

FORM 51-102F1
Management Discussion and Analysis

Platinex Inc.
For the First Quarter Ended March 31, 2004

Date: May 28, 2004

Readers of the following discussion and analysis should refer to the Company's audited consolidated financial statements for the years ended December 31, 2003 and 2002 and the related Management Discussion and Analysis where necessary. Those financial statements have been prepared in accordance with Canadian generally accepted accounting policies. All dollar figures included therein and in the following discussion and analysis are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com or the Company's website at www.platinex.com.

Overall Performance

In March, 2002 the Company was receipted on its prospectus, however the IPO failed to close. Since then the Company has been attempting to raise sufficient money to meet its listing criteria on the TSX Venture Exchange and maintain its reporting issuer status and principal property in good standing.

In the first quarter of 2004, the Duluth property mining leases were cancelled by the State of Minnesota. The Company wrote this property off in the last quarter of 2003 which contributed \$102,300 to the loss in 2003.

The Company is in the exploration stage on the only project in which the Company retains an interest, namely the Big Trout Lake property in Ontario, and as such has no revenues to fund these activities. The Company accesses the public markets (limited to accredited investors and flow through rules) to finance exploration activity, and the ability to raise additional capital is subject to existing market conditions at that time. The project does not have a defined mineral resource in place whereby the Company can establish an asset value for the project; however, based on current or previous geological programs that have been completed on the property, further exploration work is warranted which has been established on the property based on independent technical reports that meets the criteria of National Instrument #43-101 by Qualified Persons.

In the first quarter of 2004, RJ Burnside & Associates Limited completed a comprehensive report on Satellite Imagery Interpretation, Geochemical Data processing and Multi Criteria Analysis of the Big Trout Lake Property. A new qualifying report that meets the criteria of National Instrument #43-101 by Qualified Persons is being prepared for submission. This will enable the Company to raise funds and apply for a TSX Venture Exchange listing.

Big Trout Lake Ontario

The Big Trout Lake Igneous Complex is a large layered intrusion with an unfolded strike length of up to 90 km and a thickness of up to 7 km. It is tholeiitic, rich in chromium and differentiated analogous to the Bushveld Igneous Complex of South Africa, the Stillwater Complex of Montana and the Great Dyke of Zimbabwe. The intrusion is of a critical mass to contain extensive concentrations of platinum group elements.

A recent synthesis of all exploration and research data on the Big Trout Lake property has greatly improved the focus of future exploration efforts. Currently a two phase exploration program is planned at a total cost of C\$1,225,000 to test six targets which have already been shown to be well mineralized with platinum group elements (PGE), gold, nickel and copper. Details of this exploration are presented on the Company website at <http://www.platinex.com/>

Results of Operations

In 2003, \$102,300 in exploration and acquisition expenditures on the Duluth property in Minnesota were written off. Several financings were completed issuing 826,757 shares to net the treasury \$206,689. The working capital deficiency stood at \$254,720 at December 31, 2003 compared to \$281,335 at December 31, 2002 for an increase in working capital of \$26,615.

During the quarter ended March 31, 2004 the Company conducted exploration on the Big Trout Lake property in order to keep the claims in good standing and to define drilling targets for the next phase of exploration. Six drill ready targets with very large tonnage potential have been identified and are the subject of a new qualifying report on the property. Deferred exploration expenses totaled \$55,522 and administrative expenses were \$24,687. Administrative expenses were less in the first quarter of 2004 compared to \$36,300 in the first quarter of 2003 as management efforts were concentrated on exploration.

Selected Annual Information

Tabulated below are selected annual financial results for the last three completed years:

	Year Ended Dec. 31, 2003 (audited)	Year Ended Dec. 31, 2002 (audited)	Year Ended Dec. 31, 2001 (audited)
Revenues	nil	nil	nil
Gross Profit	nil	nil	nil
Exploration and Development Expenses	nil	nil	nil
General and Administrative Expenses	\$160,718	\$116,024	\$207,802
Net Loss	(\$263,018)	(\$709,515)	(\$207,802)
Net Loss Per Share	(\$0.041)	(\$0.116)	(\$0.0345)
Net Loss Per Share Fully Diluted	(\$0.037)	(\$0.106)	(\$0.0319)
Working Capital (Deficit)	(\$254,720)	(\$281,335)	(\$19,810)
Properties:			
Deferred Acquisition and Exploration Costs	\$817,007	\$898,436	\$964,037
Shareholders' Equity:			
Dollar Amount	\$665,721	\$622,336	\$1,331,851
Number of Securities	6,928,934	6,102,177	6,102,177

The above table should be read in conjunction with the financial reports published on SEDAR and on the Company's website.

Summary of Quarterly Results

The following tables set out the selected unaudited financial information for the Company for the first quarter in 2004 and each of the quarters in 2002 and 2003.

Year 2004	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	--			
Administration	\$24,687			
Net Loss	(\$24,687)			
Net Loss per share	(\$0.0036)			
Net Loss per share fully diluted	(\$0.0033)			

Year 2003	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	--	--	--	--
Administration	\$36,300	\$40,097	\$32,118	\$52,203
Net Income (loss)	(\$36,300)	(\$40,097)	(\$32,118)	(\$154,503)
Net Income (loss) per share	(\$0.006)	(\$0.006)	(\$0.005)	(\$0.0222)
Net Income (loss) per share fully diluted	(\$0.0055)	(\$0.0056)	(\$0.0045)	(\$0.0206)

Year 2002	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	--	--	--	--
Administration	\$24,794	\$25,855	\$40,433	\$25,179
Net Income (loss)	(\$24,794)	(\$25,855)	(\$40,433)	(\$618,433)
Net Income (loss) per share	(\$0.004)	(\$0.00424)	(\$0.007)	(\$0.1013)
Net Income (loss) per share fully diluted	(\$0.0037)	(\$0.00387)	(\$0.0061)	(\$0.0926)

Liquidity and Capital Resources

The Company's negative working capital position as of December 31, 2003 was \$254,720, which increased at the end of the first quarter to \$334,661. Deferred exploration expenditures for the quarter totaled \$55,522, while administrative expenditures totaled \$24,419, net of \$268 of non-cash items. Cash resources on hand are insufficient to allow the Company to move its exploration activities on the Big Trout Lake property through its next phase and cover budgeted administrative expenses for the foreseeable future. Should drilling results prove successful on the Big Trout Lake project the Company will have to review further funding alternatives at that time to further advance on the project. The Company does not have any long term contractual obligations.

Exploration expenditures will continue to expand during 2004 compared to 2003 as the Company has budgeted larger scale exploration programs in the current year reflecting the improved outlook for exploration on its Property. As mentioned before, financing alternatives will be driven by existing factors in the market at the time.

Transactions with Related Parties

During the first quarter of 2004, the Company paid \$15,000 in management fees and reimbursed rent and utility costs of \$3,000 to a partnership owned by James R. Trusler, who is director and also acts as the President and CEO of the Company. Of the management fees \$1500 were allocated to exploration on the Big Trout Lake property.

During the first quarter of 2004, the Company paid \$1,000 in management fees all of which was allocated to exploration on the Big Trout Lake property to a company which is owned by Simon Baker, who is director and also acts as the Vice-President of the Company. These management fees were allocated to exploration on the Big Trout Lake property.

Accounting Estimates/Change in Accounting Policy

For the year ending December 31, 2003, the Company adopted the fair value method of accounting for stock options granted during the year under its stock-based compensation plan as recommended by the Canadian Institute of Chartered Accountants. The new policy requires that the Company recognize compensation expense over the vesting period for options granted to directors, officers, and employees. During the first quarter ended March 31, 2004, procedures used by the Company to determine accounting estimates and the risks and uncertainties affecting the Company remain unchanged from the year-end results reported in the 2003 financial statements. The Company did not adopt any changes to its accounting policies or procedures during the quarter.

Deferred Exploration Expenditures for the three months ended March 31, 2004:

Property: Big Trout Lake \$55,522

For a comparison of additions to deferred expenditures for the year ended December 31, 2003 please refer to the audited financial statements.

Outstanding Share Capital

The Company has authorized share capital of an unlimited number of common shares. As at March 31, 2004 the Company had outstanding: a) 6,928,934 common shares, b) 574,500 Employee's Options to purchase common shares at \$0.50 per share.

Summary of Options Issued

At the end of the Company's year end December 31, 2003 there were 574,500 stock options outstanding of which 379,500 were allocated to directors and officers exercisable into common shares at \$0.25 per share for a period of five years.

Incentive Stock Option Agreements, dated August 2, 2001, between the Issuer and:

- (a) James Trusler whereunder the Issuer granted an incentive stock option to purchase up to 150,000 shares of the Issuer exercisable at a price of \$0.50 for a period of five years from the date upon which a receipt for a prospectus in connection with the first primary distribution of the Issuer's Common Shares is issued by the British Columbia Securities Commission (the "Receipt Date").
- (b) Simon Baker whereunder the Issuer granted an incentive stock option to purchase up to 110,000 shares of the Issuer exercisable at a price of \$0.50 for a period of five years from the Receipt Date.
- (c) James Marrelli whereunder the Issuer granted an incentive stock option to purchase up to 60,000 shares of the Issuer exercisable at a price of \$0.50 for a period of five years from the Receipt Date.
- (d) Thomas Atkins whereunder the Issuer granted an incentive stock option to purchase up to 25,000 shares of the Issuer exercisable at a price of \$0.50 for a period of five years from the Receipt Date.
- (e) Michael Proctor whereunder the Issuer granted an incentive stock option to purchase up to 25,000 shares of the Issuer exercisable at a price of \$0.50 for a period of five years from the Receipt Date.
- (f) Bruce Reilly whereunder the Issuer granted an incentive stock option to purchase up to 8,000 shares of the Issuer exercisable at a price of \$0.50 for a period of five years from the Receipt Date.
- (g) Holly Kane whereunder the Issuer granted an incentive stock option to purchase up to 1,500 shares of the Issuer exercisable at a price of \$0.50 for a period of five years from the Receipt Date.

The options will expire on or before March 27, 2007.

Escrowed Shares

At March 31, 2004 there were 2,380,000 shares in escrow.

Officers and Directors

Individual	Office Held
James R. Trusler	Director, President and CEO
Simon L. Baker	Director, Vice President Corporate Development
James Marrelli	Director
Thomas Atkins	Director
Michael Proctor	Director
R. Bruce Reilly	CFO

Risks and Uncertainties

The securities of the Corporation must be considered speculative, generally because of the nature of the business and its stage of development. In addition, a prospective investor should carefully consider the following factors:

a) Mineral Exploration and Development

Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There are no assurances that even if a body of commercial ore is discovered on the properties, a mine will be brought into commercial production.

b) Metal Prices

The Corporation's future revenues, if any, are expected to be derived in large part from the sale of platinum group elements and base metals. The price of those commodities fluctuates widely and is affected by numerous factors beyond the Corporation's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global and regional consumption patterns, speculative activities, levels of supply and demand, increased productions due to new mine developments and improved mining methods, etc. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Corporation's operations cannot be accurately predicted.

c) Additional Financing

The Corporation currently requires additional financing to meet minimum listing requirements on the TSX Venture Exchange. The Corporation does not currently have sufficient financial resources to meet minimum listing requirements or

undertake by itself all of its planned exploration and possible development programs. The exploration and development of the property may therefore depend on the Corporation's ability to obtain additional required financing. There is no assurance that additional funding will be available to allow the Corporation to fulfill its obligations on the property.

d) Government Regulation

Exploration and development of the property will be affected to varying degrees by: i) government regulations relating to such matters as environmental protection, health, safety, and labour; ii) mining laws; iii) restrictions on production; price controls; tax increases; iv) maintenance of claims; v) tenure; and vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Corporation's operations;

e) No Market

There is no established market through which the securities may be sold. However, the Company intends to apply to list its Common Shares on the TSX Venture Exchange. Listing is subject to the Company fulfilling all the listing requirements of the TSX Venture Exchange. There is no assurance that an active market will develop.

f) Title to Assets

Although the Company has received or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. At present a title opinion has been obtained for the Big Trout Lake Property and it disclosed no material issues. The Company has not conducted surveys of the mineral properties in which it holds direct or indirect interests and therefore, the precise area and location of such properties may be in doubt.

g) Exploration and Development

There is no known body of commercial mineralized material on the Company's mineral properties. Development of the Company's properties will only follow upon obtaining satisfactory exploration results. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of bodies of commercial mineralized material. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract metal from mineralized material and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a

major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection.

h) Operating Hazards and Risks

Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions are involved. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. The Company maintains liability insurance in an amount which it considers adequate for its operations; however, the Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Company's financial position.

i) Competition and Agreements with Other Parties

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

j) Management

The Company is a relatively new company and has no proven history of performance or earnings and its ability to develop into a viable business enterprise is largely dependent upon its management.

k) Dependence on Key Personnel

The Company currently has one person working full-time who functions primarily in management, supervisory and administrative capacities. The Company's success is highly dependent upon the performance of its key personnel and, in particular, James R. Trusler. The Company currently has a consulting contract with James R. Trusler. The Company does not maintain key-man life insurance. The loss of the services of senior management and/or key personnel could have a material and adverse effect on the Company, its business and results of operations.

l) Cash Flow

The Company has no source of operating cash flow to fund all of its exploration and development projects. Any further significant work would likely require additional equity or debt financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on existing and future exploration or joint venture properties. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and the possible partial or total loss of the Company's interest in certain properties. Additional equity financing will result in further potential dilution to purchasers of securities.

m) Limited History of Operations

The Company has a limited history of operations. The Company currently has no revenues from operations or the provision of a return on investment. Most of the Company's anticipated revenue will come from development of the Big Trout Lake Property, which is in the start-up phase. Investors should be aware of the delays, expenses and difficulties encountered in an enterprise in this critical stage, many of which may be beyond the Company's control including, but not limited to, problems related to regulatory compliance costs and delay and costs that may exceed current estimates. There can be no assurance that the Company will be able to implement its business strategies, successfully develop any of the planned projects or complete such projects according to specifications in a timely manner or on a profitable basis. There is no guarantee that either the Company or its current properties will generate any earnings, operate profitably or provide a return on investment in the future.

n) Conflicts of Interest

Each of James R. Trusler and Simon L. Baker, a director and/or officer of the Company, is an officer and/or director of, or is associated with other natural resource companies that acquire interest in mineral properties. Such associations may give rise to conflicts of interest from time to time. As required by law, each of the directors of the Company is required to act honestly, in good faith and in the best interests of the Company. Any conflicts which arise shall be disclosed by the directors in accordance with the Business Corporation Act (Ontario) and they will govern themselves in respect thereof to the best of their ability with the obligations imposed on them by law.

o) Dividends

The Company has not, since the date of its incorporation, declared or paid any dividends on its Common Shares and does not currently intend to pay dividends. Earnings, if any, will be retained to finance further growth and development of the business of the Company.

p) Resale of Shares

The continued operation of the Company will be dependent upon its ability to procure additional financing. There can be no assurance that any such other financings can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the shares purchased would be diminished.

q) Effect of Scaling Back Exploration Programs

If less than the maximum financing is achieved and no further funds are raised, the planned exploration on the Big Trout Lake Property will be scaled back and/or not implemented at all. Failure to complete the program may lead to loss of all of the claims held by the Company on the Big Trout Lake Property. If the Company is unable to carry out a program or is only able to carry out a scaled back program on the Big Trout Lake Property, an application to extend the claims for one year will be made. There is no assurance that such an application will be approved by the government.

r) Environmental Factors

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the Company's properties which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties.

s) Indigenous Peoples' Concerns

The mining claims comprising the Big Trout Lake Property are within the area in northwestern Ontario covered by the James Bay Treaty, known as Treaty No. 9. The area covered by the treaty is about 280,000 square miles, about two-thirds of the Province. It was signed in 1905 and 1906 by the governments of Canada and Ontario with some of the indigenous peoples, and adhered to in 1929 and 1930 by others. The treaty allocated "reserves" within the treaty area to each indigenous band.

The Company's mining claims are not in a reserve.

The local indigenous people are the Kitchenuhmaykoosib Inninuwig. They have indicated that mineral exploration and development in their area has environmental, wildlife and lifestyle concerns, that they propose submitting a land claim, and that they oppose further exploration of the Company's mining claims at this time without their participation. They have indicated however that the Company may proceed without opposition provided that continued consultations are held during the work program and that local employment needs and care for the environment be considered.

The Company has through James Trusler and Simon Baker commenced discussions with the representatives of the Kitchenuhmaykoosib Inninuwig Band with a view to developing a level of cooperation with them that will answer their concerns and that will permit the orderly and timely exploration of the Company's mining claims.

Cautionary Statement

This MD&A contains "forward looking statements" that reflect Platinex Inc.'s current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which are, by their very nature, not guarantees of Platinex Inc.'s future operational or financial performance, and are subject to risks, performance, prospects, or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, fluctuations in the market valuations for platinum group elements, and other metal commodities, difficulties in obtaining required approvals for the development of the Big Trout Lake project and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. Platinex Inc. disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.