



## **PLATINEX UPDATES ON LEGAL PROCEEDINGS BETWEEN PLATINEX – KI – ONTARIO**

**Aurora, Ontario, December 20, 2007** - representatives of Platinex, Kitchenuhmaykoosib Inninuwug, "KI", and Ontario engaged in a court endorsed pre-trial in Thunder Bay, Ontario, before Mr. Justice Stephen O'Neill of the Superior Court of Justice. After a full day of discussions, KI announced for the very first time (after 1 ½ years of litigation, preceded by seven years of communications between Platinex and KI) that it was asserting a claim to sovereignty over its traditional lands and that it wished to engage in discussions with Ontario in respect of such claim. The stated position of KI was that it would not dialogue with Platinex until such time as the issues between KI and Ontario were resolved. As a result, the facilitation did not result in any progress in the resolution of the Platinex-KI litigation. Platinex is thankful for the dedication and commitment demonstrated by Mr. Justice O'Neill in his handling of the facilitation. Platinex remains willing to participate in good faith discussions and negotiations with KI and Ontario.

On Friday, December 7, 2007, Platinex's legal counsel proceeded with the contempt of court hearing against KI. The hearing was necessitated by KI's refusal to honour the October 25, 2007, Order of Mr. Justice Smith confirming Platinex's legal right to proceed with its drill program (first ordered in Mr. Justice Smith's ruling of May 22, 2007) and the archaeological pre-screening of the drill hole sites. The motion also sought redress for KI's threat to disrupt on a large scale Platinex's intended drill program.

KI did not defend the contempt motion. However, KI's legal counsel advised the Court that, in KI's view, the current state of Canadian law did not adequately provide redress for KI's grievances as against Ontario and Canada and, as such, KI was not able to comply with the orders of the Court. The Court was advised for the first time (after repeated appearances before the Court since May, 2006) that KI wished to negotiate with Ontario the issue of sovereignty over KI's traditional lands and that, in KI's view, the First Nations who were signatories to James Bay Treaty No. 9, never intended to relinquish their sovereignty to their traditional lands and that the express terms of James Bay Treaty No. 9 did not set out the entire agreement and understanding of the parties. This position is inconsistent with the Treaty Land Entitlement ("TLE") claim that has been a focus of KI throughout the litigation.

The Court found KI and named members of KI including the Chief and several Council members to be in contempt of Court. The Court will hear submissions about the appropriate relief/sentence for the contempt on January 25, 2008.

KI made it clear, for the very first time in these protracted and costly legal proceedings, that KI's objection to the Platinex drill program was no longer about Platinex and consultation respecting the Company's drill program. KI now says that it will not engage in any discussions with Platinex until KI has resolved its issues with Ontario.

Platinex is extremely disappointed with this unexpected new position advanced by KI in the legal proceedings and expects that KI and Ontario will move expeditiously to resolve the issues between them. Platinex had previously made repeated requests for direct Ministerial involvement in the resolution of this dispute; but to date, neither Aboriginal Affairs Minister Michael Bryant nor Northern Development and Mines Minister Michael Gravelle has taken any steps to be directly involved in the resolution of this dispute. The same is also true of their predecessors, Minister Bartolucci and Minister Ramsay. This lack of initiative has contributed to the ongoing costs, losses and damages to Platinex for which Ontario, ultimately, may be held responsible.

Platinex has made it clear to KI and to the court that it takes no position with respect to the merits of KI's TLE claim or with respect to KI's recently asserted claim to sovereignty over its traditional lands. Platinex had also made it clear that, in accordance with well established law and government policy as reiterated in Section 4.5.2 (pages 92-94, Volume 2, Policy Analysis) of the Ipperwash Report, any approval of KI's TLE claim or any resolution of KI's claim of sovereignty over its traditional lands will not in any way affect or impair, to any degree, the validity of Platinex's mining claims and leases all of which were issued many, many years prior to the filing of KI's TLE land claim.

The Ipperwash Report also profiles the KI-Platinex dispute (Section 5.3.2 at Page 110) and states on Page 111 "Although the KI First Nation is not opposed to development on its traditional lands, the community fears that if exploration is allowed to proceed, the area in question could be thereby removed from land that might be added to their reserve". Platinex encourages KI to accept the validity of Platinex's claims and leases, and to work towards reconciling our respective rights.

Furthermore Mr. Justice Smith had stated in his October 25, 2007 ruling, "But of great concern to me of course is the repute of the administration of justice, the integrity of the system of justice.....And it is the rule of law that is fundamentally the glue that keeps our society together. And we have to all have respect for it. Once that respect is lost, chaos will happen. It is fundamental to our democratic society that respect for the rule of law and the orders of this court and other courts is maintained. That is something that is not negotiable." Platinex encourages KI to heed the words of Justice Smith.

The nine years of effort to access and prove up the PGE-chromium deposits at Big Trout Lake and assist in the fight against global warming have been frustrated by KI and the Government of Ontario.

Platinex has made every effort to accommodate all of KI's stated concerns regarding the Platinex exploratory drill program. The Company has repeatedly stated its desire to engage in meaningful dialogue, and to foster a positive, mutually beneficial working relationship, with KI. Platinex remains willing to reach an agreement with KI that could include the dismissal of the legal action.

Platinex will not permit this further delay to interfere with its long term objectives. Work continues on sampling of the 5,000 metres of core drilled by INCO on Platinex's Big Trout Lake property. Initial results should be available in early January, 2008. Several new property acquisitions and strategic alliances are being reviewed and will be announced in the next few weeks.

#### **About Platinex Inc.**

Platinex is a Canadian exploration company based near Toronto. Platinex focuses on carefully selected Platinum Group Element targets in settings analogous to the JM reef (Stillwater Complex, Montana) and the Merensky and UG2 reefs (Bushveld Complex, RSA). Platinex is determined to find platinum sources to be used in the campaign reduce the production of atmospheric greenhouse gases to eliminate the threat of global warming. Shares of Platinex are listed for trading on the TSX Venture Exchange under the symbol PTX.

#### **FORWARD-LOOKING STATEMENTS:**

Except for statements of historical fact, all statements in this news release - including, without limitation, statements regarding future plans and objectives, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements.

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