



**Platinex Inc.**

**Condensed Interim Consolidated Financial Statements  
For the Three Months Ended March 31, 2017 and 2016  
Unaudited - Expressed in Canadian Dollars**

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim consolidated 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 condensed interim consolidated financial statements by an entity's auditors.

May 29, 2017

**Platinex Inc.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**Unaudited - Expressed in Canadian Dollars**

	Note	As at March 31 2017	As at December 31 2016
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 175,812	\$ 267,843
HST receivable		77,981	59,526
Prepaid expenses		-	14,500
<b>Total current assets</b>		<b>253,793</b>	<b>341,869</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	3	1,961,200	1,896,898
Property, plant and equipment	4	942	1,019
<b>Total non-current assets</b>		<b>1,962,142</b>	<b>1,897,917</b>
<b>Total assets</b>		<b>\$ 2,215,935</b>	<b>\$ 2,239,786</b>
<b>Liabilities and Shareholders' equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 76,497	\$ 123,535
Due to related parties	7	166,823	168,085
<b>Total current liabilities</b>		<b>243,320</b>	<b>291,620</b>
<b>Shareholders' equity</b>			
Share capital	5	7,078,765	6,829,380
Share warrants reserve	6b	156,549	169,749
Contributed surplus		849,664	891,680
Accumulated deficit		(6,112,363)	(5,942,643)
<b>Total shareholders' equity</b>		<b>1,972,615</b>	<b>1,948,166</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 2,215,935</b>	<b>\$ 2,239,786</b>
Nature of operations and going concern	1		

Signed on behalf of the Board of Directors:

*"James Trusler"*

\_\_\_\_\_  
Director

*"Bruce Reilly"*

\_\_\_\_\_  
Director

**Platinex Inc.**

**Condensed Interim Consolidated Statements of Changes in Equity**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2017 and March 31, 2016**

	Share Capital	Shares to be Issued	Contributed Surplus	Share Warrant Reserve	Accumulated Deficit	Total
<b>Balance December 31, 2015</b>	\$ 6,122,799	\$ 18,500	\$ 732,633	\$ -	\$ (5,610,673)	\$ 1,263,259
Loss for the period	-	-	-	-	(10,070)	(10,070)
<b>Balance March 31, 2016</b>	\$ 6,122,799	\$ 18,500	\$ 732,633	\$ -	\$ (5,620,743)	\$ 1,253,189
<b>Balance December 31, 2016</b>	\$ 6,829,380	\$ -	\$ 891,680	\$ 169,749	\$ (5,942,643)	\$ 1,948,166
Loss for the period	-	-	-	-	(169,720)	(169,720)
Share capital issued	249,385	-	-	-	-	249,385
Stock options exercised	-	-	(42,016)	-	-	(42,016)
Warrants exercised	-	-	-	(13,200)	-	(13,200)
<b>Balance March 31, 2017</b>	\$ 7,078,765	\$ -	\$ 849,664	\$ 156,549	\$ (6,112,363)	\$ 1,972,615

Nature of operations and going concern (note 1)

**Platinex Inc.**

**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months March 31, 2017 and March 31, 2016**

	Note	2017	2016
<b>Expenses</b>			
Audit and legal		\$ 68,929	\$ -
Consulting		29,500	
Depreciation	4	76	109
Director fees	7	9,000	-
Investors relations		6,315	-
Management fees	7	30,811	-
Office and general		3,506	4,761
Rent		3,354	-
Regulatory and transfer agent fees		18,229	5,200
<b>Total expenses</b>		<u>169,720</u>	<u>10,070</u>
<b>Total net and comprehensive loss for the period</b>		<u>\$ 169,720</u>	<u>\$ 10,070</u>
<b>Loss per common share, basic</b>	8	<u>\$ 0.0023</u>	<u>\$ 0.0002</u>
<b>Loss per common share, fully diluted</b>	8	<u>\$ 0.0020</u>	<u>\$ 0.0002</u>
Nature of operations and going concern	(note 1)		

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

**Platinex Inc.**  
**Condensed Interim Consolidated Statements of Cash Flow**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2017 and March 31, 2016**

	<b>2017</b>	<b>2016</b>
<b>Cash flows used for operating activities</b>		
Net and comprehensive income (loss) for the year	\$ (169,720)	\$ (10,707)
Adjustments to reconcile net and comprehensive loss to net cash used in operating activities:		
Depreciation	76	109
Changes in non-cash working capital balances:		
HST receivable	(18,455)	1,103
Prepaid expenses and deposits	14,500	-
Accounts payable and accrued liabilities	(47,038)	7,251
Due to related parties	(1,262)	1,577
<b>Total cash flows used for operating activities</b>	<b>(221,899)</b>	<b>(30)</b>
<b>Cash flows used for investing activities</b>		
Exploration and evaluation assets, net of shares issued to acquire claims	(30,584)	-
<b>Total cash flows used for investing activities</b>	<b>(30,584)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Share capital issued	160,452	-
<b>Total cash flows from financing activities</b>	<b>160,452</b>	<b>-</b>
<b>Increase in cash during the year</b>	<b>(92,031)</b>	<b>(30)</b>
<b>Cash at beginning of period</b>	<b>267,843</b>	<b>5,491</b>
<b>Cash at end of period</b>	<b>\$ 175,812</b>	<b>\$ 5,461</b>
Nature of operations and going concern	(note 1)	

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

---

**Platinex Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2017 and March 31, 2016**

---

## **1. NATURE OF OPERATIONS AND GOING CONCERN**

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

Until March 22, 2017, the Company was listed on the TSX Venture Exchange, having the symbol PTX-V, as a Tier 2 mining issuer. Effective March 23, 2017, the Company is listed on the Canadian Securities Exchange, having the symbol PTX. The address of the Company's corporate office and principal place of business is 807-20 William Roe Blvd., Newmarket, Ontario, L3Y 5V8, Canada.

These condensed interim consolidated financial statements of the Company for the three months ended March 31, 2017 and March 31, 2016 were approved and authorized for issue by the Board of Directors on May 29, 2017.

The Company has interest in mineral properties located in Canada which are presently at the exploration and evaluation stage. Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets.

For the three months ended March 31, 2017, the Company generated a net loss of \$10,070 (for the three months ended March 31, 2016 – net loss of \$10,070), the deficit as at March 31, 2017 amounted to \$5,620,743 (\$5,942,643 as at December 31, 2016) and negative cash flow from operations amounted to \$30 (negative cash flow from operations amounted to \$30 as at March 31, 2016).

Management estimates that the funds available as at March 31, 2017 will not be sufficient to meet the Company's obligations and budgeted expenditures through December 31, 2017. The Company will have to raise additional funds to continue operations. The Company is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. Although there is no assurance that the Company will be successful in these actions, management is confident that it will be able to secure the necessary financing through the issuance of new debt and equity. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Although these consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, the above-noted facts and circumstances cast significant doubt on the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported revenues and expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

## **2. BASIS OF PREPARATION**

### **a) Basis of Presentation and Measurement**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and under the historical cost method, except for certain financial instruments measured at fair value.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the years ended December 31, 2016 and December 31, 2015 which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods adopted are consistent with those disclosed in Note 3 to the Company's consolidated financial statements for the years ended December 31, 2016 and December 31, 2015.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim consolidated financial statements are disclosed in note 4 of the Company's consolidated financial statements as at and for the years ended December 31, 2016 and December 31, 2015.

**Platinex Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2017 and March 31, 2016**

**3. EXPLORATION AND EVALUATION ASSETS**

	Shining Tree	Nabish Lake	Total
<b>Balance at December 31, 2015</b>	\$ 1,723,083	\$ -	\$ 1,723,083
Exploration costs	161,187	12,628	173,815
<b>Balance at December 31, 2016</b>	\$ 1,884,270	\$ 12,628	\$ 1,896,898
Exploration costs	57,980	6,322	64,302
<b>Balance at March 31, 2017</b>	\$ 1,942,250	\$ 18,950	\$ 1,961,200

a) Shining Tree Property, Ontario

In 2011, the Company vested an option agreement with Skead Holdings Ltd., with respect to 139 claim units (5,680 acres or 2,299 ha), situated in Churchill, MacMurchy and Asquith Townships in Ontario (the "Shining Tree property"). The Company now holds a 100% interest in the claims subject to a 3% NSR and subject to advance royalty payments of \$73,000 on April 11, 2018 and \$10,000 per year commencing on April 2019. Further, Platinex may after making the \$73,000 payment eliminate the requirement for future advance royalty payments by making a one-time advance royalty payment of \$100,000. The 145 claim units have been placed in a trust and will revert to Skead Holdings Ltd. should the Company fail to make the \$73,000 advance royalty payment due in April 2018. Conversely, upon the Company making the \$73,000 payment the claims will be released from trust to the Company. Two thirds of the 3% NSR may be reduced by payment of: \$75,000 for each one-quarter percent for the first one-half percent; \$150,000 for each one-quarter percent for the second one-half percent; \$250,000 for each one-quarter percent for the third one-half per cent, and; \$400,000 for each one-quarter percent for the final one-half percent (\$1.75 million in aggregate). If Skead Holdings Ltd wishes to sell the residual royalty interest the Company retains a right of first refusal to purchase the NSR. On May 10, 2012, the Company acquired a lease (40 acres, 16 ha) from Gary John McBride for 200,000 shares of the Company. The lease is central to the Shining Tree property.

The Company entered into two agreements in August 2016 and 3 agreements in November, 2016, January, 2017, and March, 2017 and staked claims in December, 2016 which significantly expand the size and potential of its Shining Tree gold property. Platinex has entered into an option agreement with Skead Holdings Ltd. and Ashley Gold Mines Limited, with respect to certain claims situated in Churchill, MacMurchy and Asquith Townships, in Ontario. Platinex has the right to acquire a 100%-interest in the 48 claim units and 50% interest in a further 8 claim units (896 ha or 2,240 acres), subject to a 2% NSR, by issuing 200,000 shares of Platinex, and by making cash payments (or share equivalent) of \$95,000 and by incurring property expenditures of \$500,000 during the ensuing four-year period to August 17, 2020. Platinex also entered into an agreement with two prospectors to purchase 100% interest in four claims comprising 20 claim units (320 ha or 800 acres) in Churchill, MacMurchy and Asquith Townships, in Ontario by issuing 400,000 shares of Platinex. Platinex subsequently entered into four agreements with one prospector to purchase 100% interest in: ten claims comprising 70 claim units (1,120 ha or 2,800 acres) for 398,000 shares on Nov. 3, 2016; four claims comprising 43 claim units (688 ha. Or 1,720 acres) for 71,429 shares on January 25, 2017; and eight claims comprising 96 claim units (1,536 ha or 3,840 acres) for 86,705 shares on March 30, 2017. Platinex also staked claims comprising 45 claim units (720 ha or 1,800 acres). Six claim units were subsequently included in the Skead Agreement for staking costs in 2016.

The property acquisition has encircled the former producing Ronda Gold Mine and enhances the Shining Tree property exposure to the intersection of a major east-west gold bearing structure, the Tyrrell-Ridout Deformation Zone and a north-south fault. In particular, Platinex has focussed on acquisition of the recently mapped expression of the Tyrrell-Ridout Deformation Zone as it represents a possible source of the significant gold in till anomalies. The combined property created by the acquisitions comprises 476 claim units (7,616 ha (19,040 acres)).

The Company SEDAR-filed its NI 43-101 technical 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 with NI 43-101 standards.



---

**Platinex Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2017 and March 31, 2016**

---

#### **4. NATURE OF OPERATIONS AND GOING CONCERN**

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

Until March 22, 2017, the Company was listed on the TSX Venture Exchange, having the symbol PTX-V, as a Tier 2 mining issuer. Effective March 23, 2017, the Company is listed on the Canadian Securities Exchange, having the symbol PTX. The address of the Company's corporate office and principal place of business is 807-20 William Roe Blvd., Newmarket, Ontario, L3Y 5V8, Canada.

These condensed interim consolidated financial statements of the Company for the three months ended March 31, 2017 and March 31, 2016 were approved and authorized for issue by the Board of Directors on May 29, 2017.

The Company has interest in mineral properties located in Canada which are presently at the exploration and evaluation stage. Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets.

For the three months ended March 31, 2017, the Company generated a net loss of \$10,070 (for the three months ended March 31, 2016 – net loss of \$10,070), the deficit as at March 31, 2017 amounted to \$5,620,743 (\$5,942,643 as at December 31, 2016) and negative cash flow from operations amounted to \$30 (negative cash flow from operations amounted to \$30 as at March 31, 2016).

Management estimates that the funds available as at March 31, 2017 will not be sufficient to meet the Company's obligations and budgeted expenditures through December 31, 2017. The Company will have to raise additional funds to continue operations. The Company is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. Although there is no assurance that the Company will be successful in these actions, management is confident that it will be able to secure the necessary financing through the issuance of new debt and equity. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Although these consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, the above-noted facts and circumstances cast significant doubt on the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported revenues and expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

#### **5. BASIS OF PREPARATION**

##### **b) Basis of Presentation and Measurement**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and under the historical cost method, except for certain financial instruments measured at fair value.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the years ended December 31, 2016 and December 31, 2015 which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods adopted are consistent with those disclosed in Note 3 to the Company's consolidated financial statements for the years ended December 31, 2016 and December 31, 2015.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim consolidated financial statements are disclosed in note 4 of the Company's consolidated financial statements as at and for the years ended December 31, 2016 and December 31, 2015.

**Platinex Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2017 and March 31, 2016**

**6. EXPLORATION AND EVALUATION ASSETS**

	Shining Tree	Nabish Lake	Total
<b>Balance at December 31, 2015</b>	\$ 1,723,083	\$ -	\$ 1,723,083
Exploration costs	161,187	12,628	173,815
<b>Balance at December 31, 2016</b>	\$ 1,884,270	\$ 12,628	\$ 1,896,898
Exploration costs	57,980	6,322	64,302
<b>Balance at March 31, 2017</b>	\$ 1,942,250	\$ 18,950	\$ 1,961,200

a) Shining Tree Property, Ontario

In 2011, the Company vested an option agreement with Skead Holdings Ltd., with respect to 139 claim units (5,680 acres or 2,299 ha), situated in Churchill, MacMurchy and Asquith Townships in Ontario (the "Shining Tree property"). The Company now holds a 100% interest in the claims subject to a 3% NSR and subject to advance royalty payments of \$73,000 on April 11, 2018 and \$10,000 per year commencing on April 2019. Further, Platinex may after making the \$73,000 payment eliminate the requirement for future advance royalty payments by making a one-time advance royalty payment of \$100,000. The 145 claim units have been placed in a trust and will revert to Skead Holdings Ltd. should the Company fail to make the \$73,000 advance royalty payment due in April 2018. Conversely, upon the Company making the \$73,000 payment the claims will be released from trust to the Company. Two thirds of the 3% NSR may be reduced by payment of: \$75,000 for each one-quarter percent for the first one-half percent; \$150,000 for each one-quarter percent for the second one-half percent; \$250,000 for each one-quarter percent for the third one-half per cent, and; \$400,000 for each one-quarter percent for the final one-half percent (\$1.75 million in aggregate). If Skead Holdings Ltd wishes to sell the residual royalty interest the Company retains a right of first refusal to purchase the NSR. On May 10, 2012, the Company acquired a lease (40 acres, 16 ha) from Gary John McBride for 200,000 shares of the Company. The lease is central to the Shining Tree property.

The Company entered into two agreements in August 2016 and 3 agreements in November, 2016, January, 2017, and March, 2017 and staked claims in December, 2016 which significantly expand the size and potential of its Shining Tree gold property. Platinex has entered into an option agreement with Skead Holdings Ltd. and Ashley Gold Mines Limited, with respect to certain claims situated in Churchill, MacMurchy and Asquith Townships, in Ontario. Platinex has the right to acquire a 100%-interest in the 48 claim units and 50% interest in a further 8 claim units (896 ha or 2,240 acres), subject to a 2% NSR, by issuing 200,000 shares of Platinex, and by making cash payments (or share equivalent) of \$95,000 and by incurring property expenditures of \$500,000 during the ensuing four-year period to August 17, 2020. Platinex also entered into an agreement with two prospectors to purchase 100% interest in four claims comprising 20 claim units (320 ha or 800 acres) in Churchill, MacMurchy and Asquith Townships, in Ontario by issuing 400,000 shares of Platinex. Platinex subsequently entered into four agreements with one prospector to purchase 100% interest in: ten claims comprising 70 claim units (1,120 ha or 2,800 acres) for 398,000 shares on Nov. 3, 2016; four claims comprising 43 claim units (688 ha. Or 1,720 acres) for 71,429 shares on January 25, 2017; and eight claims comprising 96 claim units (1,536 ha or 3,840 acres) for 86,705 shares on March 30, 2017. Platinex also staked claims comprising 45 claim units (720 ha or 1,800 acres). Six claim units were subsequently included in the Skead Agreement for staking costs in 2016.

The property acquisition has encircled the former producing Ronda Gold Mine and enhances the Shining Tree property exposure to the intersection of a major east-west gold bearing structure, the Tyrrell-Ridout Deformation Zone and a north-south fault. In particular, Platinex has focussed on acquisition of the recently mapped expression of the Tyrrell-Ridout Deformation Zone as it represents a possible source of the significant gold in till anomalies. The combined property created by the acquisitions comprises 476 claim units (7,616 ha (19,040 acres)).

The Company SEDAR-filed its NI 43-101 technical 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 with NI 43-101 standards.

**Platinex Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2017 and March 31, 2016**

**3. EXPLORATION AND EVALUATION ASSETS cont'd**

a) Shining Tree Property, Ontario

Since commencement of exploration in 2008, an airborne geophysical survey, stripping, trenching, sampling, induced polarization and magnetometer surveys, glacial till sampling and the drilling of 64 holes for a total of 8,393 m have been completed. A provincially significant anomaly comprising high counts of gold grains and nuggets has been defined covering a large portion of the property and the geological interpretation of this feature is that it has been generated by nearby sources, not necessarily but probably, underlying the Shining Tree property. Channel and composite grab sampling of 72 sections covering a length of 361 m of the Herrick deposit averages 6.98 g/t Au / 1.9 m average true width. Fifty-nine qualified drill holes along the same length to a depth of 300m returned average grades from the Central Zone of 2.16 g/t Au / 2.9 m true width. One of the deeper holes returned a 46.1 m mineralized section indicating that the zone is thickening with depth.

b) Nabish Lake, Ontario

The Nabish Lake property comprises 10 claims totalling 94 claim units, in the Kenora Mining District of Ontario. The company has not made any option payments required under the agreement since 2014, but has maintained the claims in good standing by restaking the expired claims.

**4. PROPERTY, PLANT AND EQUIPMENT**

	<b>Computer Equipment</b>
<b>Cost</b>	
<b>Balance at December 31, 2015</b>	\$ 31,764
Additions (disposals)	0
<b>Balance at December 31, 2016</b>	\$ 31,764
Additions (disposals)	0
<b>Balance at March 31, 2017</b>	\$ 31,764
<b>Depreciation</b>	
<b>Balance at December 31, 2015</b>	\$ 30,309
Depreciation	437
Disposals	0
<b>Balance at December 31, 2016</b>	\$ 30,746
Depreciation	76
Disposals	0
<b>Balance at March 31, 2017</b>	\$ 30,822
<b>Carrying amounts</b>	
<b>At December 31, 2016</b>	\$ 1,018
<b>At March 31, 2017</b>	\$ 942

**Platinex Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2017 and March 31, 2016**

**5. SHARE CAPITAL**

a) Authorized: Unlimited number of common shares

b) Issued:

	<b>Number of Shares</b>	<b>Amount</b>
<b>Balance at December 31, 2014 and 2015</b>	52,209,326	\$ 6,122,799
Share issues (notes 5d to k)	20,018,000	817,520
Cost of share issues		(110,939)
<b>Balance at December 31, 2016</b>	72,227,326	\$ 6,829,380
Share issues (notes 5l to u)	3,360,134	249,385
Cost of share issues		-
<b>Balance at March 31, 2017</b>	75,587,460	\$ 7,078,765

- c) On August 11, 2015, Rubicon Minerals Corporation agreed to grant the Company a four-year option to purchase a one hundred percent (100%) undivided interest in 10 unpatented mining claims, subject to a 1.5% NSR, in exchange for 800,000 common shares of Platinex and \$70,350 to be paid by the fourth anniversary according to a prescribed payment schedule. An initial issuance of 200,000 common shares recorded at the fair market value of \$0.01 per share was made on August 19, 2015 and the first payment for \$7,350 was to be made on the earlier of four months after signing or receipt of drilling permits and exploration financing; the payment is in default as at April 27, 2017. The property comprises 10 claims covering 1,504 hectares of the Nabish Lake mafic intrusive complex.
- d) On June 28, 2016, the Company completed a private placement of 8,000,000 units at \$0.025 per unit to raise \$200,000. Each unit was composed of one common share and one warrant. The warrants were valued at \$176,000. Each whole warrant is exercisable for a common share of the Company at an exercise price of \$0.05 on or before June 28, 2017 and thereafter at an exercise price of \$0.10. The warrants expire on June 28, 2021 provided that if the average closing price of the Company's common shares is over \$0.15 for 20 consecutive days after the initial closing of the offering or if the average closing price is \$0.20 per share for 20 consecutive trading days ending more than four months after closing of this offering, the Company may give written notice to the holders of the warrants changing the expiry date to a date which is not less than 30 days following that written notice. A finder fee of \$6,300 was paid as 7% of the gross proceeds raised by registered brokers; a broker unit was also issued for 7% of the amounts raised by registered brokers exercisable into units at \$0.025 per unit within 24 months of the closing date.
- e) On August 17, 2016, the Company entered into an option and claim purchase agreement for a 100% interest in certain mining claims in exchange for 600,000 common shares of the Company @ \$0.05 per share (refer to note 3a).
- f) On August 25, 2016, the Company completed a second and final closing of its previously announced private placement of 4,720,000 units at \$0.025 per unit to raise \$118,000. Each unit was composed of one common share and one warrant. The warrants were valued at \$105,279. Each whole warrant is exercisable for a common share of the Company at an exercise price of \$0.05 on or before June 28, 2017 and thereafter at an exercise price of \$0.10. The warrants expire on June 28, 2021 provided that if the average closing price of the Company's common shares is over \$0.15 for 20 consecutive days after the initial closing of the offering or if the average closing price is \$0.20 per share for 20 consecutive trading days ending more than four months after closing of this offering, the Company may give written notice to the holders of the warrants changing the expiry date to a date which is not less than 30 days following that written notice.
- g) On November 25, 2016, the Company completed a private placement of 4,580,000 units at \$0.10 per unit to raise \$458,000. Each unit was composed of one common share and one warrant. The warrants were valued at nil (refer to note 8a). Each whole warrant is exercisable for a common share of the Company at an exercise price of \$0.125 on or before November 25, 2017 and thereafter at an exercise price of \$0.20. The warrants expire on November 25, 2021 provided that if the average closing price of the Company's common shares is over \$0.20 per share for 20 consecutive trading days ending more than four months after closing of this offering and prior to the first anniversary of the closing of this offering, the Company may give written notice to the holders of the warrants changing the expiry date to a date which is not less than 30 days following

---

**Platinex Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2017 and March 31, 2016**

---

**5. SHARE CAPITAL cont'd**

- g) that written notice. Additionally, if the average closing price of the Company's common shares is over \$0.30 per share for 20 consecutive trading days ending more than twelve months after closing of this offering, the Company may give written notice to the holders of the warrants changing the expiry date to a date which is not less than 30 days following that written notice. A finder fee of \$19,460 was paid as 7% of the gross proceeds raised by registered brokers; a broker unit was also issued for 7% of the amounts raised by registered brokers exercisable into units at \$0.10 per unit within 24 months of the closing date.
- g) On November 3, 2016, the Company entered into a claim purchase agreement for a 100% interest in certain mining claims. On December 2, 2016, the Company issued 398,000 common shares of the Company @ \$0.16 per share in settlement of the purchase price payable (refer to note 5a).
- h) On December 2, 2016, 1,000,000 warrants having an exercise price of \$0.05 were exercised for 1,000,000 common shares of the Company.
- i) On December 5, 2016, 400,000 warrants having an exercise price of \$0.05 were exercised for 400,000 common shares of the Company.
- j) On December 30, 2016, 320,000 warrants having an exercise price of \$0.05 were exercised for 320,000 common shares of the Company.
- k) On January 17, 2017, 100,000 options having an exercise price of \$0.05 were exercised for 100,000 common shares of the Company.
- l) On January 18, 2017, 300,000 warrants and 20,000 options each having an exercise price of \$0.05 were exercised for 320,000 common shares of the Company.
- m) On January 24, 2017, the Company entered into a claim purchase agreement for a 100% interest in certain mining claims in the Fawcett and Asquith Townships of Ontario. On February 17, 2017, the Company issued 71,429 common shares of the Company @ \$0.205 per share in settlement of the purchase price payable.
- n) On January 31, 2017, 375,000 warrants and 250,000 options each having an exercise price of \$0.05 were exercised for 625,000 common shares of the Company.
- o) On February 6, 2017, 400,000 warrants having an exercise price of \$0.05 were exercised for 400,000 common shares of the Company.
- p) On March 21, 2017, 300,000 warrants and 900,000 options each having an exercise price of \$0.05 were exercised for 1,200,000 common shares of the Company.
- q) On March 24, 2017, 50,000 warrants and 500,000 options each having an exercise price of \$0.05 were exercised for 550,000 common shares of the Company.
- r) On March 27, 2017, the Company entered into a claim purchase agreement for a 100% interest in certain mining claims in the Asquith, Fawcett and Churchill Townships of Ontario. On March 30, 2017, the Company issued 86,705 common shares of the Company @ \$0.22 per share in settlement of the purchase price payable.
- s) On March 29, 2017, the Company announced that it has entered the Cannabis industry and is in the process of developing an online cannabis shopping mall.
- t) On March 30, 2017, 7,000 warrants having an exercise price of \$0.10 were exercised for 7,000 common shares of the Company.

**Platinex Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2017 and March 31, 2016**

**6. SHARE BASED PAYMENTS**

a) Share Purchase Warrants

	Number of warrants	Weighted average Exercise price	Value of warrants
<b>Balance, December 31, 2015</b>	-	\$ -	\$ -
Granted, private placements	18,193,200	0.12	207,589
Exercised	(1,720,000)	0.09	(37,840)
Expired or cancelled	-	-	-
<b>Balance, December 31, 2016</b>	16,473,200	\$ 0.12	\$ 169,749
Granted, private placements	-	-	-
Exercised	(1,432,000)	0.09	(13,200)
Expired or cancelled	-	-	-
<b>Balance, March 31, 2017</b>	15,041,200	\$ 0.12	\$ 156,549

Date of Expiry	Number of Warrants	Exercise Price	Grant Date Fair Value of Warrants
25-November 21	4,969,200	\$ 0.19	\$ 26,045
25-August 21	3,888,000	\$ 0.09	\$ -
28-June 21	6,184,000	\$ 0.09	\$ 130,504

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

	<b>2016</b>
Expected dividend yield	0.00%
Expected volatility	184.72% to 192.36%
Risk free interest rate	0.59% to 1.00%
Expected life	5 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 and each successive year at the Annual General Meeting.

On April 30, 2014, in exchange for extending the time for payment of an advance royalty payment of \$21,500 the Company agreed to grant Skead Holdings Ltd 100,000 options with a five year term and an exercise price of \$0.10 per share. On May 21, 2014, the Company revised this exercise price to \$0.05 per share.

On May 21, 2014, the Company agreed to grant 1,500,000 options with a five year term at an exercise price of \$0.05 to the directors of the Company; the options have not been issued as of May 29, 2015.

**Platinex Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2017 and March 31, 2016**

**6. SHARE BASED PAYMENTS CONT'D**

b) Share Purchase Options cont'd

The following is a summary of changes in options from January 1, 2016 to December 31, 2016.

Grant Date	Expiry Date	Exercise Price	Opening Balance	During the Period			Closing Balance	Vested and Exercisable	Unvested
				Granted	Exercised	Cancelled			
04/01/11	04/01/16	\$0.12	1,560,000	-	-	1,560,000	-	-	
04/30/14	04/30/19	\$0.05	100,000	-	-	-	100,000	100,000	
11/30/15	11/30/20	\$0.05	-	1,500,000	-	-	1,500,000	1,500,000	
09/07/16	09/07/21	\$0.05	-	4,700,000	-	-	4,700,000	4,700,000	
			1,660,000	6,200,000	-	1,560,000	6,300,000	6,300,000	
Weighted average exercise price			\$0.08	\$0.05	\$0.00	\$0.12	\$0.05	\$0.05	\$0.00

The following is a summary of changes in options from January 1, 2017 to March 31, 2017.

Grant Date	Expiry Date	Exercise Price	Opening Balance	During the Period			Closing Balance	Vested and Exercisable	Unvested
				Granted	Exercised	Cancelled			
04/30/14	04/30/19	\$0.05	100,000	-	-	-	100,000	100,000	
11/30/15	11/30/20	\$0.05	1,500,000	-	750,000	-	750,000	750,000	
09/07/16	09/07/21	\$0.05	4,700,000	-	1,120,000	-	3,580,000	3,600,000	
			6,300,000	-	1,850,000	-	4,430,000	4,430,000	
Weighted average exercise price			\$0.05	\$0.00	\$0.00	\$0.00	\$0.05	\$0.05	\$0.00

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

	2016	2015	2014	2011
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Expected volatility	196.27%	182.88%	175.73%	96.58%
Risk-free interest rate	0.59%	1.57%	1.67%	2.56%
Expected life	5 years	5 years	5 years	5 years

**Platinex Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2017 and March 31, 2016**

**7. RELATED PARTY TRANSACTIONS**

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals. Related party transactions are conducted in the normal course of operations and are measured at the exchange value (the value amount established and agreed to by the related person).

The following summaries the Company's related party transactions for the first quarters of 2017 and 2016:

	<b>2017</b>	<b>2016</b>
Rent paid	\$ 3,000	\$ -
Exploration and evaluation assets	\$ 2,069	\$ -
Accounts payable	\$ 166,823	\$ 230,551

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company. Company's key management personnel include the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary.

Remuneration of Directors and key management of Company for the first quarters of 2017 and 2016 was as follows:

	<b>2017</b>	<b>2016</b>
Director fees	\$ 9,000	\$ -
Management fees	\$ 30,811	\$ -

**8. BASIC AND FULLY DILUTED EARNINGS PER SHARE**

The following table sets forth the calculation of the basic and diluted earnings per share:

	<b>Three Months Ended</b>	
	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Basic earnings (loss) available to common shareholders	\$ (169,720)	\$ (8,057)
Weighted average number of common shares outstanding basic	74,201,180	52,209,326
Basic earnings (loss) per share	\$ (0.0023)	\$ (0.0002)
Weighted average number of common shares outstanding	74,201,180	52,209,326
Assumed exercise of outstanding dilutive options and warrants	19,571,200	3,630,000
Shares purchased from proceeds of assumed exercise options and warrants	(7,584,507)	(53,440,000)
Weighted average number of common shares outstanding - diluted	86,087,873	2,399,326
Fully diluted earnings (loss) per share	\$ (0.0020)	\$ (0.0002)

The effects of the stock options for the three months ended March 31, 2016 have been excluded from the calculations of diluted earnings per share as it would be anti-dilutive.



**Platinex Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2017 and March 31, 2016**

**9. SUBSEQUENT EVENTS**

- a) On April 4, 2017, 600,000 warrants having an exercise price of \$0.05 were exercised for 600,000 common shares of the Company.
- b) On April 5, 2017, 400,000 warrants having an exercise price of \$0.05 were exercised for 400,000 common shares of the Company.
- c) On April 12, 2017, 150,000 warrants having an exercise price of \$0.05 were exercised for 150,000 common shares of the Company.
- d) On April 18, 2017, 100,000 options having an exercise price of \$0.05 were exercised for 100,000 common shares of the Company.
- e) On April 20, 2017, the Company entered into a claim purchase agreement for a 100% interest in 267 mining claims (4,272 ha or 10,680 acres) in the Shining Tree area of Ontario. On April 24, 2017, the Company issued 391,250 common shares of the Company @ \$0.12 per share in settlement of the purchase price payable.
- f) On May 16, 2017, 700,000 warrants having an exercise price of \$0.05 were exercised for 700,000 common shares of the Company.

The following is a summary of changes in options and warrants from March 31, 2017 to May 29, 2017.

	Number of warrants	Funds Raised	Number of options	Funds Raised
<b>Balance, March 31, 2017</b>	15,041,200		4,430,000	
Granted, private placements	-		-	
Exercised	(1,850,000)	\$ 92,500	(100,000)	\$ 5,000
Expired or cancelled	-		-	
<b>Balance, May 29, 2017</b>	13,191,200	\$ 92,500	4,330,000	\$ 5,000