



**Platinex Inc.**  
(A Development Stage Company)  
Unaudited Interim Consolidated Financial Statements  
For the Three Months Ended March 31, 2010

**Platinex Inc.**  
**(A Development Stage Company)**  
**Interim Consolidated Balance Sheets**

	<b>March 31, 2010</b>	<b>December 31, 2009</b>
	<b>(Unaudited)</b>	<b>Audited</b>
<b>Assets</b>		
Current		
Cash (note 6)	\$ 3,264,934	\$ 114,515
GST receivable	46,283	32,032
Funds held in trust (note 7)	29,243	15,607
Prepaid expenses	19,297	22,335
	3,359,757	184,489
Property, plant and equipment (note 8)	50,689	53,741
Mineral properties and deferred exploration expenditures (notes 9 & 16)	1,338,941	1,294,834
	\$ 4,749,387	\$ 1,533,064
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (note 17)	\$ 94,663	\$ 1,155,315
Note payable (note 10)	130,000	130,000
Advances on settlement (notes 9a & 21)	0	150,000
	224,663	1,435,315
<b>Shareholders' Equity</b>		
Share capital (note 11)	5,303,211	5,303,211
Share purchase warrants (note 12)	221,000	221,000
Contributed surplus (note 15)	2,497,806	2,497,806
Deficit	(3,497,293)	(7,924,268)
	4,524,724	97,749
	\$ 4,749,387	\$ 1,533,064

**Contingencies and commitments (note 18)**

On behalf of the Board of Directors

*"James R. Trusler"*

James R Trusler  
 President & CEO

*"Bruce Reilly"*

Bruce Reilly  
 Director & CFO

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

**Platinex Inc.**  
**(A Development Stage Company)**  
**Interim Consolidated Statements of Operations and Deficit**  
**For the Three Months Ended March 31**  
**(Unaudited)**

	2010	2009
<b>Expenses</b>		
Accounting and legal (note 15)	\$ 58,880	\$ 16,123
Amortization	3,052	3,928
Consultants fees	251,080	19,367
Fees, licenses, dues	5,696	12,923
Insurance	3,038	3,742
Interest expense and bank charges	2,206	79
Investor relations	1,309	15,917
Management fees (note 15)	205,862	39,000
Meals and entertainment	372	1,791
Office and general	4,794	4,342
Office support	12,922	22,348
Rent and occupancy (note 15)	20,383	9,578
Telephone	1,888	1,554
Transfer agent fees	681	0
Travel	861	1,611
	<hr/>	<hr/>
<b>Loss before other items</b>	573,024	152,303
Write down of deferred exploration expenditures (note 8)	1	3,579
	<hr/>	<hr/>
<b>Loss for the period before cost recovery</b>	573,025	155,882
Cost recovery related to Ontario Government settlement (notes 9a & 21)	(5,000,000)	0
	<hr/>	<hr/>
<b>Loss (income) for the period before income taxes</b>	(4,426,975)	155,882
Provision for income tax (notes 2 & 14)	0	0
	<hr/>	<hr/>
<b>Loss (income) for the period</b>	(4,426,975)	155,882
Deficit, beginning of period	7,924,268	6,740,054
	<hr/>	<hr/>
<b>Deficit, end of period</b>	\$ 3,497,293	\$ 6,895,936
	<hr/>	<hr/>
<b>Basic and fully diluted loss (income) per share (note 16)</b>	\$ (0.1217)	\$ (0.0045)
	<hr/>	<hr/>
<b>Weighted average number of common shares outstanding</b>	\$ 36,381,339	34,488,380
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The accompanying notes form an integral part of these financial statements.

**Platinex Inc.**  
**(A Development Stage Company)**  
**Interim Consolidated Statements of Cash Flows**  
**For the Three Months Ended March 31**  
**(Unaudited)**

	2010	2009
<b>Operating activities</b>		
Income (loss) for the period	\$ 4,426,975	\$ (155,882)
Non-cash item: amortization	3,052	3,928
	4,430,027	(151,954)
Increase in GST receivable	(14,251)	(17,644)
Increase in funds held in trust	(13,636)	0
Decrease in prepaid expenses and deposits	3,038	4,649
Decrease in accounts payable and accrued liabilities	(1,060,652)	(4,614)
Decrease in advances on settlement	(150,000)	0
	3,194,526	(169,563)
<b>Investing Activities</b>		
Purchase of mineral properties and deferred exploration expenses	(44,107)	(229,936)
<b>Financing Activities</b>		
Common shares issued net of financing costs	0	(2,350)
<b>Change in cash</b>	3,150,419	(401,849)
<b>Cash, beginning of period</b>	114,515	425,552
<b>Cash, end of period</b>	\$ 3,264,934	\$ 23,703
<b>Supplemental information:</b>		
Common shares issued for services rendered	\$ 0	\$ 28,333

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

**Platinex Inc.**  
**(A Development Stage Company)**

**Notes to the Unaudited Interim Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2010 and 2009**

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**1. Nature of Operations and Going Concern**

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

These interim unaudited consolidated financial statements are unaudited and have not been reviewed by the Company's auditor. Management has prepared these unaudited financial statements for the three months ended March 31, 2010 in accordance with Canadian generally accepted accounting principles. These statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2009. The disclosure in these interim unaudited consolidated financial statements may not conform in all respects to generally accepted accounting principles in Canada for annual consolidated financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these unaudited interim consolidated financial statements. Operating results for the three months ended March 31, 2010 are not indicative of the results that may be expected for the full year ending December 31, 2010.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of development of such properties these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements.

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. If the going concern assumption were not appropriate for these unaudited interim consolidated financial statements then adjustments would be necessary to the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used. Such adjustments may be material.

The company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing operating losses, the company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

**Platinex Inc.**  
**(A Development Stage Company)**

**Notes to the Unaudited Interim Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2010 and 2009**

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**2. Summary of Significant Accounting Policies (continued)**

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles and their basis of application is consistent with that of the previous period. Outlined below are those policies considered particularly significant.

a) Basis of Consolidation

The consolidated financial statements include the accounts of the company, and its newly incorporated wholly owned Subsidiary PTX Nevada LLC, which has been inactive since its incorporation on November 23, 2009.

b) Mineral Properties and Deferred Exploration Expenditures

Mineral properties and deferred exploration expenditures are carried at cost until they are brought into production, at which time they are depleted on a unit of production method based on proven and probable reserves. If a property is subsequently determined to be significantly impaired in value, the property and related deferred costs are written down to their net realizable value. Other general exploration expenses are charged to operations as incurred. The cost of exploration and development properties abandoned or sold and their related deferred exploration costs are charged to operations in the current year.

The Company reviews its exploration and development properties to determine if events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable. The recoverability of costs incurred on the exploration and development properties is dependent upon numerous factors including exploration results, environmental risks, commodity risks, political risks and the Company's ability to attain profitable production. An impairment loss is recognized when the carrying amount of the exploration and development properties is not recoverable and exceeds its fair value. It is reasonably possible, based on existing knowledge, that any change in future conditions in the near term could require a change in the determination of the need for and amount of any write down.

c) Property, plant and equipment

Property, plant and equipment are recorded at cost net of any landlord leasehold allowances. Amortization is provided at one half annual rates in the year of acquisition. Amortization is provided at the following rates:

Computer equipment	30%	declining balance method
Computer software	100%	declining balance method
Furniture and equipment	20%	declining balance method
Leasehold improvements		term of the lease straight line basis

d) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the report amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include the collectability of amounts receivable, balances of accrued liabilities, the fair value of financial instruments, the rates for amortization of equipment, the recoverability of mineral interests, determination of asset retirement and environmental obligations, future income tax assets and liabilities, valuation allowance for future income tax assets and the determination of the variables used in the calculation of stock-based compensation. While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

**Platinex Inc.**  
**(A Development Stage Company)**

**Notes to the Unaudited Interim Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2010 and 2009**

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**2. Summary of Significant Accounting Policies (continued)**

e) Income taxes

The Company accounts for income taxes using the asset and liability method. Under this method, future income taxes assets and liabilities are determined based on differences between the financial statement carrying value of existing assets and liabilities and their respective income tax bases (temporary differences), and losses carried forward. Future income tax assets and liabilities are measured using tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is substantively enacted. When the future realization of income tax assets does not meet the test of being more likely than not to occur a valuation allowance in the amount of the potential future benefit is taken and no net asset is recognized.

f) Flow through financing

The Company has financed a portion of its exploration activities through the issue of flow through shares, which transfer the tax deductibility of exploration expenditures to the investor. Proceeds received on the issue of such shares have been credited to capital stock. Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow through share arrangements are renounced to investors in accordance with income tax legislation. When these expenditures are renounced, temporary taxable differences created by the renunciation will reduce share capital.

g) Loss per share

Basic loss per share is calculated using the weighted number of shares outstanding. Diluted loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation, excludes any potential conversions of options and warrants that would increase earnings per share or decrease loss per share.

h) Stock-based compensation

The Company records compensation cost based on the fair value method of accounting for stock-based compensation. The fair value of stock options is determined using the Black-Scholes option pricing model. The fair value of the options is recognized over the vesting period as compensation expense and contributed surplus. When options are exercised, the proceeds received, together with any related amount in contributed surplus, will be credited to share capital.

i) Asset retirement obligations

The Company will record a liability for the estimated future costs associated with legal obligations relating to the reclamation and closure of its mining properties. This amount is initially recorded at its discounted present value with subsequent annual recognition of an accretion expense on the discounted liability. An equivalent amount is recorded as an increase to interest in mineral properties and amortized over the useful life of the properties. As the Company does not currently have any legal obligations relating to the reclamation of its interest in mineral properties, this standard has had no impact on the accounts of the Company. The Company did not have any asset retirement obligations as at December 31, 2009 and March 31, 2010.

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**2. Summary of Significant Accounting Policies (continued)**

j) Financial Instruments

All financial assets and liabilities are classified into one of the following five categories: held for trading; held-to-maturity; loans and receivable; available-for-sale financial assets; and other financial liabilities. All financial instruments are measured on the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and recognition of the changes in fair value of financial instruments depends upon their initial classifications:

Held-for-trading financial assets – are measured at fair value with subsequent changes in fair value recognized in current period net income.

Held-to-maturity assets, loans and receivables and other financial liabilities - are initially measured at fair value and subsequently measured at amortized cost with changes recognized in current period net income.

Available-for-sale financial assets - are measured at fair value with subsequent gains and losses included in other comprehensive income until the asset is removed from the balance sheets.

In June 2009, the Canadian Accounting Standards Board issued an amendment to CICA Section 3862 "Financial Instruments Disclosures" in an effort to make Section 3862 consistent with IFRS Section 7 – Disclosures ("IFRS &"). The purpose was to establish a framework for measuring fair value in Canadian GAAP and expand disclosures about fair value measurements. To make the disclosures an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). The adoption of these amendments resulted in additional disclosures in the notes to the unaudited interim consolidated financial statements (note 5).

k) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments with original maturities of three months or less. The Company invests cash in term deposits maintained in high credit quality institutions.

Cash and cash equivalents include restricted cash. Restricted cash represents amounts that must be spent on the mineral properties as a result of the issuance of flow-through shares. See note 6.

**3. Accounting Changes**

Future changes in accounting policies

a) International Financial Reporting Standards ("IFRS")

On February 13, 2008, the Accounting Standards Board ("AcSB") confirmed that publicly accountable entities will be required to prepare financial statements in accordance with IFRS for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The Company has begun assessing the adoption of IFRS for fiscal 2011, the financial reporting impact of the transaction to IFRS cannot be reasonably estimated at this time.

b) Business Combinations, Consolidations and Non-controlling Interests

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

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**(A Development Stage Company)**

**Notes to the Unaudited Interim Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2010 and 2009**

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**4. Capital Management**

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The capital of the company consists of share capital, warrants and options. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration and development stage; as such the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development, and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed primarily through equity financing. Future financings are dependent on Market conditions and there can be no assurance the company will be able to raise funds in the future. All equity Financing requires the approval of the Board of Directors. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended March 31, 2010.

**5. Financial Instruments and Risk Factors**

The Company has designated its cash as held-for-trading, measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at December 31, 2009 and March 31, 2010 the carrying value of the Company's financial instruments represent their fair value.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

**Fair Value Hierarchy and Liquidity Risk Disclosure**

At December 31, 2009 and as at March 31, 2010, the company's financial instruments that are carried at fair value, consisting of cash have been classified as Level 1 within the fair value hierarchy

**Credit Risk**

The Company's credit risk is primarily attributable to cash and GST receivable. The Company has no significant concentration of credit risk arising from operations. Cash is maintained at a major financial institution. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore management believes bear minimal risk. Financial instruments include GST receivable tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to this financial instrument is minimal.

**Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2010, the Company had cash balances of \$3,264,934 (December 31, 2009 - \$114,515) to settle current liabilities of \$94,663 (December 31, 2009 - \$1,435,315).

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**(A Development Stage Company)**

**Notes to the Unaudited Interim Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2010 and 2009**

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**5. Financial Instruments and Risk Factors continued**

Market Risk

a) Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has no loans and consequently is not required to hedge against interest rate risk.

b) Foreign Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

c) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

d) Fair values

The estimated fair value of the Company's financial instruments has been determined based on the Company's assessment of available market information and appropriate valuation methodologies. However, these estimates may not necessarily be indicative of the amounts that the company could realize in a current market exchange. The Company's cash, funds held in trust and accounts payable and accrued liabilities are considered financial instruments. The estimated fair values of these financial instruments approximate their carrying amounts because of the limited term of these instruments.

**6. Cash**

Included in cash as at March 31, 2010 is \$0 of monies received from the issue of flow-through shares (\$0 December 31, 2009). The use of these funds is restricted to exploration expenditures.

**7. Funds Held in Trust**

Funds held in trust represent monies advanced to lawyers.

**8. Property, Plant and Equipment**

	2010 Cost	2010 Accumulated Amortization	2009 Cost	2009 Accumulated Amortization
Computer hardware	\$ 29,609	\$ 22,783	\$ 29,609	\$ 19,857
Computer software	626	626	626	626
Furniture and equipment	55,507	24,500	55,507	16,749
Leasehold improvements	7,782	4,082	7,782	2,551
	<b>\$ 93,524</b>	<b>\$ 51,991</b>	<b>\$ 93,524</b>	<b>\$ 39,783</b>
Net book value		<b>\$ 41,533</b>		<b>\$ 53,741</b>

**Platinex Inc.**  
**(A Development Stage Company)**  
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**For the Three Months Ended March 31, 2010 and 2009**

**9. Mineral Properties and Deferred Exploration Expenditures**

	Big Trout Lake \$	Muskox \$	Shining Tree \$	North McFaulds Lake \$	South McFaulds Lake \$	Awkward Lake \$	Core Zone \$	Norton Lake \$	Tib Lake \$	Total \$
<b>Mineral properties:</b>										
Balance at December 31, 2009	1	0	0	0	0	0	0	0	0	1
Write down (note 9a)	(1)	0	0	0	0	0	0	0	0	(1)
	0	0	0	0	0	0	0	0	0	0
<b>Deferred exploration expenditures:</b>										
Balance at December 31, 2009	0	67,267	687,377	169,490	213,138	25,243	58,576	42,133	31,609	1,294,833
First Nations relations	0	0	0	0	0	0	0	0	0	0
Consulting	0	0	0	0	0	0	0	0	0	0
Core storage and assaying	0	0	7,125	0	0	0	0	0	0	7,125
Drilling	0	0	0	0	0	0	0	0	0	0
Field and office support (note 16)	0	0	0	0	0	0	0	0	0	0
Filing and assessments	0	36,347	0	0	0	0	0	0	0	36,347
Geological	0	0	0	0	0	0	0	0	0	0
Legal fees (note 14)	0	0	0	0	0	0	0	0	0	0
Management fee (note 17)	0	0	0	0	0	0	0	0	0	0
Mapping	0	0	0	0	0	0	0	0	0	0
Staking	0	0	636	0	0	0	0	0	0	636
Balance before write-downs	0	103,614	7,761	169,490	213,138	25,243	58,576	42,133	31,609	1,338,941
Balance at March 31, 2010	0	103,614	695,138	169,490	213,138	25,243	58,576	42,133	31,609	1,338,941

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**Notes to the Unaudited Interim Consolidated Financial Statements**  
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**9. Mineral Properties and Deferred Development Expenditures (continued)**

a) Big Trout Lake, Ontario

During 1999, the Company acquired a 100% interest in 221 mining claims located in the Patricia Mining Division of northwestern Ontario. On February 10, 2006 the Company acquired a 100% unencumbered interest in 81 mining leases, expiring from April 1, 2010 to April 1, 2011, from a joint venture operated by INCO Limited for \$162,312 cash and the issuance of \$150,000 worth of the Company's common shares (428,751 common shares issued). The Company attempted to commence its exploratory drill program on the Big Trout Lake property in February, 2006. Members of the First Nation, Kitchenuhmaykoosib Inninuwug ("KI") restricted access to the property preventing commencement of the drill program. In April 2006, Platinex commenced a lawsuit against KI for damages and sought unobstructed access to its mining claims and leases. In February 2008, Platinex delivered written notice to the Province of Ontario of its intention to proceed with legal action for recovery from Ontario of damages suffered by Platinex arising from the dispute with KI. In accordance with Accounting Guideline AcG-11, the capitalized asset value has been assessed as impaired due to the lack of access to the property and has accordingly been written down. The claims and leases were surrendered in December 2009 to the Ontario government in return for a payment of \$5,000,000 plus additional mediation and negotiation costs totaling \$377,056 and a 2.5% Net Smelter Royalty subject to the related lawsuits between the Company, KI and Ontario being dismissed; these terms and conditions were satisfied and on February 11, 2010 the final payment of the settlement amount was released from trust.

b) Muskox Property, Nunavut

In November, 2007, Platinex completed the staking of 38 mining claims totaling 87,058 acres (35,246 ha.) on the Muskox intrusion. The Muskox property is located 30 km south of Kugluktuk and 350 km north of Yellowknife and has been staked to cover a portion of the Muskox layered intrusion. The feature is one of the largest mafic layered intrusions in the world and is prospective for PGE's. The Company posted a qualifying report on this property in October 2008.

c) Shining Tree Property, Ontario

In April 2008, Platinex entered into a property option agreement with Skead Holdings Ltd. with respect to certain claims situated in Churchill, MacMurchy and Asquith Townships, in Ontario (the "Shining Tree property"). Platinex has the right to acquire a 100%-interest in the 139 claim units 5,680 acres (2,299 ha), subject to a 3% NSR, by issuing 250,000 shares of Platinex, by making cash payments (or share equivalent) of \$250,000 and by incurring property expenditures of \$850,000 during the ensuing four-year period to April 11, 2012. The Company released a qualifying report on the property on October 3, 2008 and has commenced exploration including an airborne geophysical survey, stripping, trenching and till sampling.

d) North McFaulds Lake, Ontario

The North McFaulds Lake property is located 22 km north of Noront Resources' Eagle One and Double Eagle nickel-copper-PGE discoveries and 30 km southeast of the recent WSR/Metalex Ventures VMS discoveries. This property comprises 609 contiguous claim units covering 9,862 ha (24,360 acres). The property adjoins on the south and east a claim block held by MacDonald Mines and Temex Resources, and on the west blocks held by Noront Resources/Bold Resources option and Renforth Resources. It was staked to cover a layered intrusion coupled with magnetic anomalies which was recently revealed in survey publications by the Ontario government. A strong linear magnetic anomaly coincident with a strong regional gravity anomaly underlies the property.

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**9. Mineral Properties and Deferred Development Expenditures (continued)**

e) South McFaulds Lake, Ontario

The South McFaulds Lake property is located 25 km southwest of Noront Resources' Eagle One and Double Eagle nickel-copper-PGE and Black Bird chromitite discoveries. This property comprises 696 claim units in six blocks covering 11,271 ha (27,840 acres). The property adjoins a block held by MacDonald Mines, Temex and Baltic Resources on the southeast, a claim block held by MacDonald Mines and Temex Resources to the east, and a block held by Noront Resources and MacDonald Mines on the west. James Bay Resources holds blocks of claims within and to the north of the Platinex holdings. Platinex's property was staked to cover a layered intrusion that is coupled with magnetic anomalies and the projected strike extension to the southwest of the host environment for the Noront discoveries; all of which have been recently revealed in survey publications by the Ontario government. The property is also centred on and in part marginal to a regional gravity anomaly. A summary report was released on this property in the third quarter of fiscal 2008 and an airborne geophysics program is planned to be carried out when funding is available.

f) Awkward Lake, Ontario

The Awkward Lake property is located 175 km north of Thunder Bay. This property comprises 88 contiguous claim units covering 1,425 ha (3,520 acres). The property adjoins the INCO property on the south and the Cascadia International Resources property on the southwest as with Norton Lake. It was staked to cover the northern portion of the Awkward Lake intrusion which is believed to be the same age and style as the producing Lac des Iles intrusion belonging to North American Palladium Ltd. and contains known nickel-copper-PGE mineralization.

g) Core Zone, Ontario

The Core Zone property is located 174 km north of Thunder Bay and to the south of the previously mentioned INCO property. Platinex's property covers 306 claim units comprising 4,896 ha (12,240 acres) and was staked to cover a layered intrusion believed genetically related to the chromium-bearing Puddy Lake ultramafic intrusion. Nickel-copper-PGE mineralization has been found within the area described.

h) Norton Lake, Ontario

The Norton Lake property is located 413 km north of Thunder Bay and 50 km northeast of Fort Hope in Ontario. This property comprises 56 claim units for 907 ha (2,240 acres). The property covers a magnetic anomaly to the south and west of a 2.46 million-tonne resource of nickel, copper, cobalt, and palladium held by Cascadia International Resources and East West Resources. Lake sediment anomalies in the area suggest an environment promising for these metals on the Norton Lake prospect.

i) Tib Lake, Ontario

The Tib Lake property is located 60 km northwest of Thunder Bay. This property comprises 49 claim units covering 793.5 ha (1,960 acres). The property adjoins the Tib Lake property of Houston Lake Resources to the south and was staked to cover the northern portion of the Tib Lake layered intrusion. The intrusion is known to be related to the producing Lac des Iles intrusion and is mineralized on the adjacent property with nickel-copper-PGEs. The Company is currently performing initial till sampling on the property.

**10. Note Payable**

The note payable of \$130,000 as at December 31, 2009 (\$0 - 2008) bears interest at 6% per annum calculated annually and payable on March 31 each year commencing on March 31, 2010. The final payment of interest and principal shall be done on March 31, 2019. If the Company completes a public offering or private placement of any shares in the capital of the company then 15% of the net cash proceeds received shall be used towards the reduction of the principal sum.

The principal amount has been classified as a current liability as management intends to repay the principal amount during the next fiscal year.

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**11. Share Capital**

a) Authorized: Unlimited number of common shares

b) Issued:

	<b>Number of shares</b>	<b>Amount</b>
Balance at December 31, 2007	25,841,548	\$ 4,646,681
Shares issued for cash (notes 11d to 11f)	8,328,858	972,552
Shares issued per option agreement (note 11c)	50,000	11,250
Share purchase warrants		(249,000)
Financing costs of share issue		(74,154)
Tax benefits renounced (note 14)		(235,618)
Balance at December 31, 2008	34,220,406	5,071,711
Shares issued for cash (note 11r)	400,000	40,000
Shares issued per option agreement (note 11c)	50,000	4,250
Shares issued in exchange for trade debt (notes 11g to 11q)	1,710,933	161,600
Exercise of warrant –valuation reallocation (note 11r)		28,000
Financing cost of share issue		(2,350)
Balance at December 31, 2009 and March 31, 2010	36,381,339	\$ 5,303,211

- c) On April 28, 2008, the Company issued 50,000 common shares with a determined value per share of \$0.225 in consideration of the execution of the property option agreement with Skead Holdings Ltd. for the Shining Tree property (note 9c) and the granting of the property option contained therein.
- d) On October 3, 2008, the company completed the sale by private placement of 2,300,000 non-flow through units at a price of \$0.125 per unit and 1,583,333 flow-through common shares at a price of \$0.15 per share for gross proceeds of \$525,000. Each non-flow through unit consists of one common share and one share purchase warrant. Each full warrant will be exercisable into one non-flow through common share at an exercise price of \$0.35 per common share until the expiry date of October 31, 2010. Agents were paid cash commission of \$3,000.
- e) On December 24, 2008 the company completed the sale by private placement of 325,525 non-flow through common shares at a price of \$0.10 per share and 120,000 flow-through common shares at a price of \$0.125 per share for gross proceeds of \$47,553.
- f) On December 30, 2008, the company completed the sale by private placement of 4,000,000 flow-through units at a price of \$0.10 per unit for gross proceeds of \$400,000. Each flow-through unit consists of one flow-through common share and one share purchase warrant. Each full warrant will be exercisable into one non-flow through common share at \$0.35 per share until December 30, 2009 or at an exercise price of \$0.45 if not exercised by December 30, 2009 until the expiry date of December 30, 2010. Agents were paid a cash commission of \$20,000 representing 5% of the gross proceeds plus the option to purchase 400,000 units at \$0.10 until expiry on December 30, 2010. Each agent unit consists of one non-flow through common share and one share purchase warrant. Each full warrant will be exercisable into one non-flow through common share at \$0.35 per share until December 30, 2009 or at an exercise price of \$0.45 if not exercised by December 30, 2009 until the expiry date of December 30, 2010.
- g) On January 23, 2009, the company completed a shares for services payment of \$20,000 by the issuance of 235,294 common shares at a deemed value of \$0.085 per share.

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**11. Share Capital cont'd**

- h) On March 6, 2009, the company completed a shares for services payment of \$8,333 by the issuance of 98,039 common shares at a deemed value of \$0.085 per share.
- i) On April 9, 2009, the company completed a shares for services payment of \$17,433 by the issuance of 174,333 common shares at a deemed value of \$0.10 per share.
- j) On April 28, 2009, the company completed a shares for debt payment of \$70,000 by the issuance of 700,000 common shares at a deemed value of \$0.10 per share and a promissory note for \$130,000 due March 31, 2019 bearing interest at 6% payable annually and requiring payments of 15% of the net cash proceeds received from future private placements until the principal and interest is paid.
- k) On May 6, 2009, the company completed a shares for services payment of \$8,333 by the issuance of 98,039 common shares at a deemed value of \$0.085 per share.
- l) On June 8, 2009, the company completed a shares for services payment of \$8,333 by the issuance of 98,039 common shares at a deemed value of \$0.085 per share.
- m) On June 8, 2009, the Company issued 50,000 common shares with a determined value per share of \$0.085 in consideration of the execution of the property option agreement with Skead Holdings Ltd. for the Shining Tree property (note 9c) and the granting of the property option contained therein
- n) On July 6, 2009, the company completed a shares for services payment of \$8,333 by the issuance of 98,039 common shares at a deemed value of \$0.085 per share.
- o) On August 6, 2009, the company completed a shares for services payment of \$8,333 by the issuance of 98,039 common shares at a deemed value of \$0.085 per share.
- p) On September 8, 2009, the company completed a shares for services payment of \$8,333 by the issuance of 69,444 common shares at a deemed value of \$0.12 per share.
- q) On October 6, 2009, the company completed a shares for service payment of \$4,167 by the issuance of 41,667 common shares at a deemed value of \$0.109 per share.
- r) On December 11, 2009, 400,000 warrants were exercised at a price of \$0.10 per warrant for gross proceeds of \$40,000.

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**12. Warrants**

	Number of warrants	March 31, 2010 Weighted average exercise price	Number of warrants	December 31, 2009 Weighted average Exercise price
Balance, beginning of period	6,700,000	\$ 0.38	16,289,745	\$ 0.40
Granted, private placements	0	0	0	0
Exercised	0	0	(400,000)	0.10
Expired or cancelled	0	0	(9,189,745)	0.43
Balance, end of period	6,700,000	\$ 0.38	6,700,000	\$ 0.38

Number of Warrants	Exercise Price	Grant Date Fair Value Of Warrants	Date of Expiry
2,300,000	\$ 0.35	\$ 23,000	October 3, 2010
4,400,000	0.40	198,000	December 30, 2010
6,700,000		\$ 221,000	

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**13. Stock Options**

In October 2005, the Company's Board of Directors approved a new stock option plan. Under the terms of the Company's new stock option plan, a maximum of 10% of the issued and outstanding common shares have been reserved for issuance to the Company's directors, officers, employees and eligible consultants. The new stock option plan was approved by the Company's non participatory shareholders on May 24, 2006.

In December 2005, the Company's Board of Directors granted an option to purchase 240,000 common shares at an option price of \$0.50 per share to the Company's investor relations firm, subject to non participatory shareholder approval of the stock option plan as disclosed above. These options were cancelled during the period ended June 30, 2009.

In 2007, the company granted 1,460,000 options (1,165,000 – 2006, 240,000 of which were granted in 2005 subject to shareholder approval which was obtained on May 24, 2006). The fair value of \$469,600 has been charged to the statement of operations and has been offset to contributed surplus. During the period ended June 30, 2009, 85,000 of these options were cancelled.

In March 2009, the Company granted options to purchase 220,000 shares at an option price of \$0.20 per share to certain employees and eligible consultants. In March 2009, the Company approved and in June 2009, the non participatory shareholders ratified, the re-pricing of 2,180,000 options issued in prior periods having a weighted average exercise price of \$0.35 per share to \$0.20 per share. The fair value of \$54,600 on account of these transactions has been charged to the statement of operations and has been offset to contributed surplus (note 15).

Summary of stock option activity:	March 31, 2010		December 31, 2009	
	Number of stock options	Weighted average exercise price	Number of stock Options	Weighted Average exercise price
Balance, beginning of year	2,460,000	\$ 0.20	2,565,000	\$ 0.36
Re-pricing original	0	0	(2,180,000)	0.35
Re-pricing - new	0	0	2,180,000	0.20
Granted	0	0	220,000	0.20
Exercised	0	0	0	0
Expired or cancelled	0	0	(325,000)	0.47
Balance, end of year	2,460,000	\$ 0.20	2,460,000	\$ 0.20

As at December 31, 2009 and as at March 31, 2010, the following stock options were outstanding:

Date of Expiry	Number of Options Exercisable	Number of Options Outstanding	Exercise Price	Grant Date Fair Value of Options Granted
January 25, 2011	720,000	720,000	0.20	\$ 14,400
August 8, 2011	60,000	60,000	0.14	5,400
May 14, 2012	60,000	60,000	0.20	1,200
June 18, 2012	160,000	160,000	0.20	3,200
October 16, 2012	1,180,000	1,180,000	0.20	23,600
November 19, 2012	60,000	60,000	0.20	1,200
March 11, 2014	220,000	220,000	0.20	11,000
	2,460,000	2,460,000		\$ 60,000

Black-Scholes Option Pricing Assumptions	2009	2008	2007
Expected dividend yield	0%	-	0%
Expected volatility	129.7%	-	100%
Risk-free interest rate	2.44%	-	4.35%
Expected life	5 years	-	5 years

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**14. Income Taxes**

The Company has not recorded a provision for income taxes for the period ended March 31, 2010 as it has sufficient non-capital loss carry forwards and unutilized Canadian exploration expenses to offset the current periods taxable income.

**15. Contributed Surplus**

	March 31 2010	December 31 2009
Balance, beginning of period	\$ 2,497,806	\$ 732,027
	0	
Stock options re-priced (note 13)	0	43,600
Stock options granted and vested during the period (note 13)	0	11,000
Exercise of stock options, reallocation of valuation	0	0
Expiry of warrants, reallocation of valuation	0	1,711,179
	\$ 2,497,806	\$ 2,497,806
Balance, end of period		

**16. Non-Cash Transactions**

In April 2008 and in June 2009, the Company issued 50,000 shares with a determined value per share in consideration of the execution of the property option agreement with Skead Holdings Ltd. for the Shining Tree property (notes 11c and 11m) and the granting of the option contained therein.

**17. Related Parties**

- a) During the period ended March 31, 2010, the Company paid \$102,692 in management and geological fees (\$42,000 - 2009) to a partnership owned by a director who also acts as the President and CEO of the Company. Of the management and geological fees, \$0 was allocated to deferred exploration expenditures (\$42,000 - 2009).
- b) During the period ended March 31, 2010, the Company incurred legal fees of \$ (\$0 - 2009) paid to a legal firm where one of the firm's partners is a former director and former Executive Vice-President of the Company.
- c) During the period ended March 31, 2010, the Company incurred management fees of \$24,000 (\$24,000 - 2009) paid to a director who also acts as CFO of the Company.
- d) During the period ended March 31, 2010, the Company incurred \$0 of directors fees (\$0 -2009).
- e) Included in accounts payable at March 31, 2010 is an amount of \$0 (\$13,661 - 2009) that is due to related parties.

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**18. Basic and Diluted Loss per Share**

The basic and diluted loss per share is computed by dividing the loss by the weighted average number of common shares outstanding during the period. The conversion of stock options was not included in the calculation of diluted loss per share since the calculation would be anti-dilutive.

**19. Contingencies and Commitments**

a) Flow-Through Expenditures

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

b) Shining Tree Property - Option Agreement with Skead Holdings Ltd.

On April 11, 2008, Platinex entered into a property option agreement with Skead Holdings Ltd. with respect to certain claims situated in Churchill, MacMurchy and Asquith Townships, in Ontario (the "Shining Tree property"). Platinex has the right to acquire a 100%-interest in the 139 claim units (5,680 acres or 2,299 ha), subject to a 3% NSR, by issuing 250,000 shares of Platinex, by making cash payments (or share equivalent) of \$250,000 and by incurring property expenditures of \$850,000 during the ensuing four-year period to April 11, 2012 (note 9c).

c) Lease Commitments

The company is committed to the following minimum payments under operating leases for office space:

2010	\$74,037
2011	\$76,086
2012	\$78,135
2013	\$32,841

**20. Comparative Figures**

Certain figures in the comparative financial statements have been reclassified to conform to the basis of presentation used in 2009.

**21. Subsequent Events**

- a) On April 12, 2010, the Company issued 50,000 common shares with a determined value per share of \$0.125 in consideration of the execution of the property option agreement with Skead Holdings Ltd. for the Shining Tree property (note 9c) and the granting of the property option contained therein.
- b) On May 28, 2010, the Company issued 120,000 options with an exercise price of \$0.20 per share, vesting at 30,000 options quarterly and with a five year term, to an investor relations firm.