Platinex Inc.

Interim Financial Statements
Quarter Ended June 30, 2004
Unaudited – Prepared by Management

Q2

Notice to Reader: These unaudited interim financial statements have not been reviewed by the company's auditor.

Platinex Inc.
Balance Sheet

	June 30, 2004 (unaudited)	December31, 2003 (audited)
ASSETS		
Current		
Cash	$ 11,419	$ 85,391
Accounts receivable (note 3)	13,117	8,653
Funds held in trust (note 4)	1,250	1,250
	25,786	95,294
Mining interests (note 5)	901,068	817,007
Capital assets (note 6)	3,184	3,720
	$ 930,038	$ 916,021
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 420,976	$ 350,014
SHAREHOLDERS' EQUITY		
Capital stock (note 7)	2,023,493	2,013,493
Deficit	(1,514,431)	(1,447,486)
	509,062	566,007
	$ 930,038	$ 916,021

On behalf of the Board of Directors

“signed”	“signed”
James R Trusler	Simon Baker
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 June 30, 2004	Three months ended June 30, 2003	Six months ended June 30, 2004	Six months ended June 30, 2003
Revenue				
Interest earned	$ -	$ -	$ -	$ -
Expenses				
Management fees (note 11)	18,000	18,000	31,500	36,000
Transfer Agent Fees	588	250	764	311
Office and general	803	2,585	1,355	3,212
Accounting and legal (note 11)	5,895	9,694	10,858	10,145
Subcontract services (note 11)	5,421	5,479	6,336	10,920
Rent and occupancy (note 11)	3,000	3,000	6,000	6,000
Investor relations	7,124	167	7,197	7,767
Telephone expense	603	138	1,165	739
Amortization	268	351	536	730
Travel	556	70	1,234	212
	42,258	39,734	66,945	76,036
Net loss for period	(42,258)	(39,734)	(66,945)	(76,036)
Deficit, beginning of period	(1,472,173)	(1,220,770)	(1,447,486)	(1,184,468)
Deficit, end of period	$ (1,514,431)	$ (1,260,504)	$ (1,514,431)	$ (1,260,504)
Net loss per share (weighted average)	$ (0.006)	$ (0.007)	$ (0.010)	$ (0.007)

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

Platinex Inc.
Statement of Cash Flows
(unaudited)

	Three months ended June 30, 2004	Three months ended June 30, 2003	Six months ended June 30, 2004	Six months ended June 30, 2003
Operating activities				
Net loss	$ (42,258)	$ (39,734)	$ (66,945)	$ (76,036)
Add back: amortization	268	351	536	730
	(41,990)	(39,383)	(66,409)	(75,306)
Increase in accounts receivable	(4,694)	(2,464)	(4,464)	(4,206)
Increase (decrease) in accounts payable	42,603	(74,413)	70,963	(33,921)
Cash used in operating activities	(4,081)	(116,260)	90	(113,433)
Investing activities				
Acquisition of mineral properties (note 5)	-	(49)	-	(1,893)
Deferred exploration expenditures	(28,539)	-	(84,061)	(96)
Cash used in investing activities	(28,539)	(49)	(84,061)	(1,989)
Financing Activities				
Capital Stock	10,000	121,689	10,000	121,689
Cash used in financing activities	10,000	121,689	10,000	121,689
Change in cash	(22,620)	5,380	(73,972)	6,267
Cash, beginning of period	34,039	888	85,391	1
Cash, end of period	$ 11,419	$ 6,268	$ 11,419	$ 6,268

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 financial statements have been prepared in accordance with accounting principles generally accepted in Canada. 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

Effective January 1, 2003 the Company adopted the recommendation issued by the Canadian Institute of Chartered Accountants regarding the expensing of exploration expenditures as incurred. Costs attributable to property acquisitions are capitalized while exploration expenditures on the property can only be capitalized once mineral reserves have been established. Once a mineral reserve has been established, all development costs will be capitalized. These costs together with the costs of mining interests will be charged to operations on a unit-of-production method based on estimated recoverable reserves. If the mining interests are abandoned, or when an impairment in value has been determined, the capitalized costs will be charged to operations.

The Company will continue to carry deferred exploration expenditures incurred prior to January 1, 2003 as an asset; however, when events or changes in circumstances indicate that the carrying amount may not be recoverable, the Company will evaluate the carrying value of the asset and an impairment will be recognized at that time.

e) Foreign currency translation

Balances 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.

2. Summary of Significant Accounting Policies (continued)

f) Income taxes

Income taxes are accounted for using the future income tax method. Under this method income taxes are recognized for the estimated income taxes payable for the current year and future income taxes are recognized for temporary differences between tax and accounting bases of assets and liabilities and for the benefit of losses available to be carried forward for tax purposes that are likely to be realized. Future income tax assets and liabilities are measured using tax rates expected to be recovered or settled.

g) Accounting for stock-based compensation

The Company has adopted the accounting recommendations relating to stock-based compensation and other stock-based payments as detailed in the Canadian Institute of Chartered Accountants handbook section 3870. CICA 3870 establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services applying the fair value method of accounting. The Company expenses stock options in the financial statements as a component of compensation expense. Direct awards of stock granted to employees are recorded at fair value on the date granted and the associated expense is amortized over the vesting period. The application of CICA 3870 had no impact on the Company's financial statements. No stock options were granted during the period.

3. Accounts Receivable

As a June 30, 2004, accounts receivable represents a provision of recovery of Goods and Services taxes paid and payable.

4. Funds Held In Trust

Funds held in trust represent monies advanced to lawyers.

5. Mining Interests

	June 30 2004 (unaudited)	**December 31 2003 (audited)**
Big Trout Lake, Ontario		
Property	$ 413,492	$ 413,492
Exploration	487,576	403,515
	$ 901,068	$ 817,007

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 has received approval of assessment work filed and these claims are in good standing until February 2005.

6. Capital Assets

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

	June 30 2004 (unaudited)	**December 31 2003 (audited)**
Cost	$ 16,591	$ 16,591
Accumulated amortization	13,407	12,871
	$ 3,184	$ 3,720

7. Capital Stock

a) Authorized: Unlimited number of common shares

b) Issued:

	Number of shares	Amount
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 acquisistion 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	6,012,177	1,784,304
Issued pursuant to exercise of warrants	90,000	22,500
Balance at December 31, 2001 and 2002	6,102,177	1,806,804
Issued for cash	826,757	216,689
Balance at December 31, 2003	6,928,934	2,013,493
Issued for cash	40,000	10,000
Balance at June 30, 2004	6,968,934	$ 2,023,493

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 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 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 expired 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.

a. Capital stock (continued)

j) On August 2, 2001, options to purchase 574,500 common shares were granted to employees and directors at $0.50 per share. These options will expire March 27, 2007.

k) On May 14, 2003, the Company completed the sale by private placement of 446,757 common shares at a price of $0.25 per share, for net proceeds of $111,689.

l) On December 2, 2003, the Company completed the sale by private placement of 40,000 common shares at a price of $0.25 per share, for net proceeds of $10,000.

m) On December 31, 2003, the Company completed the sale by private placement of 340,000 common shares (flow-through) at a price of $0.25 per share, for net proceeds of $85,000.

n) As of December 31, 2003, 2,380,000 of the issued shares are held in escrow.

o) On May 13, 2004 the company completed the sale by private placement of 40,000 common shares at a price of 0.25 per share, for proceeds of $10,000.

8. Income Taxes

At December 31, 2003, the Company had federal non-capital loss carry forwards of approximately $1,343,000 for Canadian income tax purposes, to reduce future taxable income. These non-capital loss carry forwards expire as follows:

2005	$ 6,000
2006	84,000
2007	176,000
2008	208,000
2009	709,000
2010	160,000

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

At December 31, 2003, the Company reports a total of approximately $809,000 of various classes of exploration expenses available for carry forward to apply against taxable income of subsequent taxation years.

9. Non-Cash Transactions

During the year ending December 31, 1999, the Company acquired mining claims in exchange for 1,600,000 common shares having a value of $0.25 per share.

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 new information as it 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 have 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

a) 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 and up to December 31, 2002, J. R. Trusler & Associates waived the management fees due under the agreement.

During the period ended June 30, 2004 the Company paid management fees and reimbursement of rent and utilities of $39,000 to a company owned and operated by an officer/director. During the period ended June 30 2003, the Company paid management fees and reimbursement of rent and utilities of $42,000.

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

b) 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 and to December 31, 2002 on February 5, 2002. Effective September 1, 2001 and up to December 31, 2003, Telacorp Inc. waived the geological and management fees due under this agreement.

During the period ended June 30, 2004, the Company paid $1,000 of management fees to Telacorp Inc.. During the period ended June 30, 2003, the Company paid no management fees to Telacorp Inc..

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

12. Fair Value of Financial Instruments

At June 30, 2004 and December 31, 2003, the Company estimates that the fair value of all financial instruments approximates the carrying value.