



Platinex Inc.

Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2023

Expressed in Canadian Dollars

NOTICE TO READER

The accompanying condensed interim consolidated financial statements of Platinex Inc. (the "Company") have been prepared by and are the responsibility of management. The condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

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

	As at March 31, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash	\$ 2,034,409	\$ 147,985
Receivables	95,441	71,968
Prepaid expenses (note 3)	394,377	264,454
Total current assets	2,524,227	484,407
Non-current assets		
Exploration and evaluation assets (note 4)	3,192,942	3,002,457
Total non-current assets	3,192,942	3,002,457
Total assets	\$ 5,717,169	\$ 3,486,864
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 11)	\$ 439,931	\$ 479,093
Promissory note (note 6)	265,145	258,625
Advances from joint venturer (note 5)	130,000	-
Total current liabilities	835,076	737,718
Loan payable (note 7)	40,000	40,000
Total liabilities	875,076	777,718
Shareholders' equity		
Share capital (note 8)	14,182,009	12,318,019
Share warrant reserve (note 9)	3,250,980	2,301,233
Share-based payment reserve (note 10)	2,346,694	2,166,694
Accumulated deficit	(14,937,590)	(14,076,800)
Total shareholders' equity	4,842,093	2,709,146
Total liabilities and shareholders' equity	\$ 5,717,169	\$ 3,486,864

Nature of operations and going concern (note 1)
Commitments and contingencies (note 12)

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

Platinex Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
Expressed in Canadian Dollars

	Three Months Ended March 31,	
	2023	2022
Expenses		
Professional fees (note 11)	\$ 180,154	\$ 35,705
Consulting fees (note 11)	35,234	23,066
Interest and finance expense	6,520	6,164
Investor relations and marketing	306,522	21,324
Management fees and directors' fees (note 11)	58,754	55,500
Office and general	52,899	9,395
Rent (note 11)	6,000	-
Regulatory and transfer agent fees	34,707	2,634
Share-based payments (notes 6, 10 and 11)	180,000	35,100
Net loss and comprehensive loss for the period	\$ (860,790)	\$ (188,888)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	221,434,045	164,721,906

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

Platinex Inc.
Condensed Interim Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

Three Months Ended
March 31,
2023 **2022**

Operating activities

Net loss for the period	\$ (860,790)	\$ (188,888)
Adjustments to reconcile net loss to net cash used in operating activities:		
Warrants issued for services	23,125	-
Share-based payments	180,000	35,100
Interest and draw down fee accrual	6,520	6,164
Changes in non-cash working capital items:		
Receivables	(23,473)	(5,372)
Prepaid expenses	(129,923)	4,312
Accounts payable and accrued liabilities	(39,162)	94,304
Net cash used in operating activities	(843,703)	(54,380)

Investing activities

Expenditures for exploration and evaluation assets	(55,785)	(121,018)
Advances from joint venturer	130,000	-
Net cash provided by (used in) investing activities	74,215	(121,018)

Financing activities

Proceeds from common shares issued	2,655,912	-
Proceeds from subscription receipts	-	435,300
Net cash provided by financing activities	2,655,912	435,300

Net change in cash	1,886,424	259,902
Cash, beginning of period	147,985	203,263
Cash, end of period	\$ 2,034,409	\$ 463,165

Supplemental information

Common shares and warrants issued for exploration and evaluation assets	\$ 134,700	\$ 181,250
Fair value of warrants issued for services	\$ 23,125	\$ -
Fair value of warrants included in units	\$ 856,284	\$ -

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

Platinex Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
Expressed in Canadian Dollars

	Share Capital	Warrant Reserve	Share-based Payment Reserve	Accumulated Deficit	Total
Balance, December 31, 2021	\$ 10,799,399	\$ 1,633,309	\$ 2,068,594	\$(12,653,326)	\$ 1,847,976
Net loss and comprehensive loss for the period	-	-	-	(188,888)	(188,888)
Common shares issued for exploration and evaluation assets (note 4)	181,250	-	-	-	181,250
Share-based payments	-	-	35,100	-	35,100
Balance, March 31, 2022	10,980,649	\$ 1,633,309	\$ 2,103,694	\$(12,842,214)	\$ 1,875,438
Balance, December 31, 2022	\$ 12,318,019	\$ 2,301,233	\$ 2,166,694	\$(14,076,800)	\$ 2,709,146
Net loss and comprehensive loss for the period	-	-	-	(860,790)	(860,790)
Common shares issued for cash (note 8(b)(i))	1,854,556	856,284	-	-	2,710,840
Share issue costs	(103,066)	48,138	-	-	(54,928)
Common shares issued for exploration and evaluation assets (note 4)	112,500	22,200	-	-	134,700
Warrants issued for services	-	23,125	-	-	23,125
Share-based payments	-	-	180,000	-	180,000
Balance, March 31, 2023	\$ 14,182,009	\$ 3,250,980	\$ 2,346,694	\$(14,937,590)	\$ 4,842,093

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

Platinex Inc.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2023
Expressed in Canadian Dollars

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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 82 Richmond Street East, Toronto, Ontario, M5C 1P1, Canada.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 30, 2023.

For the three months ended March 31, 2023, the Company incurred a net loss of \$860,790 (three months ended March 31, 2022 - \$188,888) and has an accumulated deficit of \$14,937,590 as at March 31, 2023 (December 31, 2022 - \$14,076,800).

Management estimates that the funds available as at March 31, 2023 may not be sufficient to meet the Company's obligations and budgeted expenditures through December 31, 2022. 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 believes that it will be able to secure the necessary financing through the issuance of new debt and equity.

Although these condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, the above-noted events and conditions indicate a material uncertainty which may 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 amounts of assets and liabilities, to the reported 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

Basis of Presentation and Measurement

These 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 condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the years ended December 31, 2022 and 2021 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 the Company's consolidated financial statements for the years ended December 31, 2022 and 2021, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2023 could result in restatement of these unaudited condensed interim financial statements.

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 condensed interim consolidated financial statements are disclosed in the Company's consolidated financial statements as at and for the years ended December 31, 2022 and 2021.

Platinex Inc.
Notes to Condensed Interim Consolidated Financial Statements
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2. BASIS OF PREPARATION (Continued)

Accounting standards effective for future periods

There are no IFRS or IFRIC interpretations that are not yet in effect that are currently expected to have a material impact on the Company.

3. PREPAID EXPENSES

	As at March 31, 2023	As at December 31, 2022
Prepaid insurance	\$ 12,469	\$ 17,146
Prepaid investor relations	130,000	45,400
Prepaid consulting fees	244,908	194,908
Rent deposit	2,000	2,000
Legal retainer	5,000	5,000
	\$ 394,377	\$ 264,454

4. EXPLORATION AND EVALUATION ASSETS

	Shining Tree	W2 Project	Muskrat	Total
Balance at December 31, 2021	\$ 2,146,908	\$ -	\$ -	\$ 2,146,908
Acquisition - shares	26,000	211,250	-	237,250
Acquisition -cash	11,500	40,000	25,000	76,500
Exploration costs	448,664	117,135	-	565,799
Grant received	(24,000)	-	-	(24,000)
Balance at December 31, 2022	2,609,072	368,385	25,000	3,002,457
Acquisition - shares	-	87,500	47,200	134,700
Acquisition -cash	-	37,500	-	37,500
Exploration costs	7,784	10,501	-	18,285
Balance at March 31, 2023	\$ 2,616,856	\$ 503,886	\$ 72,200	\$ 3,192,942

Shining Tree Property, Ontario

In 2011, the Company vested an option agreement with Skead Holdings Ltd. ("Skead"), with respect to 139 claim units (5,680 acres or 2,299 ha), situated in Churchill, MacMurphy 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 advance royalty payments of \$10,000 per year commencing in April 2019. Advance royalty payments for 2019, 2020 and 2021 have been paid.

Platinex may eliminate the requirement for future advance royalty payments by making a one-time advance royalty payment of \$100,000. 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 percent, and; \$400,000 for each one-quarter percent for the final one-half percent (\$1.75 million in aggregate). If Skead wishes to sell the residual royalty interest the Company retains a right of first refusal to purchase the NSR.

4. EXPLORATION AND EVALUATION ASSETS (Continued)

Shining Tree Property, Ontario (continued)

The Company entered into two agreements in August 2016 and a further five agreements in November 2016, January 2017, March 2017, April 2017 and June 2017 and staked claims in December 2016 which significantly expanded the size and potential of its Shining Tree gold property. Platinex has entered into an option agreement with Skead and Ashley Gold Mines Limited ("Ashley Gold"), with respect to certain claims situated in Churchill, MacMurchy and Asquith Townships, in Ontario. Platinex acquired a 100% interest in the 54 claim units and 50% interest in a further 8 claim units (991 ha or 2,480 acres), subject to a 2% NSR, by issuing 200,000 shares of Platinex (issued in 2016), 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 (the "Skead-Ashley option").

Platinex also entered into an agreement with two prospectors to purchase a 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 (issued in 2016). Platinex subsequently entered into five agreements with one prospector to purchase a 100% interest in: ten claims comprising 70 claim units (1,120 ha or 2,800 acres) for 398,000 shares on November 3, 2016 (issued in 2016); four claims comprising 43 claim units (688 ha. or 1,720 acres) for 71,429 shares on January 25, 2017; eight claims comprising 96 claim units (1,536 ha or 3,840 acres) for 86,705 shares on March 30, 2017; 21 claims comprising 267 claim units (4,272 ha or 10,680 acres) for 391,250 shares on April 20, 2017 and 9 claims comprising 127 claim units (2,032 ha or 5,080 acres) for \$5,000 and 436,190 shares on June 20, 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.

In January and March 2019, the following amendments were made to the Skead-Ashley option agreement:

- (i) The option in arrears was increased to \$30,000 and due on January 18, 2019 through the issuance of shares (issued);
- (ii) Final option payment of \$30,000 (payable in cash) due August 1, 2019; (amended see below)
- (iii) Year 3 expenditures of \$150,000 due on or before August 17, 2020; (amended see below)
- (iv) Year 4 expenditures of \$200,000 due on or before August 17, 2021. (amended see below)

On April 12, 2019, the Company closed a transaction for the assignment of its ownership rights, under the Skead-Ashley option agreement with respect to a 50% interest in claim L4212960, to Goldeye Explorations Ltd., a subsidiary of Treasury Metals Inc. The terms include proceeds of \$25,000 received in cash and a 1% NSR royalty on 50% of the claim. The remaining requirements under the Skead-Ashley option were accordingly amended to:

- (i) Final option payment of \$28,000 (paid);
- (ii) Year 3 expenditures of \$140,000 due on or before August 17, 2020; (waived)
- (iii) Year 4 expenditures of \$186,667 due on or before August 17, 2021.(completed)

On July 24, 2020, the Company announced that pursuant to the terms of the mining investment agreement (the "Purchase Agreement") dated July 15, 2020 between the Company, Treasury Metals Inc. ("Treasury") and its wholly-owned subsidiary Goldeye Explorations Limited, the Company has acquired an aggregate of 208 unpatented mining claims located in the Shining Tree District, Northern Ontario (the "Mining Claims") and three net smelter royalties (the "Royalties").

4. EXPLORATION AND EVALUATION ASSETS (Continued)

Shining Tree Property, Ontario (continued)

In consideration for acquiring the Mining Claims and the Royalties (the "Acquisition"), Platinex issued to Treasury 12,500,000 common shares ("Consideration Shares") of Platinex and 5,000,000 non-transferable common share purchase warrants ("Consideration Warrants") of Platinex. Each Consideration Warrant entitles Treasury to purchase one common share of Platinex at a price of \$0.05 per share for a period of 24 months from the date of issue. If Treasury exercised the Consideration Warrants on or before September 1, 2020, it would have received an additional non-transferable common share purchase warrant (a "Secondary Warrant") for each Consideration Warrant exercised. Each Secondary Warrant entitles the holder to purchase one common share of Platinex at a price of \$0.20 per share for a period of 24 months from the date of the closing of the Acquisition. The Secondary Warrants provide that Treasury shall not exercise the Secondary Warrants if such exercise would result in it owning 20% or more of the issued and outstanding common shares of Platinex.

The Consideration Shares were valued at \$750,000 based on the share price on July 15, 2020. The Consideration Warrants issued were assigned an aggregate fair value of \$210,000 using the Black-Scholes option pricing model with the following assumptions: share price of \$0.06, dividend yield 0%, expected volatility 194%, risk-free rate of return 0.27% and expected life of 2 years.

The parties have agreed that the Consideration Shares will be placed in a voluntary escrow agreement, with 25% (3,125,000 Consideration Shares) to be released on the 12th, 15th, 18th and 24th month anniversaries of the closing of the Acquisition. Treasury has agreed to support and vote for the recommendations of the Company's management at all shareholder meetings of the Company held during the time that the Consideration Shares are held in escrow. As at December 31, 2022, 6,250,000 (2021 - 6,250,000) Consideration Shares were held in escrow.

The Royalties consist of a 100% interest in three royalty agreements, consisting of (i) a 2% net smelter royalty in respect of the Sonia-Puma Property held by Minera Goldeye Chile Limitada (which has been acquired by Newmont Goldcorp); (ii) a 1% net smelter royalty in respect of nine mineral claims forming part of the McFaulds Lake Project held by AurCrest Resources Inc.; and (iii) a 2% net smelter royalty in respect of 29 mineral claims located in MacMurphy Township, Ontario held by Golden Harp Resources Inc.

Prior to September 1, 2020, Treasury exercised 3,000,000 Consideration Warrants for proceeds of \$150,000, and the 3,000,000 common shares were issued to Treasury in November 2020. In connection with the exercise of the Consideration Warrants, 3,000,000 Secondary Warrants were issued to Treasury. The 3,000,000 Secondary Warrants were assigned an aggregate fair value of \$129,000 using the Black-Scholes option pricing model with the following assumptions: share price of \$0.06, dividend yield 0%, expected volatility 202%, risk-free rate of return 0.24% and expected life of 1.87 years. The value of the Secondary Warrants was included in share capital as share issue costs. Treasury has the right to participate in future financings which may be conducted by Platinex in order to allow it to maintain its pro rata equity interest in Platinex for a period of 24 months from the closing of the Acquisition. The Purchase Agreement also provided Treasury with the right to appoint one nominee to the board of directors of Platinex for a period of two years.

On August 14, 2020, Skead and Ashley Gold waived the requirement for Platinex to conduct and file \$140,000 of assessment work prior to August 17, 2020. On December 4, 2020, Skead-Ashley accepted that the Year 4 expenditures had been incurred which resulted in the vesting of the option and the claims were duly registered in Platinex's name.

On August 18, 2021, the Company acquired additional mining claims in Shining Tree Property from Alamos Gold Inc. Consideration for the additional mining claims included 5,000,000 common shares of Platinex (fair valued at \$200,000) which are subject to a six month hold period from the date of issue and 2% net smelter returns royalty on the mining claims. One half of the 2% NSR may be reduced by payment of \$500,000.

4. EXPLORATION AND EVALUATION ASSETS (Continued)

Shining Tree Property, Ontario (continued)

On March 22, 2022, the Company acquired 63 mining claims adjoining its Shining Tree Project from Skead. Consideration for the mining claims was \$11,500 (paid) and the issuance of 400,000 shares (valued at \$20,000). The mining claims are subject to a 2% NSR of which the Company has the rights to repurchase up to 1% at the rate of \$400,000 per 0.5%.

On December 29, 2022, the Company acquired a 100% interest in two (2) claims in Leonard township. Consideration for the mining claims was the issuance of 150,000 common shares (valued at \$6,000).

See note 5.

W2 Project

On January 7, 2022, the Company acquired a 100% ownership interest in the W2 Copper-Nickel-PGE Project (the "W2 Project"). The transaction was effected by way of a purchase and sale agreement (the "Agreement") between Platinex's wholly owned subsidiary, Endurance Elements Inc. ("Endurance Elements"), and Springer Mineral Resources Corporation ("Springer").

Pursuant to the Agreement, Platinex issued 3,625,000 common shares (valued at \$181,250) to Springer. Platinex also paid \$25,000 in cash and granted Springer a net smelter returns royalty of up to 2% on the mining claims comprising the W2 Project. An additional \$25,000 cash payment was made within 90 days of closing. Platinex has the option to buy back half of the NSR royalty for total consideration of \$1,000,000.

Subject to certain conditions and two shareholder value enhancing project milestones being achieved Platinex will pay up to an additional \$300,000 to Springer, of which \$212,500 can be paid through the issuance of shares of Platinex.

On May 10, 2022, the Company announced the acquisition of additional mining claims adjacent to the W2 Project. Consideration for the acquisition consisted of 200,000 common shares and a 2% NSR royalty to the seller. The Company has the right at any time to repurchase half of the NSR royalty for \$1,000,000. Platinex issued an aggregate of 200,000 common shares (valued at \$10,000) for the current acquisition.

On December 29, 2022, the Company closed an option agreement with two (2) arm's length parties, through which it has the right to acquire a 100% interest in 52 unpatented mining claims at the W2 Project. The Company paid \$5,000 and issued 500,000 common shares (valued at \$20,000) on closing. The shares are subject to a statutory 4-month hold period. To earn its 100% interest, the Company must make additional payments totaling \$35,000 over the three-year term of the option agreement. Upon exercising the option, the vendors will retain a 1.5% NSR royalty on the claims. Platinex has the right to repurchase a 0.5% NSR royalty at any time for \$500,000, leaving a total 1.0% NSR royalty on the claims.

On March 2, 2023, the Company issued 1,750,000 shares (valued at \$87,500) for the achievement of a W2 Project milestone.

4. EXPLORATION AND EVALUATION ASSETS (Continued)

Muskrat Dam Project

On December 14, 2022, the Company signed a binding letter of intent to option a 100% ownership interest in the Muskrat Dam Critical Minerals Project (the "Muskrat Dam Project" or the "Project"). The Muskrat Dam Project is located in Northwestern Ontario approximately 125 km northeast of Frontier Lithium's PAK lithium project and 125 km northwest of Newmont's Musselwhite gold mine. The Project comprises six (6) property blocks, which together cover 10,950 hectares.

The binding letter of intent provides for Platinex, through its wholly owned subsidiary, Endurance Elements, to acquire a 100% ownership interest in the Muskrat Dam Critical Minerals Project by way of an earn-in option agreement with an arm's length party.

Pursuant to the Agreement, Platinex will pay the following consideration and work commitments:

Payments:

- \$25,000 paid in cash on closing; (paid)
- \$25,000 paid in shares and issuance of 600,000 share purchase warrants with an exercise price of \$0.05 and term of 3 years within 60 days of closing; (paid and issued)
- \$25,000 paid in shares on the 1st anniversary;
- \$75,000 paid in shares on the 2nd anniversary; and
- \$100,000 paid in shares on the 3rd anniversary.

Work expenditure commitments:

- Commitment to spend \$100,000 by 1st anniversary;
- Commitment to spend \$100,000 by 2nd anniversary; and
- Commitment to spend \$100,000 by 3rd anniversary.

Milestone Payments:

- \$50,000 paid in cash upon completion of a successful prospecting and evaluation program confirming lithium grades exceeding 1%; and
- \$250,000 paid in cash or shares (min. \$75,000 in cash) upon completion of an NI 43-101 mineral resource estimate on the Muskrat Dam Project.

NSR royalty:

- The Company received a 2% NSR royalty and has the option to buy back half of the NSR royalty for total consideration of \$500,000

5. JOINT VENTURE AGREEMENT

On March 15, 2023, the Company completed the binding heads of agreement with Fancamp Exploration Ltd. ("Fancamp") with respect to advancing the exploration and development of certain gold mineral properties owned by the parties located in Ontario in the Timmins mining camp (the "Transaction"). The Transaction includes several components, pursuant to which (i) Platinex and Fancamp will transfer certain mining properties which they currently hold to South Timmins Mining Inc. ("South Timmins"), currently a 100% wholly owned subsidiary of Platinex; (ii) enter into a shareholders' agreement respecting the operations of South Timmins; (iii) Platinex completes a non-brokered private placement of flow-through units for gross proceeds of up to \$1,000,000; and (iv) Platinex completes a private placement of non-flow-through units for gross proceeds of up to \$2,000,000, of which Fancamp will subscribe for 9.5% of the issued and outstanding shares of Platinex.

Property Transfers

- Platinex transferred its Shining Tree Property into South Timmins as consideration for 75% of the issued and outstanding shares of South Timmins. Fancamp transferred to South Timmins (i) its Heenan Mallard gold properties located in the Swayze Greenstone gold belt adjacent to Côté Gold Deposit in Northern Ontario, consisting of 296 unpatented mining claims (the "Swayze Properties"); and (ii) its Dorothy Gold project located adjacent to Dynasty Gold's Thundercloud Project in NW Ontario (the "Dorothy Properties"), in consideration for receiving 25% of the issued and outstanding shares of South Timmins. Fancamp will have an option to increase its shareholding to 50% on the basis described below.
- Fancamp will be granted a 1.0% net smelter returns royalty (the "NSR Royalty") in respect of the Swayze Properties and the Dorothy Properties, subject to a decrease to 0.5% NSR Royalty should Fancamp elect to exercise the Option (as described below) to acquire 50% of the issued and outstanding shares of South Timmins.

South Timmins Operations and Shareholders' Agreement

- Platinex and Fancamp will enter into a shareholders' agreement with respect to their ownership interests in South Timmins (the "Shareholders' Agreement").
- The board of South Timmins will consist of three directors in respect of which Platinex will have the right to appoint two directors and Fancamp the right to appoint one director.
- Platinex will be the initial operator (the "Operator") in respect of the mining activities to be conducted by South Timmins.
- A management/technical committee (the "Technical Committee") of South Timmins will be created in respect of which Platinex will have the right to appoint two members and Fancamp the right to appoint one member.
- South Timmins will engage in an initial exploration program of \$1.1 million (the "Initial Exploration Program") to be funded by the Platinex Financings and an additional sum of \$130,000 to be advanced to South Timmins by Fancamp. Platinex shall contribute a minimum of \$940,000 to South Timmins in respect of South Timmins's operation.
- Within 60 days from the completion of the Initial Exploration Program, Platinex as Operator shall prepare an exploration program (the "Phase II Exploration Program") to be approved by all of the members of the Technical Committee and the board of South Timmins.
- Fancamp will have the right and option (the "Option") to increase its ownership interest in South Timmins to own up to 50%, which may be exercised over a two-year period commencing on the date of approval of a Phase II Exploration Program by making staged cash payments to South Timmins in the aggregate amount of \$1,500,000 to be used for exploration activities of South Timmins.

In addition, Fancamp shall have the right to nominate one director to the board of directors of Platinex, which right shall remain subject to Fancamp holding not less than 7.5% of the issued and outstanding shares of Platinex, calculated on a non-diluted basis.

Platinex Inc.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2023
Expressed in Canadian Dollars

6. PROMISSORY NOTE

On November 9, 2021, the Company entered into a promissory note agreement for \$250,000 from a lender. The drawdown fee was 2% of the loan amount (\$5,000). The promissory note bore interest at the rate of 10% per annum and was due on maturity. The promissory note had a six-month term maturing on May 9, 2022. In addition, the Company granted to the lender 500,000 stock options at an exercise price of \$0.05 per share and expiry date of November 17, 2024. The fair value of these stock options was \$22,000.

In May 2022, the Company exercised its option to extend the promissory note for another six months with the payment of a 2% renewal fee.

On November 9, 2022, the Company extended the promissory note for another twelve months (maturing November 9, 2023) with the payment of an additional 2% renewal fee. The loan bears interest at 10% per annum and can be extended for an additional 12 months with each 6-month extension subject to a 2% renewal fee. The loan may be converted to 5,000,000 common shares of the Company at the option of the lender.

The loan is secured by royalties consisting of a 100% interest in three royalty agreements plus a royalty on claim, being:

- (i) a 2% net smelter royalty in respect of the Sonia-Puma Property held by Minera Goldeye Chile Linitada (which has been acquired by Newmont Goldcorp);
- (ii) a 1% net smelter royalty in respect of nine mineral claims forming part of the Mcfaulds Lake Project held by AurCrest Resources Inc.;
- (iii) a 1% net smelter royalty in respect of 29 mineral claims located in MacMurphy Township, Ontario held by Golden Harp Resources Inc.; and
- (iv) a 1% NSR royalty on 50% of claim L4212960.

7. LOAN PAYABLE

In May 2020, the Company received a government guaranteed loan of \$40,000 to help with operating costs during COVID-19. The loan is interest-free until December 31, 2023. 25% of the loan amount is eligible for forgiveness provided that the Company pays back 75% of the loan on or before December 31, 2023. If the Company does not repay the loan by December 31, 2023, the loan may be converted into a 2-year term loan at an interest rate of 5%.

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8. SHARE CAPITAL

a) Authorized: Unlimited number of common shares.

b) Issued:

	Number of common shares	Amount
Balance, December 31, 2021	161,654,598	\$ 10,799,399
Common shares issued for exploration and evaluation assets (note 4)	3,625,000	181,250
Balance, March 31, 2022	165,279,598	\$ 10,980,649
Balance, December 31, 2022	204,235,265	\$ 12,318,019
Issuance of common shares for private placement (i)	66,077,797	2,710,840
Warrants valuation (i)	-	(856,284)
Share issue costs - cash	-	(54,928)
Share issue costs - warrants (i)	-	(48,138)
Common shares issued for exploration and evaluation assets (note 4)	2,250,000	112,500
Balance, March 31, 2023	272,563,062	\$ 14,182,009

For the three months ended March 31, 2023

- (i) During March 2023, the Company completed a series of tranches of a private placement of 62,532,241 units at a price of \$0.04 per Units and 13,545,556 FT Units at a price of \$0.045 per unit. Each Unit and FT Unit consists of one common share and one-half warrant. Each full warrant is exercisable into one common share at \$0.055 for a period of 60 months. The Company paid cash commissions of \$54,928 and issued 1,301,027 warrants as finders' fees. Each finders' warrant is exercisable into one common share at \$0.05 for a period of 60 months.

The relative fair value of the warrants issued was \$856,284 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility 154%, risk-free rate of return 3.33% and expected life of 5 years.

The finder's warrants issued were assigned an aggregate fair value of \$48,138 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility 154%, risk-free rate of return 3.33% and expected life of 5 years. Expected volatility was based on the Company's historical share prices.

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9. WARRANTS

The following table reflects the continuity of warrants for the periods ended March 31, 2023 and 2022:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2021	38,139,302	0.10
Expired	(1,100,000)	0.075
Balance, March 31, 2022	37,039,302	0.10
Balance, December 31, 2022	33,943,200	0.09
Issued (notes 8(i) and 4) ⁽¹⁾	35,564,926	0.05
Expired	(750,000)	0.24
Balance, March 31, 2023	68,758,126	0.07

⁽¹⁾ On March 13, 2023, the Company issued 625,000 warrants to a consultant at an exercise price of \$0.05 for a period of 60 months. The warrants had a fair value of \$23,125 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility 154%, risk-free rate of return 3.33% and expected life of 5 years.

The following table reflects the warrants issued and outstanding as of March 31, 2023:

Date of Expiry	Number of warrants outstanding	Exercise price (\$)
August 24, 2023	13,722,000	0.10
April 4, 2025	15,840,200	0.07
May 4, 2025	3,631,000	0.07
February 28, 2028	6,452,778	0.055
February 28, 2028	903,388	0.05
March 2, 2028	3,948,472	0.055
March 2, 2028	600,000	0.05
March 3, 2028	2,250,000	0.055
March 10, 2028	1,925,000	0.055
March 13, 2028	18,337,649	0.055
March 13, 2028	1,022,639	0.05
March 16, 2028	125,000	0.055
	68,758,126	0.07

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10. STOCK OPTIONS

In October 2005, the Company's Board of Directors approved a stock option plan. Under the terms of the Company's stock option plan, a maximum of 10% of the then issued and outstanding common shares are reserved for issuance to the Company's directors, officers, employees and eligible consultants. The stock option plan was approved by the Company's non-participatory shareholders on May 24, 2006 and is re-approved each successive year at the Annual General Meeting.

The following table reflects the continuity of stock options for the years ended March 31, 2023 and 2022:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2021	16,100,000	0.07
Granted (i)	900,000	0.05
Balance, March 31, 2022	17,000,000	0.07
Balance, December 31, 2022	14,900,000	0.06
Granted (ii)	5,000,000	0.05
Balance, March 31, 2023	19,900,000	0.06

(i) On March 14, 2022, the Company granted stock options to purchase 900,000 common shares at \$0.05 per share to a director. The options will expire on March 14, 2025. One-third of the options vest on each of July 14, 2022, November 14, 2022 and March 14, 2023. The options were valued at their grant date fair value of \$0.039 per option for a total of \$35,100 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 172%; share price of \$0.05; exercise price of \$0.05; risk-free interest rate of 1.79% and an expected life of 3 years.

(ii) On January 10, 2023, the Company granted 5,000,000 stock options to members of the board, officers, technical advisory committee, and consultants. The stock options granted at an exercise price of \$0.05 for a period of three years and vest immediately. The options vested immediately and were valued at their grant date fair value of \$0.052 per option for a total of \$162,500 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 179%; share price of \$0.055; exercise price of \$0.08; risk-free interest rate of 0.59% and an expected life of 5 years.

Expected volatilities used in the Black Scholes option pricing model were based on the Company's historical share prices.

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10. STOCK OPTIONS (Continued)

The following table reflects the Company's stock options outstanding and exercisable as at March 31, 2023:

Expiry date	Options outstanding	Options exercisable	Exercise price (\$)	Weighted average remaining contractual life (years)
April 23, 2024	200,000	200,000	0.05	1.07
November 1, 2024	1,000,000	1,000,000	0.05	1.59
November 17, 2024	3,400,000	3,400,000	0.05	1.64
March 14, 2025	900,000	900,000	0.050	1.96
June 27, 2025	1,800,000	1,800,000	0.05	2.24
July 24, 2025	1,775,000	1,775,000	0.085	2.32
August 14, 2025	200,000	200,000	0.07	2.38
August 17, 2025	300,000	300,000	0.07	2.38
September 2, 2025	650,000	650,000	0.06	2.43
October 8, 2025	800,000	800,000	0.065	2.53
January 10, 2026	5,000,000	5,000,000	0.05	2.78
February 18, 2026	2,825,000	2,825,000	0.08	2.89
February 22, 2026	50,000	50,000	0.055	2.90
March 29, 2026	600,000	600,000	0.070	3.00
April 18, 2026	400,000	400,000	0.070	3.05
	19,900,000	19,900,000	0.06	2.38

11. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors and other key management personnel, close family members and enterprises that are controlled by these individuals. 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. The Company's key management personnel include the Directors, the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary.

Remuneration of key management personnel of the Company for the periods are presented below:

	Three Months Ended March 31,	
	2023	2022
Management and directors fees	\$ 56,000	\$ 37,500
Professional fees	27,000	18,000
Consulting fees	-	18,000
Share-based compensation	49,500	35,100
	\$ 132,500	\$ 108,600

As at March 31, 2023, related parties were owed \$61,410 (December 31, 2022 - \$63,000) recorded in accounts payable and accrued liabilities. Amounts owing to related parties are non-interest bearing and have no repayment terms.

12. COMMITMENTS AND CONTINGENCIES

Environmental

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

Flow-through commitments

The Company is obligated to spend approximately \$470,715 by December 31, 2023 and \$609,550 by December 31, 2024. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for certain tax-related amounts that may become payable by the subscribers if the Company does not meet its expenditure commitments.