



Platinex Inc.
Condensed Interim Consolidated Financial Statements
For the Nine Months Ended September 30, 2016 and September 30, 2015
Unaudited - Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee of the Board of Directors.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditors.

November 28, 2016

Platinex Inc.
Condensed Interim Consolidated Statements of Financial Position
Unaudited - Expressed in Canadian Dollars

| | Note | As at September 30 2016 | As at December 31 2015 |
|---|------|----------------------------|---------------------------|
| Assets | | | |
| Current assets | | | |
| Cash | | \$ 80,371 | \$ 5,491 |
| HST receivable | | 16,796 | 2,355 |
| Total current assets | | 97,167 | 7,846 |
| Non-current assets | | | |
| Exploration and evaluation assets | 3 | 1,812,605 | 1,723,083 |
| Property, plant and equipment | 4 | 1,128 | 1,455 |
| Total non-current assets | | 1,813,733 | 1,724,538 |
| Total assets | | \$ 1,910,900 | \$ 1,732,384 |
| Liabilities and Shareholders' equity | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | \$ 186,011 | \$ 238,574 |
| Due to related parties | 7 | 262,227 | 230,551 |
| Total current liabilities | | 448,238 | 469,125 |
| Shareholders' equity | | | |
| Share capital | 5 | 6,161,585 | 6,122,799 |
| Shares to be issued | | 0 | 18,500 |
| Share warrant reserve | 6a | 281,279 | 0 |
| Contributed surplus | | 885,535 | 732,633 |
| Accumulated deficit | | (5,865,737) | (5,610,673) |
| Total shareholders' equity | | 1,462,662 | 1,263,259 |
| Total liabilities and shareholders' equity | | \$ 1,910,900 | \$ 1,732,384 |
| Nature of operations and going concern | 1 | | |
| Signed on behalf of the Board of Directors: | | | |
| <i>"James Trusler"</i> | | <i>"Bruce Reilly"</i> | |
| _____ Director | | _____ Director | |

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

Platinex Inc.

Condensed Interim Consolidated Statements of Changes in Equity
Unaudited - Expressed in Canadian Dollars
For the Nine Months Ended September 30, 2016 and September 30, 2015

| | Share Capital | Shares to be Issued | Contributed Surplus | Share Warrant Reserve | Accumulated Deficit | Total |
|-----------------------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|---------------------|
| Balance December 31, 2014 | \$ 6,122,799 | \$ 0 | \$ 707,133 | \$ 10,500 | \$ (5,534,230) | \$ 1,306,202 |
| (Loss) for the period | 0 | 0 | 0 | 0 | (44,876) | (44,876) |
| Share capital issued | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options granted | 0 | 0 | 0 | 0 | 0 | 0 |
| Warrants issued | 0 | 0 | 0 | 0 | 0 | 0 |
| Warrants expired | 0 | 0 | 10,500 | (10,500) | 0 | 0 |
| Share issue costs | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance September 30, 2015 | <u>\$ 6,122,799</u> | <u>\$ 0</u> | <u>\$ 717,633</u> | <u>\$ 0</u> | <u>\$ (5,579,106)</u> | <u>\$ 1,261,326</u> |
| Balance December 31, 2015 | \$ 6,122,799 | \$ 18,500 | \$ 732,633 | \$ 0 | \$ (5,610,673) | \$ 1,263,259 |
| (Loss) for the period | 0 | 0 | 0 | 0 | (255,064) | (255,064) |
| Share capital issued | 66,721 | (18,500) | 0 | 0 | 0 | 48,221 |
| Stock options granted | 0 | 0 | 152,902 | 0 | 0 | 152,902 |
| Warrants issued | 0 | 0 | 0 | 281,279 | 0 | 281,279 |
| Warrants expired | 0 | 0 | 0 | 0 | 0 | 0 |
| Share issue costs | (27,935) | 0 | 0 | 0 | 0 | (27,935) |
| Balance September 30, 2016 | <u>\$ 6,161,585</u> | <u>\$ 0</u> | <u>\$ 885,535</u> | <u>\$ 281,279</u> | <u>\$ (5,865,737)</u> | <u>\$ 1,462,662</u> |

Nature of operations and going concern (note 1)

Platinex Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
Unaudited - Expressed in Canadian Dollars
For the Three and Nine Months September 30, 2016 and September 30, 2015

| | Note | Three Months Ended | | Nine Months Ended | |
|--|------|---------------------|--------------------|---------------------|--------------------|
| | | Sept. 30, 2016 | Sept. 30, 2015 | Sept. 30, 2016 | Sept. 30, 2015 |
| Expenses | | | | | |
| Audit and legal | | \$ 5,262 | \$ 22,191 | 11,449 | \$ 23,236 |
| Consulting fees | | 12,000 | 0 | 24,000 | 0 |
| Depreciation | 4 | 109 | 156 | 327 | 468 |
| Interest | | 0 | 0 | 0 | 2,604 |
| Office and general | | 8,451 | 1,886 | 31,447 | 7,267 |
| Management fees | | 19,500 | 0 | 19,500 | 0 |
| Rent | | 3,708 | 0 | 3,708 | 708 |
| Regulatory fees | | 3,311 | 3,141 | 11,731 | 10,593 |
| Stock based compensation | | 152,902 | 0 | 152,902 | 0 |
| Total expenses | | <u>(205,243)</u> | <u>(27,374)</u> | <u>(255,064)</u> | <u>(44,876)</u> |
| Net and comprehensive loss for the period | | <u>\$ (205,243)</u> | <u>\$ (27,374)</u> | <u>\$ (255,064)</u> | <u>\$ (44,876)</u> |
| Loss per common share, basic and diluted | 8 | <u>\$ (0.0036)</u> | <u>\$ (0.0005)</u> | <u>\$ (0.0045)</u> | <u>\$ (0.0009)</u> |
| Nature of operations and going concern | 1 | | | | |

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

Platinex Inc.

Condensed Interim Consolidated Statements of Cash Flow
Unaudited - Expressed in Canadian Dollars
For the Nine Months Ended September 30, 2016 and September 30, 2015

| | Note | Nine months ended September 30, 2016 | Nine months ended September 30, 2015 |
|---|------|---|---|
| Cash flows from operating activities | | | |
| Net and comprehensive loss for the period | | \$ (255,064) | \$ (44,876) |
| Adjustments to reconcile net and comprehensive loss to net cash used in operating activities: | | | |
| Depreciation | | 327 | 468 |
| Stock based compensation | | 152,902 | 0 |
| Changes in non-cash working capital balances: | | | |
| HST receivable | | (14,441) | 22,456 |
| Accounts payable | | (52,563) | 15,270 |
| Due to related parties | | 31,676 | 6,842 |
| Total cash flows from operating activities | | <u>(137,163)</u> | <u>160</u> |
| Cash flows from investing activities | | | |
| Exploration and evaluation assets | | <u>(59,522)</u> | <u>0</u> |
| Total cash flows from investing activities | | <u>(59,522)</u> | <u>0</u> |
| Cash flows from financing activities | | | |
| Share capital issued | 5c | 18,221 | 0 |
| Warrants issued | 6a | 281,279 | 0 |
| Cost of share issuance | | <u>(27,935)</u> | <u>0</u> |
| Total cash flows from financing activities | | <u>271,565</u> | <u>0</u> |
| Increase in cash during the period | | 74,880 | 160 |
| Cash at beginning of period | | <u>5,491</u> | <u>636</u> |
| Cash at end of period | | <u>\$ 80,371</u> | <u>\$ 796</u> |
| Nature of operations and going concern | 1 | | |

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

Platinex Inc.

Notes to the Condensed Interim Consolidated Financial Statements
Unaudited - Expressed in Canadian Dollars
For the Nine Months Ended September 30, 2016 and September 30, 2015

1. NATURE OF OPERATIONS AND GOING CONCERN

Platinex Inc., which together with its subsidiary is collectively referred to as the "Company", is a Canadian company whose business activity is the exploration and evaluation of mineral properties in Canada. Platinex Inc. (the "Company") was incorporated under the Ontario Business Corporations Act on August 12, 1998.

The Company is listed on the TSX Venture Exchange, having the symbol PTX-V, as a Tier 2 mining issuer. The address of the Company's corporate office and principal place of business is 807-20 William Roe Blvd., Newmarket, Ontario, Canada.

These condensed interim consolidated financial statements of the Company for the nine months ended September 30, 2016 and September 30, 2015 were approved and authorized for issue by the Board of Directors on November 28, 2016.

The Company has interest in mineral properties located in Canada which are presently at the exploration and evaluation stage. Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets.

For the nine months ended September 30, 2016, the Company generated a net loss of \$255,064 (for the nine months ended September 30, 2015 – net loss of \$44,876), the deficit as at September 30, 2016 amounted to \$5,865,737 (\$5,610,673 as at December 31, 2015) and negative cash flow from operations amounted to \$137,163 (positive cash flow from operations amounted to \$160 as at September 30, 2015).

Management estimates that the funds available as at September 30, 2016 may not be sufficient to meet the Company's obligations and budgeted expenditures through December 31, 2016. The Company will have to raise additional funds to continue operations. The Company is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. Although there is no assurance that the Company will be successful in these actions, management is confident that it will be able to secure the necessary financing through the issuance of new debt and equity. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Although these condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, the above-noted facts and circumstances cast significant doubt on the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported revenues and expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION

a) Basis of Presentation and Measurement

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and under the historical cost method, except for certain financial instruments measured at fair value.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the years ended December 31, 2015 and December 31, 2014 which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods adopted are consistent with those disclosed in Note 3 to the Company's consolidated financial statements for the years ended December 31, 2015 and December 31, 2014.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim consolidated financial statements are disclosed in note 4 of the Company's consolidated financial statements as at and for the years ended December 31, 2015 and December 31, 2014.

Platinex Inc.

Notes to the Condensed Interim Consolidated Financial Statements
Unaudited - Expressed in Canadian Dollars
For the Nine Months Ended September 30, 2016 and September 30, 2015

3. EXPLORATION AND EVALUATION ASSETS

| | Shining Tree | South McFaulds | Total |
|--------------------------------------|--------------|----------------|--------------|
| Balance at December 31, 2014 | \$ 1,723,083 | \$ 0 | \$ 1,723,083 |
| Exploration costs | 0 | 0 | 0 |
| Impairment loss | 0 | 0 | 0 |
| Balance at December 31, 2015 | \$ 1,723,083 | \$ 0 | \$ 1,723,083 |
| Exploration costs | 89,522 | 0 | 89,522 |
| Impairment loss | 0 | 0 | 0 |
| Balance at September 30, 2016 | \$ 1,812,605 | \$ 0 | \$ 1,812,605 |

a) Shining Tree Property, Ontario

In 2011 the Company vested an option agreement with Skead Holdings Ltd., with respect to 139 claim units (5,680 acres or 2,299 ha), situated in Churchill, MacMurphy and Asquith Townships in Ontario (the "Shining Tree property"). The Company now holds a 100% interest in the claims subject to a 3% NSR and subject to advance royalty payments of \$73,000 on April 11, 2018 and \$10,000 per year commencing on April 2019. Further Platinex may after making the \$73,000 payment eliminate the requirement for future advance royalty payments by making a one-time advance royalty payment of \$100,000. The 139 claim units have been placed in a trust and will revert to Skead Holdings Ltd. should the Company fail to make the \$73,000 advance royalty payment due in April 2018. Conversely, upon the Company making the \$73,000 payment the claims will be released from trust to the Company. In two thirds of the 3% NSR may be reduced by payment of: \$75,000 for each one-quarter percent for the first one-half percent; \$150,000 for each one-quarter percent for the second one-half percent; \$250,000 for each one-quarter percent for the third one-half per cent, and; \$400,000 for each one-quarter percent for the final one-half percent (\$1.75 million in aggregate). If Skead Holdings Ltd wishes to sell the residual royalty interest the Company retains a right of first refusal to purchase the NSR. On May 10, 2012 the Company acquired a lease (40 acres, 16 ha) from Gary John McBride for 200,000 shares of the Company. The lease is central to the Shining Tree property.

The Company entered into two agreements in August 2016 which significantly expand the size and potential of its Shining Tree gold property. Platinex has entered into an option agreement with Skead Holdings Ltd. and Ashley Gold Mines Limited, with respect to certain claims situated in Churchill, MacMurphy and Asquith Townships, in Ontario. Platinex has the right to acquire a 100%-interest in the 48 claim units and 50% interest in a further 8 claim units (896 ha or 2,240 acres), subject to a 2% NSR, by issuing 200,000 shares of Platinex, and by making cash payments (or share equivalent) of \$95,000 and by incurring property expenditures of \$500,000 during the ensuing four-year period to August 17, 2020. Platinex has also entered into an agreement with two prospectors to purchase 100% interest in four claims comprising 20 claim units (320 ha or 800 acres) in Churchill, MacMurphy and Asquith Townships, in Ontario by issuing 400,000 shares of Platinex. The property acquisition has encircled the former producing Ronda Gold Mine and enhances the Shining Tree property exposure to the intersection of a major east-west gold bearing structure and a north-south fault. The combined property created by the acquisitions comprises 216 claim units (3,456 ha (8,640 acres)).

The Company SEDAR-filed its NI 43-101 technical report dated October 2, 2008, by J.G. Bryant and D. Jamieson (the "Report") which examines the Herrick gold deposit on Shining Tree property and seven other known gold prospects, some of which have been explored underground. The Report qualifies the sampling and drilling work by Unocal (1989) and Fort Knox (1990) compliant with NI 43-101 standards.

Since commencement of exploration in 2008, an airborne geophysical survey, stripping, trenching, sampling, induced polarization and magnetometer surveys, glacial till sampling and the drilling of 64 holes for a total of 8,393 m have been completed. A provincially significant anomaly comprising high counts of gold grains and nuggets has been defined covering a large portion of the property and the geological interpretation of this feature is that it has been generated by nearby sources, not necessarily but probably, underlying the Shining Tree property. Channel and composite grab sampling of 72 sections covering a length of 361 m of the Herrick deposit averages 6.98 g/t Au

Platinex Inc.

Notes to the Condensed Interim Consolidated Financial Statements
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For the Nine Months Ended September 30, 2016 and September 30, 2015

3. EXPLORATION AND EVALUATION ASSETS continued

a) Shining Tree Property, Ontario continued

/1.9 m average true width. Fifty nine qualified drill holes along the same length to a depth of 300m returned average grades from the Central Zone of 2.16 g/t Au / 2.9 m true width. One of the deeper holes returned a 46.1 m mineralized section indicating that the zone is thickening with depth.

b) South McFaulds, Ontario

The South McFaulds 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 30 claim units in one claim block covering 480 ha (1,200 acres). The property adjoins a block held by MacDonald Mines on the northeast. A qualifying report was filed on this property in May, 2011 and an airborne geophysical program was carried out in September, 2011. After filing the report, low priority portions of the property were allowed to lapse. This exploration work has enabled the Company to keep portions of the property in good standing.

4. PROPERTY, PLANT AND EQUIPMENT

| | <u>Computer Equipment</u> |
|--------------------------------------|---------------------------|
| Cost | |
| Balance at December 31, 2014 | \$ 31,764 |
| Additions (disposals) | 0 |
| Balance at December 31, 2015 | \$ 31,764 |
| Additions (disposals) | 0 |
| Balance at September 30, 2016 | \$ 31,764 |
| Depreciation | |
| Balance at December 31, 2014 | \$ 29,685 |
| Depreciation | 624 |
| Balance at December 31, 2015 | \$ 30,309 |
| Depreciation | 327 |
| Balance at September 30, 2016 | \$ 30,636 |
| Carrying amounts | |
| At December 31, 2015 | \$ 1,455 |
| At September 30, 2016 | \$ 1,128 |

Platinex Inc.

Notes to the Condensed Interim Consolidated Financial Statements
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For the Nine Months Ended September 30, 2016 and September 30, 2015

5. SHARE CAPITAL

a) Authorized: Unlimited number of common shares

b) Issued:

| | Number of Shares | Amount |
|---|-------------------------|---------------|
| Balance at December 31, 2014 and 2015 and March 31, 2016 | 52,209,326 | \$ 6,122,799 |
| Share issue (note 5c, 5d,) | 13,320,000 | 66,721 |
| Cost of share issuance | | (27,935) |
| Balance September 30, 2016 | 65,529,326 | \$ 6,161,585 |

- c) On June 28, 2016, the Company completed a private placement of 8,000,000 units at \$0.025 per unit to raise \$200,000. Each unit was composed of one common share and one warrant. The warrants were valued at \$176,000 (refer to note 6b). Each whole warrant is exercisable for a common share of the Company at an exercise price of \$0.05 on or before June 28, 2017 and thereafter at an exercise price of \$0.10. The warrants expire on June 28, 2021 provided that if the average closing price of the Company's common shares is over \$0.20 per share for 20 consecutive trading days ending more than four months after closing of this offering, the Company may give written notice to the holders of the warrants changing the expiry date to a date which is not less than 30 days following that written notice.
- d) On August 17, 2016 the Company entered into an option and claim purchase agreement for a 100% interest in certain mining claims in exchange for 600,000 common shares of the Company @ \$0.05 per share (refer to note 3a).
- e) On August 25, 2016, the Company completed a second and final closing of its previously announced private placement of 4,720,000 units at \$0.025 per unit to raise \$118,000. Each unit was composed of one common share and one warrant. The warrants were valued at \$105,279 (refer to note 6b). Each whole warrant is exercisable for a common share of the Company at an exercise price of \$0.05 on or before August 25, 2017 and thereafter at an exercise price of \$0.10. The warrants expire on August 25, 2021 provided that if the average closing price of the Company's common shares is over \$0.20 per share for 20 consecutive trading days ending more than four months after closing of this offering, the Company may give written notice to the holders of the warrants changing the expiry date to a date which is not less than 30 days following that written notice.

Platinex Inc.

Notes to the Condensed Interim Consolidated Financial Statements
Unaudited - Expressed in Canadian Dollars
For the Nine Months Ended September 30, 2016 and September 30, 2015

6. SHARE BASED PAYMENTS

a) Share Purchase Warrants

| | Number of warrants | Weighted average Exercise price | Value of warrants |
|------------------------------------|--------------------|------------------------------------|-------------------|
| Balance, December 31, 2014 | 1,050,000 | \$ 0.08 | \$ 10,500 |
| Granted, private placements | 0 | 0 | 0 |
| Exercised | 0 | 0 | 0 |
| Expired or cancelled | (1,050,000) | 0.08 | (10,500) |
| Balance, December 31, 2015 | 0 | \$ 0.00 | \$ 0 |
| Granted, private placements | 12,720,000 | 0.09 | 281,279 |
| Exercised | 0 | 0 | 0 |
| Expired or cancelled | 0 | 0 | 0 |
| Balance, September 30, 2016 | 12,720,000 | \$ 0.09 | \$ 281,279 |

| Date of Expiry | Number of Warrants | Exercise Price | Grant Date Fair Value of Warrants |
|----------------|--------------------|----------------|--------------------------------------|
| 25-August 21 | 4,720,000 | \$ 0.09 | \$ 105,279 |
| 28-June 21 | 8,000,000 | \$ 0.09 | \$ 176,000 |
| 30-Sept 15 | 1,050,000 | \$ 0.08 | \$ 10,500 |

The warrants granted were valued using the Black-Scholes option pricing model with the following assumptions, quoted at their weighted averages.

| | 2016 | 2013 |
|-------------------------|---------|-----------|
| Expected dividend yield | 0 | 0 |
| Expected volatility | 168% | 152% |
| Risk free interest rate | 0.59% | 1.19% |
| Expected life | 5 years | 1.5 years |

Platinex Inc.

Notes to the Condensed Interim Consolidated Financial Statements
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6. SHARE BASED PAYMENTS continued

b) Share Purchase 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 and each successive year at the Annual General Meeting.

On April 30, 2014, in exchange for extending the time for payment of an advance royalty payment of \$21,500 the Company agreed to grant Skead Holdings Ltd 100,000 options with a five year term and an exercise price of \$0.10 per share. On May 21, 2014, the Company revised this exercise price to \$0.05 per share.

On May 21, 2014, the Company agreed to grant 1,500,000 options with a five year term at an exercise price of \$0.05 to the directors of the Company; the options were issued on November 30, 2015 after shareholder approval was obtained.

On September 7, 2016, the Company granted an aggregate of 4,700,000 options with a five year term at an exercise price of \$0.05 to the directors, officers and consultants of the Company.

The following is a summary of changes in options from January 1, 2015 to December 31, 2015

| Grant Date | Expiry Date | Exercise Price | Opening Balance | During the Year | | | Closing Balance | Vested and Exercisable | Unvested |
|---------------------------------|-------------|----------------|-----------------|-----------------|-----------|-----------|-----------------|------------------------|----------|
| | | | | Granted | Exercised | Cancelled | | | |
| 06/25/10 | 06/25/15 | \$0.20 | 1,020,000 | 0 | 0 | 1,020,000 | 0 | 0 | 0 |
| 04/01/11 | 04/01/16 | \$0.12 | 1,560,000 | 0 | 0 | 0 | 1,560,000 | 1,560,000 | 0 |
| 04/30/14 | 04/30/19 | \$0.05 | 100,000 | 0 | 0 | 0 | 100,000 | 100,000 | 0 |
| 11/30/15 | 11/30/20 | \$0.05 | 0 | 1,500,000 | 0 | 0 | 1,500,000 | 1,500,000 | 0 |
| | | | 2,680,000 | 1,500,000 | 0 | 1,020,000 | 3,160,000 | 3,160,000 | 0 |
| Weighted average exercise price | | | \$0.15 | \$0.05 | \$0.00 | \$0.20 | \$0.08 | \$0.08 | \$0.00 |

The following is a summary of changes in options from January 1, 2016 to September 30, 2016

| Grant Date | Expiry Date | Exercise Price | Opening Balance | During the Period | | | Closing Balance | Vested and Exercisable | Unvested |
|---------------------------------|-------------|----------------|-----------------|-------------------|-----------|-----------|-----------------|------------------------|----------|
| | | | | Granted | Exercised | Cancelled | | | |
| 04/01/11 | 04/01/16 | \$0.12 | 1,560,000 | 0 | 0 | 1,560,000 | 0 | 0 | 0 |
| 04/30/14 | 04/30/19 | \$0.05 | 100,000 | 0 | 0 | 0 | 100,000 | 100,000 | 0 |
| 11/30/15 | 11/30/20 | \$0.05 | 0 | 1,500,000 | 0 | 0 | 1,500,000 | 1,500,000 | 0 |
| 09/07/16 | 09/07/21 | \$0.05 | 0 | 4,700,000 | 0 | 0 | 4,700,000 | 4,700,000 | 0 |
| | | | 1,660,000 | 6,200,000 | 0 | 1,560,000 | 6,300,000 | 6,300,000 | 0 |
| Weighted average exercise price | | | \$0.08 | \$0.05 | \$0.00 | \$0.12 | \$0.05 | \$0.05 | \$0.00 |

The options granted were valued using the Black-Scholes option pricing model with the following assumptions, quoted at their weighted averages.

| | 2016 | 2015 | 2014 | 2011 | 2010 |
|-------------------------|---------|---------|---------|---------|---------|
| Expected dividend yield | 0% | 0% | 0% | 0% | 0% |
| Expected volatility | 168% | 182.88% | 175.73% | 96.58% | 135.85% |
| Risk-free interest rate | .59% | 1.57% | 1.67% | 2.56% | 2.35% |
| Expected life | 5 years | 5 years | 5 years | 5 years | 5 years |

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7. RELATED PARTY TRANSACTIONS

Remuneration of Directors and key management personnel during the first nine months of 2016 and 2015 was:

| | Nine Months Ended September 30, 2016 | Nine Months Ended September 30, 2015 |
|--------------------------------|---|---|
| Management fees and consulting | \$ 19,500 | \$ 0 |
| Directors fees | 0 | 0 |
| Share-based payments | 81,331 | 0 |
| | <u>\$ 100,831</u> | <u>\$ 0</u> |

At September 30, 2016, due to related parties was \$262,227 (December 31, 2015 - \$230,551) and accounts payable included \$82,490 due to former Directors and Officers (December 31, 2015 - \$110,990).

8. BASIC AND FULLY DILUTED EARNINGS PER SHARE

The following table sets forth the calculation of the basic and diluted earnings per share:

| | Sept. 30, 2016 | Sept. 30, 2015 |
|---|-----------------------|-----------------------|
| Basic loss available to common shareholders | \$ 232,564 | \$ 44,876 |
| Weighted average number of common shares outstanding basic | 55,764,882 | 52,209,326 |
| Basic earnings (loss) per share | <u>\$ 0.0041</u> | <u>\$ 0.0009</u> |
| Weighted average number of common shares outstanding | 56,947,104 | 52,209,326 |
| Assumed exercise of outstanding dilutive options and warrants | 19,620,000 | 1,660,000 |
| Shares purchased from proceeds of assumed exercise options and warrants | <u>(74,490,000)</u> | <u>(36,780,000)</u> |
| Weighted average number of common shares outstanding – diluted | <u>894,882</u> | <u>17,089,326</u> |
| Basic and diluted earnings (loss) per share | <u>\$ (0.0045)</u> | <u>\$ (0.0009)</u> |

The effects of the stock options for the nine months ended September 30, 2016 and 2015 have been excluded from the calculations of diluted earnings per share as it would be anti-dilutive.

9. SUBSEQUENT EVENTS

On November 3, 2016, the Company has entered into an agreement to purchase 70 claim units (1,120 ha or 2,800 acres) in the Shining Tree area located south of Timmins, Ontario. This agreement provides for Platinex to acquire 100% interest in 10 claims located in Churchill, MacMurchy and Fawcett Townships, in Ontario by issuing 398,000 shares of Platinex Inc. The recent Shining Tree gold property acquisitions have increased the project size to 286 claim units (4,576 ha or 11,440 acres). The Shining Tree gold property covers many historic workings, and gold showings with an underexplored area. All weather logging roads provide year round access.

Platinex Inc.

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For the Nine Months Ended September 30, 2016 and September 30, 2015

9. SUBSEQUENT EVENTS continued

On November 25, 2016, the Company completed a non-brokered private placement of 4,580,000 units at \$0.10 per unit to raise \$458,000. Each unit consists of one common share of the Company and one common share purchase warrant of the Company. Each whole warrant is exercisable for a common share of the Company at an exercise price of \$0.125 on or before November 25, 2017 and thereafter at an exercise price of \$0.20. The warrants expire on November 25, 2021 provided that if the average closing price of the Company's common shares is over \$0.20 per share for 20 consecutive trading days ending more than four months after closing of this offering, the Company may give written notice to the holders of the warrants changing the expiry date to a date which is not less than 30 days following that written notice. In connection with the private placement, the Company paid \$19,460 of finder's fees and issued 278,000 broker units which are exercisable into Units within 24 months of the closing date. No insiders participated in the private placement.