



Platinex Inc.

**Quarterly Financial Statements
Quarter Ended September 30, 2001
(Unaudited)**

Q3

Platinex Inc.
Balance Sheet

	September 30, 2001 (unaudited)	December 31, 2000 (audited)
ASSETS		
Current		
Cash	\$ 117,497	\$ 525,188
Accounts receivable (note 3)	40,515	44,567
Funds held in trust (note 4)	6,277	7,063
Prepaid expenses (note 5)	313,217	183,073
	477,506	759,891
Mining interests (note 6)	950,059	850,564
Capital assets (note 7)	9,083	9,065
	\$ 1,436,648	\$ 1,619,520
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 91,311	\$ 102,367
SHAREHOLDERS' EQUITY		
Capital stock (Note 8)	1,784,304	1,784,304
Deficit	(438,967)	(267,151)
	1,345,337	1,517,153
	\$ 1,436,648	\$ 1,619,520
On behalf of the Board of Directors		
"signed"		"signed"
James R Trusler		Thomas Atkins
President & CEO		Director

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

Platinex Inc.
Statement of Operations and Deficit
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Expenses				
Management Fees	\$ 18,000	\$ 22,000	\$ 64,500	\$ 59,500
Transfer Agent Fees	-	-	466	-
Office and General	(1,522)	(7,502)	9,475	20,021
Accounting and legal	1,188	(4,960)	15,833	4,902
Subcontract services	13,806	24,286	44,300	32,452
Rent & Occupancy	3,000	-	10,500	-
Investor Relations	-	-	1,034	-
Meals & Entertainment	269	-	2,676	-
Telephone Expense	791	-	3,787	-
Amortization	1,400	-	3,897	-
Travel	2,453	361	15,348	2,140
Net loss for period	(39,385)	(34,185)	(171,816)	(119,015)
Deficit, beginning of period	(399,582)	(175,817)	(267,151)	(90,987)
Deficit, end of period	\$ (438,967)	\$ (210,002)	\$ (438,967)	\$ (210,002)
Net loss per share (weighted average)	\$ (0.007)	\$ (0.007)	\$ (0.029)	\$ (0.025)

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

Platinex Inc.
Statement of Cash Flows
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Operating activities				
Net loss	\$ (39,385)	\$ (34,185)	\$ (171,816)	\$ (119,015)
Add back: amortization	1,400	-	3,897	-
	(37,985)	(34,185)	(167,919)	(119,015)
Decrease (increase) in restricted cash	-	51,421	-	192,233
Decrease (increase) in accounts receivable	30,717	(7,967)	4,051	(33,748)
Decrease (increase) in funds held in trust	-	-	785	(10,000)
Increase in prepaid expenses	(34,917)	(24,114)	(130,143)	(132,511)
Increase (decrease) in accounts payable	22,158	(71,960)	(11,056)	6,339
Cash used in operating activities	(20,027)	(86,805)	(304,282)	(96,702)
Investing activities				
Purchase of capital assets	(403)	(9,540)	(3,914)	(9,540)
Acquisition of mineral properties (Note 6)	-	(38,462)	(399)	(38,462)
Deferred exploration expenditures	(28,940)	(59,780)	(99,096)	(239,968)
Cash used in investing activities	(29,343)	(107,782)	(103,409)	(287,970)
Financing Activities				
Common shares issued for cash	-	200,000	-	200,000
Change in cash	(49,371)	5,413	(407,691)	(184,672)
Cash, beginning of period	166,868	38,602	525,188	228,687
Cash, end of period	\$ 117,497	\$ 44,015	\$ 117,497	\$ 44,015

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

Platinex Inc.

Schedule of Mineral Properties and Deferred Exploration Expenditures

	September 30, 2001 (unaudited)	December 31, 2000 (audited)
Mineral Properties		
Balance, beginning of period	\$ 473,939	\$ 419,239
Expenditures during period		
Duluth , Minnesota, USA	399	16,238
Muskox, Nunavut	-	38,462
	399	54,700
Balance, end of period	\$ 474,338	\$ 473,939
Deferred Exploration Expenditures		
Balance, beginning of period	\$ 376,625	\$ 92,069
Expenditures during period		
Accounting and legal	474	1,709
Assay	98	2,121
Camp cleanup and refurbishment	-	24,489
Compilation	9,195	-
Computer supplies	-	8,579
Core sampling and logging	-	8,770
Delivery	19	223
Fees, dues and licences	1,435	3,300
First Nation Relations	13,816	8,048
Geological supplies and service	1,160	2,322
Geologist Fees	17,018	94,746
Geophysical survey	-	77,656
Lands management	278	-
Management Fees	1,500	25,933
Map Generation	1,995	-
Office and General	233	601
Other Sub-contract services	698	435
Project Management	24,517	-
Qualifying Report	14,527	-
Reference Materials	110	-
Remote Sensing	8,062	9,862
Travel & Entertainment	3,961	15,762
	99,096	284,556
Balance, end of period	\$ 475,721	\$ 376,625
	\$ 950,059	\$ 850,564

The accompanying notes form an integral part of these financial statements

1. Nature of Operations

The Company was incorporated on August 12, 1998 under the laws of the Province of Ontario.

The Company has interests in mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of expenditures on mineral properties, including deferred exploration expenditures, is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and the development of the mineral properties, and upon future production or proceeds from the disposition thereof.

2. Summary of Significant Accounting Policies

These unaudited interim financial statements are prepared in accordance with Canadian generally accepted accounting principles. They are consistent with the policies and methods of their application outlined in the Company's audited financial statements for the year ended December 31, 2000. These financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2000. The significant policies are as follows:

a) Going concern assumption

These financial statements have been prepared on the going concern assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts different from those in the accompanying financial statements. The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and to arrange financing to meet its current and future obligations.

b) Use of estimates

In preparing the Company's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

c) Capital assets

Capital assets are recorded at cost. Amortization is provided on the diminishing balance method at the following rates:

Computer Equipment	30%
Computer Software	100%
Furniture and equipment	20%

Amortization is provided at one half annual rates in the year of acquisition.

d) Interest in mineral properties

Mining properties are carried at cost less accumulated amortization, including write-downs. Amortization of mine buildings and mills, equipment and pre-production and development costs commences when a property is put into commercial production, and is calculated on the unit of production method over the expected economic life of the mine.

All direct costs associated with exploration properties are capitalized as incurred. If the property proceeds to development, these costs become part of the pre-production and development costs of the mine. If a property is abandoned or continued exploration is not deemed appropriate in the foreseeable future, the related costs and expenditures are written off.

The amounts capitalized represent costs to be charged to operations in the future and do not necessarily reflect the present or future values of the particular properties.

e) Foreign currency translation

Balance denominated in foreign currencies are translated to Canadian dollars as follows:

- 1) monetary assets and liabilities at year end rates;
- 2) all other assets and liabilities at historical rates; and
- 3) revenue and expense transactions at the average rate of exchange prevailing during the year.

Exchange gains or losses arising on these transactions are reflected in income in the year incurred.

3. Accounts Receivable

As at September 30, 2001, the accounts receivable comprise an advance against expenses in the amount of \$10,000, a provision of recovery of Goods and Services taxes paid and payable in the amount of \$24,276 and an accrual for interest earned on investments in the amount of \$6,239.

4. Funds Held In Trust

Funds held in trust represent monies advanced to lawyers to be disbursed against costs relating to the Company's prospectus. Stock exchange fees in the amount of \$4,280 and a payment to the securities commission in the amount of \$3,000 have been made from these funds and will be included in prepaid expenses (see note 5). There has also been a payment of \$785 to Lang Michener from funds held in trust.

5. Prepaid Expenses

Prepaid expenses represent costs incurred to date with respect to the prospectus. These costs will be charged against capital stock when the shares are issued.

Prepaid expenses are broken down as follows:

	<i>Balance</i> <i>September 30, 2001</i> (unaudited)	<i>Balance</i> <i>December 31, 2000</i>
Legal fees	\$ 237,525	\$ 138,773
Accounting fees	42,300	34,300
Agent's fees	30,000	10,000
Investor Relations	3,000	-
Miscellaneous	392	-
	<u>\$ 313,217</u>	<u>\$ 183,073</u>

6. Mining Interests

	<i>Balance</i> <i>September 30, 2001</i> (unaudited)	<i>Balance</i> <i>December 31, 2000</i>
Big Trout Lake, Ontario		
Property	\$ 413,492	\$ 413,492
Exploration	381,266	311,458
Duluth, Minnesota, USA		
Property	22,384	21,985
Exploration	50,021	48,206
Muskox, Nunavut		
Property	38,462	38,462
Exploration	44,434	16,961
Total		
Property	474,338	473,939
Exploration	475,721	376,625
	<u>\$ 950,059</u>	<u>\$ 850,564</u>

6. Mining Interests – cont'd

Mineral property descriptions:

Big Trout Lake, Ontario

During 1999 the Company acquired a 100% interest in certain Mining claims located in the Patricia Mining Division of northwestern Ontario. By an agreement dated February 24, 1999 the Company acquired these claims from an officer/director in exchange for shares (Note 8c). The Company is required to make minimum assessment work totaling \$88,236 by July 17, 2002.

Duluth, Minnesota, USA

During 1999 the Company acquired a 100% interest in three mineral leases covering mining units situated in the County of St. Louis, in the state of Minnesota. These lease are for a term of 50 years commencing on June 16, 1999 with an annual rental of US\$1,500. (rent has been paid to December 31, 2001). If the leases achieve commercial production, a bid royalty of 0.25% and a base royalty of 3.95% increasing on a sliding scale are payable to the State.

During 2000 the Company acquired a 100% interest in twelve mineral leases covering mining units situated in the County of St. Louis, in the state of Minnesota. These leases are for a term of 50 years commencing on December 31, 2000 with annual rental of approximately US\$4,800 (rent has been paid to December 31, 2002). If the leases achieve commercial production, a bid royalty ranging from 0.05% to 0.27% with a base royalty of 3.95% increasing on a sliding scale are payable to the State.

Muskox, Nunavut

In July, 2000 the Company staked 34 claims comprising 86,669 acres (35,089 hectares) near the Coppermine River. These claims were recorded on September 1, 2000. In order to hold the claims the Company must perform work valued at \$346,675 and have the work approved for assessment by September 1, 2002.

7. Capital Assets

Capital assets comprise computer equipment and software and furniture and fixtures.

	<i>Balance</i>	<i>Balance</i>
	<i>September 30, 2001</i>	<i>December 31, 2000</i>
	(unaudited)	
Cost	\$ 16,022	\$ 12,510
Accumulated amortization	6,940	3,445
Net book value	\$ 9,082	\$ 9,065

8. Capital Stock

a) Authorized: Unlimited number of common shares

b) Issued:

	<i>Number of shares</i>	<i>Amount</i>
Issued for cash	750,000	\$ 7,500
Balance at December 31, 1998	750,000	7,500
Issued for cash	30,000	7,500
Issued pursuant to private offerings	2,244,000	610,389
Issued pursuant to acquisition of mineral property	1,600,000	400,000
Issued pursuant to agency agreements	65,100	19,050
Balance at December 31, 1999	4,689,100	1,044,439
Issued pursuant to private offerings	1,323,077	739,865
Balance at December 31, 2000 and September 30, 2001	6,012,177	\$1,784,304

8. Capital stock (continued)

- c) In February 1999, the Company acquired certain mining claims from a related party in exchange for 1,600,000 common shares at a price of \$0.25 per share. An independent firm of geologists established the value of the mining claims.
- d) In October 1999, the Company completed the sale by private placement of 1,800,000 common shares at a price of \$0.25 per share, for net proceeds of \$406,149.
- e) The Company has granted the agents of the private placement a non-transferable two-year share purchase warrant entitling the agents to acquire 7.5 units, each comprising 12,000 common shares, at a price of \$3,000 per unit. These warrants were exercised on October 19, 2001 resulting in the issuance of 90,000 common shares for net proceeds of \$22,500.
- f) In December 1999, the Company completed the sale by private placement of 444,000 flow-through shares at a price of \$0.50 per share, for net proceeds of \$204,240.
- g) The Company has granted the agents of the private placement a non-transferable two-year share purchase warrant for 22,200 common shares at a price of \$0.50 per share. These warrants expire on December 31, 2001.
- h) In July 2000, the Company completed the sale by private placement of 400,000 common shares at a price of \$0.50 per share, for net proceeds of \$200,000.
- i) In October 2000, the Company completed the sale by private placement of 923,077 common shares at a price of \$0.65 per share, for net proceeds of \$539,865.
- j) As of December 31, 2000, 2,380,000 of the issued shares are held in escrow.
- k) On August 2, 2001, options to purchase 574,500 common shares were granted to employees and directors at \$0.50 per share and expire five years from the date upon which a receipt for a prospectus in connection with the initial distribution of common shares is issued by the regulatory authority.

9. Income Taxes

At September 30, 2001, the Company had federal non-capital loss carry forwards of approximately \$437,900 for Canadian income tax purposes, to reduce future taxable income. These non-capital loss carry forwards expire as follows:

2005	\$6,328
2006	84,002
2007	175,754
2008	171,816

The benefits of these losses have not been recorded in the financial statements.

The Company as at September 30th, 2001 reports a total of \$675,264 of various classes of exploration expenses available for carry forward to apply against taxable income of subsequent taxation years.

10. Contingencies and Commitments

The Company's mining and exploration activities are subject to various governmental laws and regulations. These environmental regulations are continually changing and are generally becoming more restrictive. The Company believes its operations comply, in all material respects, with all applicable laws and regulations. When estimated costs are reasonably determinable, the Company will record a provision for environmental and reclamation obligations based on management's estimates of such costs. Such estimates are, however, subject to change based on negotiations with regulatory authorities, changes in laws and regulations and as new information becomes available.

The Big Trout Lake First Nations Band ("Band") has informed the Company that it is opposed to any exploration activities on the Big Trout Lake Property. The Ontario Ministry of Natural Resources and the Ontario Ministry of Northern Development and Mines has confirmed that the Company has the right to quiet possession of the property and the obligation to pursue exploration. The Company has initiated consultations with the Band, which are continuing, and is hopeful that a mutually acceptable accommodation of each party's interest will be reached. The Band has consented to low impact exploration, continuing consultations and employment opportunities as the project progresses. The Company does not feel that the actions of the Band will have an adverse affect on the Company's financial condition.

11. Related Parties

1. On October 19, 1999, the Company entered into a management agreement with J. R. Trusler & Associates to provide management services at the rate of \$6,000 per month and to supply office space and related services at the rate of \$1,000 per month effective October 1, 1999 and until April 19, 2000. This agreement was extended to April 19, 2001 on December 19, 2000 and until April 19, 2002 on July 5, 2001. Effective September 1, 2001, J.R. Trusler & Associates has waived the management fees due under the agreement.

During the three month period ended September 30, 2001, the Company paid management fees of \$12,000 and reimbursement of rent and utilities of \$3,000 to J. R. Trusler & Associates. During the three month period ended September 30, 2000, the Company paid management fees of \$18,000 and reimbursement of rent and utilities of \$3,000 to J. R. Trusler & Associates.

During the nine month period ended September 30, 2001 the Company paid management fees of \$48,000 and reimbursement of rent and utilities of \$9,000 to J. R. Trusler & Associates. During the nine month period ended September 30, 2000, the Company paid management fees of \$54,000, of which \$4,500 was allocated to deferred expenditures, and reimbursement of rent and utilities of \$9,000.

James R. Trusler, promoter, President and CEO and director of the Company is a principal partner of J R Trusler & Associates.

2. On January 2, 2000, the company signed an engagement letter with Telacorp Inc. to provide geological and management services for a minimum of 6 days per month at a per diem rate of \$500 until December 31, 2000. This agreement was extended to December 31, 2001 on December 15, 2000. Effective September 1, 2001, Telacorp Inc. has waived the geological and management fees due under this agreement.

During the three month period ended September 30, 2001, the Company paid management fees of \$6,000 to Telacorp Inc. During the three month period ended September 30, 2000, the Company paid management fees of \$9,000 of which \$7,250 was allocated to deferred expenditures.

During the nine month period ended September 30, 2001, the Company paid management fees of \$24,000 (\$4,500 being allocated to deferred expenditures as First Nations Relations) to Telacorp Inc. During the nine month period ended September 30, 2000, the Company paid management fees of \$28,250, of which \$18,250 was allocated to deferred expenditures.

Simon Baker, Vice-President Corporate Development and director of the Company is the president and principal owner of Telacorp Inc.

3. During the three month period ended September 30, 2001, the Company paid legal fees of \$5,453, of which \$5,453 was allocated to prepaid expenses, to a legal firm where one of the firm's partners is a director of the company. During the three month period ended September 30, 2000, the Company paid no legal fees to a legal firm where one of the firm's partners is a director of the company.

During the nine month period ended September 30, 2001, the Company paid legal fees of \$14,407, of which \$5,800 was allocated to prepaid expenses, to a legal firm where one of the firm's partners is a director of the company. During the nine month period ended September 30, 2000, the Company paid legal fees of \$11,900, of which \$8,500 was allocated to prepaid expenses and \$400 was allocated to deferred expenditures.

12. Fair Value of Financial Instruments

At September 30, 2001 and December 31, 2000, the Company estimates that the fair value of all financial instruments approximates the carrying value.

13. Financing Agreements

On August 2, 2001, the Company entered into an Agency Agreement pertaining to the distribution of up to 2,000,000 units at a price of \$1.00 per unit (each unit consisting of one non-flow-through common share, one flow-through common share and two warrants (each warrant entitling the holder to purchase one non-flow-through share at a price of \$0.75 per share in the first 18 months after closing)).

The costs relating to this issue are the agent's commission of 8% plus an option to purchase units equal to 10% of the number of units issuant pursuant to this offering, a corporate and finance sponsorship fee of \$25,000 and 50,000 common shares and expenses of the agent estimated not to exceed \$20,000. The agent has the right to sell up to an additional 15% of the units sold under this offering for a period of 45 days following the closing date.

14. Subsequent event

On October 31, 2001, the Company filed a preliminary prospectus with the securities commission in the Province of Ontario qualifying the financing arrangements as described in Note 13.