditures.

Capital Resources

Platinex currently does not have any credit facilities with financial institutions, and is not anticipating a profit from operations, therefore it will rely on its ability to obtain equity financing for growth. Management expects

Capital Resources cont'd

that it will be able to raise sufficient capital to further explore and develop its properties and projects in the future. The Company remains confident that equity financing will continue to be available on terms and conditions acceptable to the Company.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

The Company had the following transactions with related parties that were in the normal course of operations and measured at the exchange amounts, which is the amount of consideration established and agreed to by the related parties:

	2010	2009
Paid to a Director of the company who is also the President and CEO of the Company		
Management fees	$ 167,026	$ 242,000
Geological fee charged to mineral properties and deferred exploration expenditure	68,667	42,000
Wages and benefits	62,000	0
	$ 297,693	$ 284,000
Paid to a Director of the company who is also the Chief financial officer of the Company		
Management fee	$ 48,000	$ 123,900
Wages and benefits	51,210	0
	$ 99,210	$ 123,900
Paid to a Director of the company who is also the Vice President of the Company		
Management fee	$ 86,293	$ 0
Geological fee charged to mineral properties and deferred exploration expenditure	12,200	0
Wages and benefits	68,010	0
	$ 166,503	0
Directors fees paid	$ 56,500	$ 190,333

Proposed Transactions

There are no material decisions by the Board of Directors of the Company with respect to any imminent or proposed transactions that have not been disclosed.

Critical Accounting Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles (GAAP) requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The following accounting estimates are critical: the measurement of future income tax assets and liabilities and assessment of the need to record valuation allowances against those assets; valuation of options and warrants; and capitalized mineral property and deferred explorations expenditures.

There have been no material changes in critical accounting estimates during fiscal 2010.

Changes in Accounting Policy 2010

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles and their basis of application is consistent with that of the previous year. For further detail regarding the policies, see the notes to the audited financial statements for the year ended December 31, 2010.

Future Changes in Accounting Policy

a) International Financial Reporting Standards ("IFRS")

In January 2006, Canadian Accounting Standards Board ("AcSB") announced its decision to replace Canadian GAAP with IFRS. On February 13, 2008 the AcSB confirmed January 1, 2011 as the

mandatory changeover date to IFRS for all Canadian publicly accountable enterprises. This means that the company will be required to prepare the IFRS financial statements for the interim periods and fiscal year ends beginning in 2011. The Company is in the process of developing its IFRS implementation plan to prepare for this transition.

To date, the Company has completed the initial assessment of the key areas where changes to current accounting policies may be required. During fiscal 2010, the Company performed a detailed analysis to further assess the areas that will require a change to accounting policies, and those which have accounting policy alternatives available under IFRS.

Analysis will be required for all current accounting policies, however the initial key areas for detailed analysis include:

- Deferred exploration expenditures,
- Property, plant and equipment
- Impairment of assets
- Provisions, including remediation provisions,
- Stock options (share-based payments), and
- First-time adoption of International Financial Reporting Standards (IFRS 1)

As the detailed analyses of each of the key areas progresses, other elements of the Company's IFRS implementation plan will be addressed including the implication of changes to accounting policies, processes or financial statement note disclosures on information technology, internal controls, contractual arrangements and employee training.

Future Changes in Accounting Policy cont'd

b) International Financial Reporting Standards ("IFRS") cont'd

The table below summarizes the expected timing of activities related to the Company's transition to IFRS.

Initial analysis of key areas for which changes to accounting policies may be required	Complete
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives.	Complete
Assessment of first-time adoption (IFRS 1) requirements and alternatives.	Complete
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives.	Q4 fiscal 2010 – Q2 fiscal 2011
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements	Q4 fiscal 2010 – Q2 fiscal 2011
Management and employee education and training	Throughout the transition process
Quantification of the financial statement impact of changes in accounting policies	Throughout fiscal 2011

b) Business Combinations, Consolidations and Non-controlling Interests

In January 2009, the CICA issued these new sections to replace Section 1581 "Business Combinations" and Section 1600, "Consolidated Financial Statements". Section 1582 will apply to a transaction in which the acquirer obtains control of one or more businesses. Most assets acquired and liabilities assumed, including, contingent liabilities that are considered to be improbable will be measured at fair value. A bargain purchase will result in the recognition of a gain. Acquisition costs will be expensed. Any non-controlling interest will be recognized as a separate component of Shareholders' equity and net income will be allocated between the controlling and non-controlling interests. These new standards will apply to fiscal years beginning on or after January 1, 2011. The Company does not believe that these new Sections will have an impact on its consolidated financial statements.

Financial 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, 2010 and December 31, 2009 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

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

Financial Risk Factors cont'd

Credit Risk

The Company's credit risk is primarily attributable to cash and HST receivable. 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. Financial instruments include GST receivable tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to this financial instrument 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. As at December 31, 2010, the Company had cash balances of $2,511,273 (December 31, 2009 - $114,515) to settle current liabilities of $137,353 (December 31, 2009 - $1,435,315).

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.

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.

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 term of these instruments.

Subsequent Events

a) On January 5, 2011, the Company granted an additional 170,000 options with an exercise price of $0.20 per share with a five year term to an investor firm (note 12).

b) On March 30, 2010, the Company announced the acquisition by staking of 363 claim units comprising approximately 5808 ha in Sandy, Crockett, Chewitt, Hellyer, Carty, Pinogami and Ivanhoe Townships near Chapleau in northern Ontario. The claim blocks were staked to cover a newly recognized gold host environment on strike with the Borden Lake gold discovery of Probe Mines. The rocks hosting the Borden Lake deposit have been mapped as metasedimentary and metavolcanic gneisses of Temiskaming age. This age is compatible with ages of gold host rocks in the major gold camps of the

Subsequent Events cont'd

b) cont'd

Abitibi region of Ontario and Quebec. The staking also coincides with areas previously explored by a predecessor company of Teck Resources which conducted geophysical surveys and drilling in the 1960’s. Disseminated copper mineralization was found in several holes and no gold assays were reported. The claim blocks are 100% held by Platinex and are collectively dubbed the Ivanhoe Gold project. Planning is underway to conduct initial exploration on the project this summer.

c) On April 1, 2011, the Company granted stock options to certain directors, officers, and consultants to purchase 1,560,000 common shares at $0.12 per share; the options expire on April 1, 2016.

Additional Disclosure for Venture Issuers without Significant Revenue

The accumulated costs relating to Platinex’s interests in mineral properties are detailed in the annual audited financial statements and notes for the year ended December 31, 2010.

Disclosure of Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares, and on December 31, 2010 there were 46,850,539 common shares issued (36,381,339 – 2009).

As at December 31, 2010, there were 3,420,000 options outstanding with a weighted average exercise price of $0.20 expiring between January 25, 2011 and June 25, 2015. As at the same date, there were 5,067,136 warrants outstanding with a weighted average exercise price of $0.15 expiring between June 16, 2012 and December 16, 2012.