



Platinex Inc.
Condensed Consolidated Interim Financial Statements
For the Three Months Ended March 31, 2011 and 2010
Expressed in Canadian Dollars
Unaudited

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of the Company have been prepared by management and approved by the Audit Committee of the Board of Directors.

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

Platinex Inc.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited – Expressed in Canadian Dollars)

		As at March 31 2011	As at December 31 2010	As at January 01 2010
	Notes		(Note 20)	(Note 20)
Assets				
Current assets				
Cash	7	\$ 2,226,653	\$ 2,511,273	\$ 114,515
Accounts receivable		22,888	212,796	32,032
Funds held in trust	8	0	0	15,607
Prepaid expenses		27,447	32,335	22,335
Total current assets		\$ 2,276,988	\$ 2,756,404	\$ 184,489
Non-current assets				
Exploration and evaluation assets	9	\$ 2,430,596	\$ 2,263,358	\$ 1,294,834
Property, plant and equipment	10	40,782	43,365	53,741
Total non-current assets		\$ 2,471,378	\$ 2,306,723	\$ 1,348,575
Total assets		\$ 4,748,366	\$ 5,063,127	\$ 1,533,064
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and accrued liabilities		\$ 52,456	\$ 137,353	\$ 1,155,315
Note payable	11	0	0	130,000
Advances on settlement		0	0	150,000
Other liability	12	0	21,852	0
Total current liabilities		\$ 52,456	\$ 159,205	\$ 1,435,315
Shareholders' equity				
Share capital	13	\$ 5,878,425	\$ 5,878,425	\$ 5,303,211
Share purchase warrants	14a	378,613	378,613	221,000
Share purchase options	14b	139,850	150,000	60,000
Accumulated deficit		(1,700,978)	(1,503,116)	(5,486,462)
Total shareholders' equity		\$ 4,695,910	\$ 4,903,922	\$ 97,749
Total liabilities and shareholders' equity		\$ 4,748,366	\$ 5,063,127	\$ 1,533,064

Approved on behalf of the Board of Directors:

Director

Director

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

Platinex Inc.
Condensed Consolidated Interim Statement of Changes in Equity
(Unaudited – Expressed in Canadian Dollars)
For the Three Months Ended March 31, 2011

	Share Capital	Share Option Reserve	Share Warrant Reserve	Accumulated Deficit	Total
Balance at January 1, 2010	\$ 5,303,211	\$ 60,000	\$ 221,000	\$ (5,486,402)	\$ 97,749
Income for the period	0	0	0	4,426,926	4,426,976
Share capital issued	0	0	0	0	0
Stock options granted	0	0	0	0	0
Stock options expired	0	0	0	0	0
Warrants issued	0	0	0	0	0
Share issue costs	0	0	0	0	0
Balance at March 31, 2010	\$ 5,303,211	\$ 60,000	\$ 221,000	\$ (1,059,476)	\$ 4,524,725
Balance at January 1, 2011	\$ 5,878,425	\$ 150,000	\$ 378,613	\$ (1,503,116)	\$ 4,903,922
Loss for the period	0	0	0	(212,262)	(212,262)
Share capital issued	0	0	0	0	0
Stock options granted	0	4,250	0	0	4,250
Stock options expired	0	(14,400)	0	14,400	0
Warrants issued	0	0	0	0	0
Warrants expired	0	0	0	0	0
Share issue costs	0	0	0	0	0
Balance at March 31, 2011	\$ 5,878,425	\$ 139,850	\$ 378,613	\$ (1,700,978)	\$ 4,695,910

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

Platinex Inc.

Condensed Consolidated Interim Statement of Loss and Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)
For the Three Months Ended March 31, 2011

	Note	March 31 2011	March 31 2010
Expenses			
Audit and legal		\$ 3,526	\$ 58,880
Consulting		0	251,080
Depreciation	10	2,582	3,052
Directors fees	16	0	0
General exploration		53,335	0
Insurance		3,038	3,038
Investor relations		25,118	1,309
Management salaries and fees	16	98,940	218,784
Office and general corporate		17,543	10,818
Rent		19,056	20,383
Regulatory fees		6,726	5,681
Share based payments	14	4,250	0
Total expenses		<u>234,114</u>	<u>573,025</u>
Loss before other item		234,114	573,025
Cost recovery fee related to Ontario Government Settlement		0	<u>(5,000,000)</u>
Loss (Income) before income tax		234,114	(4,426,975)
Income tax recovery	15	<u>(21,852)</u>	0
Total comprehensive loss (income) for the period		<u>\$ 212,262</u>	<u>\$ (4,426,975)</u>
Loss (income) per common share, basic and diluted	18	<u>\$ 0.0045</u>	<u>\$ (0.1217)</u>
Weighted average number of shares outstanding, basic and diluted	18	<u>46,850,539</u>	<u>36,381,339</u>

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

Platinex Inc.
Condensed Consolidated Interim Statement of Cash Flow
(Unaudited – Expressed in Canadian Dollars)
For the Three Months Ended March 31, 2011

	Note	March 31 2011	March 31 2010
Cash flows from operating activities			
Income (loss) for the period		\$ (212,262)	\$ 4,426,975
Adjustments to reconcile loss (income) to net cash used in operating activities:			
Depreciation	10	2,583	3,052
Income tax expense	15	(21,852)	0
Share based payments	14b	4,250	0
Changes in non-cash working capital balances:			
Accounts receivable		189,908	(14,251)
Funds held in trust	8	0	(13,636)
Prepaid expenses		4,888	3,038
Accounts payable		(84,897)	(1,060,652)
Advances on settlement		0	(150,000)
Total cash inflows from operating activities		<u>\$ (117,382)</u>	<u>\$ 3,194,526</u>
Cash flows from investing activities			
Exploration and evaluation assets	9	\$ (167,238)	\$ (44,107)
Property, plant and equipment	10	0	0
Total cash flows from investing activities		<u>\$ (167,238)</u>	<u>\$ (44,107)</u>
Cash flows from financing activities			
Share capital issued	13	\$ 0	0
Cost of issue of shares	13	0	0
Proceeds from exercise of options	14b	0	0
Proceeds from exercise of warrants	14a	0	0
Total cash flows from financing activities		<u>\$ 0</u>	<u>\$ 0</u>
Total increase (decrease) in cash during the period		(284,620)	3,150,419
Cash at beginning of period	7	2,511,273	114,515
Cash at end of period	7	<u>\$ 2,226,653</u>	<u>\$ 3,264,934</u>

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

Platinex Inc.

**Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended March 31, 2011 and 2010
(Unaudited – Expressed in Canadian Dollars)**

1. CORPORATE INFORMATION

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.

2. BASIS OF PREPARATION

a) Statement of Compliance

The consolidated financial statements of the Company for the year-ending December 31, 2011 will be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), having previously prepared its consolidated financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP"). These condensed interim consolidated financial statements for the three month period ended March 31, 2011 have been prepared in accordance with IAS 34 Interim Financial Reporting, and as they are part of the Company's first IFRS annual reporting period, IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied.

As these condensed interim consolidated financial statements are the Company's first financial statements prepared using IFRS, certain disclosures that are required to be included in annual consolidated financial statements prepared in accordance with IFRS that were not included in the Company's most recent annual consolidated financial statements prepared in accordance with pre-changeover Canadian GAAP have been included in these condensed interim consolidated financial statements for the comparative annual period. However, these condensed interim financial statements do not include all of the information required for full annual consolidated financial statements.

These condensed interim financial statements should be read in conjunction with the Company's 2010 annual consolidated financial statements and the explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 20.

b) Basis of Measurement

The condensed interim consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of available-for-sale financial assets as applicable.

The condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

c) Going Concern of Operations

The Company has not generated revenue from operations. The Company incurred a net loss of \$212,262 during the three months-ended March 31, 2011 and, as of that date the Company's accumulated deficit was \$1,700,978. However, the Company has sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

Platinex Inc.

**Notes to the Condensed Consolidated Interim Financial Statements
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are expected to be adopted for the year-ending December 31, 2011 and have been applied consistently to all periods presented in these condensed interim consolidated financial statements and in preparing the opening IFRS balance sheet at January 1, 2010 for the purposes of the transition to IFRS, unless otherwise indicated.

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 loss/income.

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 'mines 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 operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to 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

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 within other income in profit or 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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Cont'd

c) Impairment of Non-Financial Assets

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 reverse, 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 charged to the profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss/income.

d) Financial Instruments

Financial Assets

Financial assets are classified as 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:

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 profit or 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 profit or loss.

Impairment on Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Cont'd

d) Financial Instruments Cont'd

Financial Liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and are comprised of trade payables and accrued liabilities. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

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.

e) Provisions

Rehabilitation Provision

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.

f) Income Taxes

Income tax expense comprises of 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 year-end date.

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 profit 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 profit will allow the deferred income tax asset to be recovered.

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**Notes to the Condensed Consolidated Interim Financial Statements
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Cont'd

g) Share Capital

The Company's common shares, share purchase warrants, share purchase options and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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 liability for the amount of tax reduction renounced to the shareholders. The premium and the related deferred tax is 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.

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.

h) 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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Cont'd

h) Share-based Payments Cont'd

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 contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus 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.

i) 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.

j) 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 9 Financial Instruments

IFRS 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.

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 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) Exploration and Evaluation Expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the

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**Notes to the Condensed Consolidated Interim Financial Statements
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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS Cont'd

i) Exploration and Evaluation Expenditure Cont'd

expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

ii) 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.

iii) 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.

iv) 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.

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 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 three months ended March 31, 2011.

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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 March 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 March 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 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 March 31, 2011, the Company had cash balances of \$2,226,653 (December 31, 2010 - \$2,511,273) to settle current liabilities of \$52,456 (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.

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.

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7. CASH

Included in cash as at March 31, 2011 is \$0 (\$69,198 - December 31, 2010) of monies 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.

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9. EXPLORATION AND EVALUATION ASSETS

	Shining Tree \$	North McFaulds Lake \$	South McFaulds Lake \$	Awkward Lake \$	Core Zone \$	Norton Lake \$	Tib Lake \$	Big Trout Lake \$	Muskox \$	Total \$
Balance at January 1, 2010	687,377	169,490	213,138	25,243	58,876	42,133	31,609	1	67,267	1,295,134
Exploration costs	1,034,880	912	0	0	0	0	0	0	36,347	1,072,139
Acquisition of property	0	0	0	0	0	0	0	0	0	0
Write-off of unsuccessful exploration expenditure	0	0	0	0	0	0	(1)	(1)	(103,614)	(103,615)
Balance at December 31, 2010	1,722,257	170,402	213,138	25,243	58,576	42,133	31,609	0	0	2,263,658
Exploration costs	149,778	0	17,460	0	0	0	0	0	0	167,238
Acquisition of property	0	0	0	0	0	0	0	0	0	0
Write-off of unsuccessful exploration expenditure	0	0	0	0	0	0	0	0	0	0
Balance at March 31, 2011	1,872,035	170,402	230,598	25,243	58,576	42,133	31,609	0	0	2,430,596

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9. EXPLORATION AND EVALUATION ASSETS Cont'd

The impairment assessment of exploration and evaluation assets resulted in no amounts being written off the Company's properties.

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 \$250,000.00 and by incurring property expenditures of \$850,000.00 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 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 Lake, Ontario

The North McFaulds Lake 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.

c) South McFaulds Lake, Ontario

The South McFaulds Lake 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 six 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 summary report was released on this property in the third quarter of fiscal 2008 and an airborne geophysics program is planned to be carried out when funding is available.

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.

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.

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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.

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. In accordance with Accounting Guideline AcG-11, the capitalized asset value has been assessed as impaired due to the lack of access to the property and has accordingly been written down. 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 subject to the related lawsuits between the Company, KI and Ontario being dismissed.

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.

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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 March 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	4,752	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	649	1,550	383	2,582
Impairment loss	0	0	0	0
Disposals	0	0	0	0
Balance at March 31, 2011	\$ 23,755	\$ 26,051	\$ 4,465	\$ 54,271
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 March 31, 2011	\$ 8,009	\$ 29,456	\$ 3,317	\$ 40,782

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11. NOTE PAYABLE

The note payable of \$0 as at March 31, 2011 (\$0 - December 31, 2010) bears interest at 6% per annum calculated annually and payable on March 31 each year commencing on March 31, 2010. The final payment of interest and principal shall be made on March 31, 2019. If the Company completes a public offering or private placement of any shares in the capital of the company then 15% of the net cash proceeds received shall be applied to reduce the principal sum. The principal amount was been 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	0
Settlement of flow-through share liability on incurring expenditures	(21,852)
Balance at March 31, 2011	\$ 0

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 13 f.

As at December 31, 2010, the Company had not fulfilled its commitment to incur exploration expenditures in relation to flow-through share financing dated December 16, 2010.

As at March 31, 2011, the Company had fulfilled its commitment to incur exploration expenditures in relation to flow-through share financings in 2010.

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. The Company acknowledges that the classification of expenditures for flow-through purposes and the related renunciation of these expenditures is subject to interpretation. No provision for any possible future liability arising from a different interpretation by the tax authorities has been recognized in these consolidated financial statements.

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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)
	46,850,539	\$ 5,878,425
Balance at December 31, 2010 and March 31, 2011		

- 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).
- 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.

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14. SHARE BASED PAYMENTS

a) Share Purchase Warrants

	Number of warrants	Weighted average Exercise price
Balance, January 1, 2010	6,700,000	\$ 0.38
Granted, private placements	5,067,136	0.15
Exercised	0	0.00
Expired or cancelled	(6,700,000)	0.38
Balance, December 31, 2010	5,067,136	\$ 0.15
Granted, private placements	0	0.00
Exercised	0	0.00
Expired or cancelled	0	0.00
Balance March 31, 2011	5,067,136	\$ 0.15

Number of Warrants	Exercise Price	Grant Date Fair Value Of Warrants	Date of Expiry
2,462,500	\$ 0.16	\$ 172,375	July 29, 2012
1,300,000	0.15	104,000	July 29, 2012
394,000	0.12	31,520	July 29, 2012
197,000	0.16	15,760	July 29, 2012
208,000	0.10	16,640	July 29, 2012
104,000	0.15	7,280	July 29, 2012
182,100	0.27	12,747	December 16, 2012
29,136	0.19	3,059	June 16, 2012
190,400	0.13	15,232	June 16, 2012
5,067,136		\$ 378,613	

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

	2010	2009
Expected dividend yield	0	-
Expected volatility	136%	-
Risk free interest rate	1.53%	-
Expected life	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 December 2005, the Company's Board of Directors granted an option to purchase 240,000 common shares at an option price of \$0.50 per share to the Company's investor relations firm, subject to non participatory shareholder approval of the stock option plan as disclosed above. These options were cancelled during the period ended June 30, 2009.

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14. SHARE BASED PAYMENTS cont'd

b) Share Purchase Options cont'd

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.

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.

Summary of stock option activity:

	Number of Stock Options	Weighted Average Exercise Price
Balance, January 1, 2010	2,460,000	\$ 0.20
Re-pricing original	0	0
Re-pricing - new	0	0
Granted	1,140,000	0.20
Exercised	0	0
Expired or cancelled	(180,000)	0.20
Balance, December 31, 2010	3,420,000	\$ 0.20
Granted	170,000	0.20
Exercised	0	0.20
Expired or cancelled	(720,000)	0.00
Balance, March 31, 2011	2,870,000	\$ 0.20

As at March 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
May 28, 2011	60,000	60,000	0.14	\$ 5,400
May 28, 2011	400,000	400,000	0.20	8,000
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	42,500	170,000	0.20	\$ 4,250
	2,742,500	2,870,000		\$ 139,850

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14. SHARE BASED PAYMENTS cont'd

b) Share Purchase Options cont'd

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

15. INCOME TAXES

Provision for income taxes

Major items causing the Company's tax rate to differ from the combined federal and provincial statutory rate of 30.99% (33% - 2009) are as follows:

	March 31, 2011	December 31, 2010	January 1, 2010
Income (loss) before income taxes	\$ (203,413)	\$ 3,575,595	\$ (1,184,214)
Income tax recovery at the statutory rate	\$ 63,038	\$ (1,108,077)	\$ 390,791
Adjustments:			
Exploration expenditures (capitalized) amortized	(54,569)	151,172	(22,852)
Renounced mineral expenditures on flow through shares	(21,445)	(183,151)	0
Stock based compensation	(1,317)	(29,007)	(18,018)
Non capital losses (not utilized) utilized	14,293	986,743	(342,720)
Other	0	(832)	(7,201)
Flow-through share premium	(21,852)	0	0
Actual income tax (recovery)	\$ (21,852)	\$ (183,151)	\$ 0

16. RELATED PARTY TRANSACTIONS

The condensed interim consolidated financial statements include the financial statements of the Company and its subsidiary PTX Nevada LLC.

Remuneration of directors and key management personnel during the three months ended March 31, 2011 and 2010 was:

	March 31 2011	March 31 2010
Management salaries and fees	\$ 133,500	\$ 126,692
Directors fees	0	0
Share-based payments	0	0
	\$ 133,500	\$ 126,692

For the three months ended March 31, 2011, of the management fees and salaries, \$47,400 (\$0 - 2010) 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 March 31, 2011, accounts payable included \$0 (December 31, 2010 - \$0) due to related parties.

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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 was not included in the calculation of diluted loss per share since the calculation would be anti-dilutive.

19. EVENTS AFTER THE REPORTING DATE

On April 1, 2011, the Company granted options to purchase 1,560,000 shares at an option price of \$0.20 per share to certain employees, directors and eligible consultants.

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 9c).

20. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's financial statements for the year-ending December 31, 2011 will be 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 pre-changeover 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 pre-changeover Canadian GAAP to IFRS are as follows:

a) Estimates

The estimates previously made by the Company under pre-changeover 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 pre-changeover 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.

Platinex Inc.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended March 31, 2011 and 2010
(Unaudited – 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

Platinex Inc.
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RECONCILIATION OF STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2010

	Sub Note	Canadian GAAP	Effect of Transition to IFRS	IFRS
Assets				
Current assets				
Cash and cash equivalents		\$ 3,264,934	\$ 0	\$ 3,264,934
Accounts receivable		46,283	0	46,283
Funds held in trust		29,243	0	29,243
Prepaid expenses		19,297	0	19,297
Total current assets		\$ 3,359,757	\$ 0	\$ 3,359,757
Non-current assets				
Exploration and evaluation assets		\$ 1,338,941	\$ 0	\$ 1,338,941
Property, plant and equipment		50,689	0	50,689
Total non-current assets		\$ 1,389,630	\$ 0	\$ 1,389,630
Total assets		\$ 4,749,387	\$ 0	\$ 4,749,387
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and accrued liabilities		\$ 94,663	\$ 0	\$ 94,663
Note payable		130,000	0	130,000
Advances on settlement		0	0	0
Other liability	(i)	0	0	0
Total current liabilities		\$ 224,663	\$ 0	\$ 224,663
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		(3,497,293)	2,437,806	(1,059,487)
Total shareholders' equity		\$ 4,524,724	\$ 0	\$ 4,524,724
Total liabilities and shareholders' equity		\$ 4,749,387	\$ 0	\$ 4,749,387

Platinex Inc.
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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

Platinex Inc.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended March 31, 2011 and 2010
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RECONCILIATION OF THE STATEMENT OF COMPREHENSIVE LOSS/INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2010

	Sub Note	Canadian GAAP	Effect of Transition to IFRS	IFRS
Expenses				
Audit and legal		\$ 58,880	\$ 0	\$ 58,880
Consulting		251,080	0	251,080
Depreciation		3,052	0	3,052
Directors fees		0	0	0
General exploration		0	0	0
Insurance		3,038	0	3,038
Investor relations		1,309	0	1,309
Management salaries and fees		218,784	0	218,784
Office and general corporate		10,818	0	10,818
Rent		20,383	0	20,383
Regulatory fees		5,681	0	5,681
Share based payments		0	0	0
Total expenses		<u>573,025</u>	<u>0</u>	<u>573,025</u>
Loss before other items		573,025	0	573,025
Cost recovery fee -Ontario Government settlement		<u>(5,000,000)</u>	<u>0</u>	<u>(5,000,000)</u>
Income (loss) before income tax		(4,426,975)	0	(4,426,975)
Income tax expense (recovery)		<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive loss (income) for the period		<u>\$ (4,426,975)</u>	<u>\$ 0</u>	<u>\$ (4,426,975)</u>
Loss per common share, basic and diluted		<u>\$ (0.1217)</u>	<u>\$ 0</u>	<u>\$ (0.1217)</u>

Platinex Inc.
Notes to the Condensed Consolidated Interim Financial Statements
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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		<u>1,424,405</u>	<u>0</u>	<u>1,424,405</u>
Loss before other items		1,424,405	0	1,424,405
Cost recovery fee -Ontario Government settlement		<u>(5,000,000)</u>	<u>0</u>	<u>(5,000,000)</u>
Income before income tax		(3,575,595)	0	(3,575,595)
Income tax expense (recovery)		<u>183,151</u>	<u>0</u>	<u>183,151</u>
Total comprehensive income for the year		<u>\$(3,758,746)</u>	<u>\$ 0</u>	<u>\$(3,758,746)</u>
Income per common share, basic and diluted		<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Platinex Inc.

**Notes to the Condensed Consolidated Interim Financial Statements
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Explanations for the adjustments are as follows:

i) Flow-through Shares

Under pre-changeover 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 is 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 three months-ended March 31, 2011 was \$21,852 (three months-ended March 31, 2010 - \$0 (year-ended December 31, 2010 - \$0) and an other liability of \$0 at the date of transition (December 31, 2010 - \$21,852).