Bolton & Bolton
Chartered Accountants

AUDITORS' REPORT

To the Shareholders of
Platinex Inc.

We have audited the balance sheets of Platinex Inc. Inc. as at December 31, 2002 and 2001 and the statements of loss, deficit and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Unionville, Ontario	"Bolton & Bolton"
May 15, 2003	Chartered Accountants

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PLATINEX INC.

FINANCIAL STATEMENTS

December 31, 2002 and December 31, 2001

PLATINEX INC.
Balance Sheets
As at December 31, 2002 and 2001

	2002	2001
ASSETS		
Current		
Cash	$ 1	$ 84,329
Accounts receivable (Note 3)	3,579	41,121
Funds held in trust (Note 4)	200	12,703
Prepaid expenses (Note 5)	-	379,802
	3,780	517,955
Mining interests (Note 6)	898,436	964,037
Capital assets (Note 7)	5,235	7,822
	$ 907,451	$ 1,489,814
LIABILITIES		
Current		
Accounts payable	$ 285,115	$ 157,963
SHAREHOLDERS' EQUITY		
Capital stock (Note 8)	1,806,804	1,806,804
Deficit	(1,184,468)	(474,953)
	622,336	1,331,851
	$ 907,451	$ 1,489,814

On behalf of the Board of Directors

"signed"
James R. Trusler

"signed"
Simon L. Baker

The accompanying notes form an integral part of these financial statements

PLATINEX INC.
Statements of Deficit
For the years ended December 31, 2002 and 2001

	2002	2001
Balance, beginning of year	$ 474,953	$ 267,151
Net loss for the year	709,515	207,802
Balance, end of year	$ 1,184,468	$ 474,953

The accompanying notes form an integral part of these financial statements

PLATINEX INC.
Statements of Loss
For the years ended December 31, 2002 and 2001

	2002	2001
Revenue		
Interest earned	$ 237	$ 11,544
Expenses		
Subcontract services (Note 12)	37,098	58,441
Financing costs	24,945	-
Accounting and legal (Note 12)	16,512	25,547
Rent and occupancy (Note 12)	12,000	13,500
Office and general	7,143	25,493
Telephone	6,643	5,321
Travel	4,719	16,631
Investor relations	3,124	1,034
Amortization	2,677	5,234
Meals and entertainment	780	3,179
Transfer agent fees	620	466
Management fees (Note 12)	-	64,500
	116,261	219,346
Net loss before other items	116,024	207,802
Prospectus costs (Note 5)	504,585	-
Abandonment of mineral property	88,906	-
	593,491	-
Net loss for the year	$ 709,515	$ 207,802
Net loss per share (weighted average)	$ 0.118	$ 0.034

The accompanying notes form an integral part of these financial statements

PLATINEX INC.
Statements of Cash Flows
For the years ended December 31, 2002 and 2001

	2002	2001
Operating activities		
Net loss	$ (709,515)	$ (207,802)
Add back: amortization	2,677	5,234
abandonment of mineral property	88,906	-
	(617,932)	(202,568)
Decrease in accounts receivable	37,542	3,446
Decrease (increase) in funds held in trust	12,503	(5,640)
Decrease (increase) in prepaid expenses	379,802	(196,729)
Increase in accounts payable	127,152	55,596
Cash used in operating activities	(60,933)	(345,895)
Investing activities		
Purchase of capital assets	(90)	(3,991)
Mineral property expenditures	(7,707)	(400)
Deferred exploration expenditures	(15,598)	(113,073)
Cash used in investing activities	(23,395)	(117,464)
Financing activities		
Common shares issued for cash	-	22,500
Change in cash	(84,328)	(440,859)
Cash, beginning of year	84,329	525,188
Cash, end of year	$ 1	$ 84,329

The accompanying notes form an integral part of these financial statements

PLATINEX INC.
Schedule of Deferred Exploration Expenditures
For the years ended December 31, 2002 and 2001

	2002	2001
Balance, beginning of year	$ 489,698	$ 376,625
Expenditures during year		
Accounting and legal	350	474
Core sampling, logging	-	385
Delivery	-	60
Fees, dues and licences	50	1,985
First Nations relations	8,271	16,966
Geologist fees	-	17,220
Geological supplies and services	550	-
Geophysical survey	-	188
Lands management	330	-
Project management	2,604	26,656
Map generation	847	3,330
Other sub-contract services	120	2,329
Management fees	-	1,500
Office and general	101	334
Qualifying report	-	15,644
Reference materials	35	1,187
Compilation	2,340	12,790
Remote sensing	-	8,063
Travel and entertainment	-	3,962
	15,598	113,073
	505,296	489,698
Abandonments during year	50,444	-
Balance, end of year	$ 454,852	$ 489,698

The accompanying notes form an integral part of these financial statements

PLATINEX INC.
Notes to the Financial Statements
December 31, 2002 and December 31, 2001

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.

2. Summary of Significant Accounting Policies (continued)

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

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.

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

Effective January 1, 2002 the Company adopted the new 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. As permitted by CICA 3870 the Company is using the intrinsic value method of accounting for stock options awarded to its employees and directors. On the date options on the Company's shares are granted to the employees and directors no compensation will be recorded when the exercise price is equal to the market value of the shares. The application of CICA 3870 had no impact on the Company's financial statements.

3. Accounts Receivable

As at December 31, 2002, 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. The monies held at December 31, 2002 were applied against registration fees in British Columbia and monies held at December 31, 2001 were to be disbursed against costs relating to the Company's prospectus.

5. Prepaid Expenses

Prepaid expenses represent costs incurred with respect to the prospectus. This prospectus expired in March 2003. These costs were written off in the current year as the Company elected not to continue with this prospectus.

6. Mining Interests

	2002	2001
Big Trout Lake, Ontario		
Property	$ 413,492	$ 413,492
Exploration	403,418	390,967
Duluth, Minnesota, USA		
Property	30,092	22,885
Exploration	51,434	51,096
Muskox, Nunavut		
Property	-	38,462
Exploration	-	47,635
Total		
Property	443,584	474,339
Exploration	454,852	489,698
	$ 898,436	$ 964,037

6. Mining Interests (continued)

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, 2003.

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 leases 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, 2002). 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 an 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 had to perform work valued at $346,675 and have the work approved for assessment by September 1, 2002. If less than the $346,675 were expended the claims comprising the Muskox Property would be reduced proportionately. During the year the Company allowed the claims to lapse.

7. Capital Assets

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

	2002	2001
Cost	$ 16,591	$ 16,502
Accumulated amortization	11,356	8,680
	$ 5,235	7,822

8. 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 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	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

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.

8. Capital stock (continued)

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, 2002, 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. These options will expire March 27, 2007.

9. Income Taxes

At December 31, 2002, the Company had federal non-capital loss carry forwards of approximately $1,183,000 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

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

At December 31, 2002, the Company reports a total of approximately $788,000 of various classes of exploration expenses available for carry forward to apply against taxable income of subsequent taxation years.

10. 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.

11. 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 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.

12. 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 year ended December 31, 2001 the Company paid management fees of $48,000 and reimbursement of rent and utilities of $12,000 to a company owned and operated by an officer/director. During the year ended December 31, 2002, the Company paid reimbursement of rent and utilities of $12,000.

   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, 2002, Telacorp Inc. waived the geological and management fees due under this agreement. During the year ended December 31, 2001, the Company paid management fees of $24,000 ($4,500 being allocated to deferred expenditures as First Nations Relations) to a company owned and operated by an officer/director.

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

c) During the year ended December 31, 2001, the Company paid legal fees of $17,170, of which $10,400 was allocated to prepaid expenses, to a legal firm where one of the firm's partners is a director of the company. During the year ended December 31, 2002, the Company paid legal fees of $7,745, which was allocated to prepaid expenses, to a legal firm where one of the firm's partners is a director of the Company.

d) During the year ended December 31, 2001, the Company paid accounting fees of $16,690, of which $2,021 was allocated to prepaid expenses, to an officer of the Company. During the year ended December 31, 2002, the Company paid accounting fees of $9,211 to an officer of the Company.

13. Fair Value of Financial Instruments

At December 31, 2002 and 2001, the Company estimates that the fair value of all financial instruments approximates the carrying value.

14. Subsequent Event

On May 15, 2003, the Company closed a private placement of 446,757 shares for total consideration of $111,689.