



**Platinex Inc.**  
**Management's Discussion and Analysis**  
**For the Three Months Ended March 31, 2017**

# PLATINEX INC.

Management's Discussion & Analysis  
For the Three Months Ended March 31, 2017

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## General

The following Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Platinex Inc. (the "Company") for the three months ended March 31, 2017 and should be read in conjunction with the unaudited condensed interim consolidated financial statements and the notes thereto for the three months ended March 31, 2017 and the audited annual consolidated financial statements and related notes for the years ended December 31, 2016 and December 31, 2015. The financial statements and related notes of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information, including the Company's press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under its profile at [www.sedar.com](http://www.sedar.com).

## Cautionary Statement on Forward Looking Statements

This management's discussion and analysis contains statements about expected future events and financial and operating results of the Company that are forward looking. By their nature, forward looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. These forward-looking statements are based on current expectations. There is substantial risk that forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on the Company's forward-looking statements as a number of factors including economic conditions, technological change, regulatory change, and competitive factors, could cause actual future results, conditions, actions or events to differ materially from targets, expectations, estimates or intentions expressed in the forward-looking statements; many of which are beyond the Company's control.

## Highlights

The Company achieved the following milestones in 2016 through early 2017:

### New Initiatives

In March, 2017 Platinex listed on the Canadian Securities Exchange and voluntarily delisted from the TSX Venture Exchange. The move to the CSE was prompted by favourable reviews of the newer exchange and advice from securities counsel that the Company could not seek to engage in non-mining initiatives without first obtaining a change of business. Further while seeking such change of business Platinex would likely be delisted and there is never a guarantee that a subsequent listing application for a change of business will succeed. Of more importance, Platinex is a mining issuer and does not want to abandon its main business. The Company simply wants the freedom to pursue other entrepreneurial opportunities as presented.

Following on the listing on the CSE, Platinex announced that it has entered the cannabis industry. In particular the Company is seeking to establish an online shopping mall which will initially facilitate exchange of non-regulated, cannabis related items between registered sellers and prospective customers.

Hello Digital Marketing Limited has been commissioned to build the online platform. Work has commenced on the platform and advances in the process are to be revealed on a continuous basis on the two websites [www.CannabisMall.Shop](http://www.CannabisMall.Shop) and [www.CannabisMall.Org](http://www.CannabisMall.Org). Shareholders will be able to view progress and become informed of this exciting development on a timely basis.

Three private subsidiaries have been formed to hold assets of the different company activities: Cannabis Mall Inc. will hold cannabis related assets; South Timmins Mining Inc will hold the Shining Tree property assets, and: Endurance Elements Inc. will hold the platinum and nickel assets. This structure will afford the Company more flexibility to spin off the assets through sale or dividending shares in a new public company.

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## **Shining Tree Gold Property**

- Expanded Property by over 500% with new options and claim purchases increasing exposure to high potential ground near former Ronda Mine workings and acquiring many known gold prospects which are underexplored. Preparation of a new NI 43-101 report on the expanded property has commenced.
- The Company has acquired a 21-km strike length of the Tyrrell-Ridout Deformation Zone between the 10.5 million ounce IAMGOLD Cote Lake gold deposit and the 4 million ounce Tahoe Resources Jubu gold deposit. This deformation zone is up ice from all of the highly anomalous gold in till results on the property and deemed to be a likely source of the anomalous gold results.
- The Tyrrell-Ridout Deformation Zone is deemed to be the southern equivalent of similar major gold hosting deformation zones in the Abitibi and three major discoveries have been made on it in the last ten years.
- An independent valuation of the gold mineralization outlined by drilling in the Herrick gold deposit has been commenced. It will be completed pending additional sampling of core, channel sampling and some fill in drilling.
- Extended time to make advance royalty payments on Shining Tree property to 2018 and made favourable changes to buyback schedule on advance royalties.

## **General Company Developments**

- The second tranche of a \$318,000 equity financing of the Company was completed on August 25, 2016 enabling the Company to clear third-party debt and commence exploration. This was followed by a raise of \$458,000 in November, 2016 to establish a healthy balance sheet.
- In March, 2017, the Company listed on the Canadian Securities Exchange as a mining issuer and voluntarily delisted from the TSX Venture Exchange to pursue normal mineral exploration activities and enable additional opportunistic entrepreneurial initiatives.
- Subsequently Platinex announced that it has entered the cannabis industry and is developing an online shopping mall bringing vendors and buyers together at one destination dedicated to sale of cannabis related products.

## **Overview of Company**

The Company was incorporated on August 12, 1998 under the laws of the Province of Ontario and trades on the Canadian Securities Exchange under the symbol "PTX". The Company is at the exploration and evaluation stage and is engaged in the acquisition, exploration and development of properties for the mining of precious and base metals. The Company is in the process of exploring its resource properties for mineral resources and has not determined whether the properties contain economically recoverable reserves. Recovery of amounts reported for mineral properties and related deferred expenditures is dependent upon the existence of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to conduct exploration and the ability of the Company to recover value for its properties and/or upon future profitable production.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. Recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves and the development and/or sale of such properties at a profit.

The Company has limited financial resources and no operating cash flow. Until profitable production can be reached, the Company is dependent on debt or equity financings and/or the sale, lease or farm-out of assets to provide the funds necessary for the Company's operating and capital expenditures. Although the Company has been successful in the past in obtaining requisite funding, there can be no assurance that additional funding in amounts and on terms satisfactory to the Company will be available on a timely basis to fund the further exploration and development of its properties or to fulfill its obligations under applicable agreements. Failure to obtain such funding has resulted in delays and could in the future result in the delay

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## Overview of Company cont'd

or indefinite postponement of further exploration and development of the Company's properties and in the possible dilution or loss of interests in such properties. If the Company raises additional funding through the issue of equity securities, such financings may dilute the holdings of the Company's existing shareholders.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of development of such properties these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, breakdown in law and order, arbitrary and punitive actions of governments and their failure to comply with their own laws and regulations.

In order to sustain its operations, the Company requires additional funds to discharge its liabilities, conduct work programs and meet overhead expenses. The Company continues to seek capital through various means including farm-out / joint venture partnerships and the issuance of equity or debt.

## Overall Performance and Market

The Company is in the exploration stage on its various properties and therefore it has no revenues to fund such activities. The Company accesses the public markets to finance exploration activity; the ability to raise additional capital is subject to prevailing market conditions. The projects do not have a defined mineral resource in place whereby the Company can establish a measured asset value. However, based on independent NI 43-101 technical reports and / or internal summary reports prepared on Company properties and adjacent properties, further exploration work is warranted.

The market decline has made it very difficult to finance property exploration through issuance of equity. Many junior mining companies trade at a significant discount to the underlying book value of their net assets. In order to attract investment, it is necessary for a company to distinguish itself from its competitors. Therefore, the Company is focusing on completing a financing to continue exploration of the Shining Tree Gold property (described under Properties), which has significant exploration potential.

## Properties

The Company maintains an interest in several gold and PGE properties. Each property requires assessment work to keep it in good standing. Work may involve airborne geophysical surveys, ground geological, geophysical, and geochemical surveys with line-cutting and drilling.

The properties are described below:

### a) Shining Tree Gold Property

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, MacMurchy 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 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 145 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. 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)

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## Properties – cont'd

### a) Shining Tree Gold Property – cont'd

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 and 4 agreements in November, 2016, January, 2017, March, 2017 and April, 2017 and staked claims in December, 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, MacMurchy 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 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, MacMurchy and Asquith Townships, in Ontario by issuing 400,000 shares of Platinex. Platinex subsequently entered into four agreements with one prospector to purchase 100% interest in: ten claims comprising 70 claim units (1,120 ha or 2,800 acres) for 398,000 shares on Nov. 3, 2016; four claims comprising 43 claim units (688 ha. Or 1,720 acres) for 71,429 shares on January 25, 2017; eight claims comprising 96 claim units (1,536 ha or 3,840 acres) for 86,705 shares on March 30, 2017; and 21 claims comprising 267 claim units (4,272 ha or 10,680 acres) for shares on April 20, 2017. Platinex also staked claims comprising 45 claim units (720 ha or 1,800 acres). Six claim units were subsequently included in the Skead Agreement.

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, the Tyrrell-Ridout Deformation Zone and a north-south fault. In particular, Platinex has focussed on acquisition of the recently mapped expression of the Tyrrell-Ridout Deformation Zone as it represents a possible source of the significant gold in till anomalies. The combined property created by the acquisitions comprises 742 claim units (11,872 ha (29,680 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 the 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.

The property is underlain by a northwest trending, steeply dipping, sequence of felsic to mafic metavolcanic rocks overlain by Temiskaming or Porcupine aged metasedimentary rocks and intruded by irregular trachyte porphyries and syenite stocks of Early Precambrian age.

### b) Herrick Deposit

Shining Tree's Herrick deposit was discovered in 1918 and subsequently was developed by a 94 m shaft with 345 m of lateral development on two veins. In 1989 Unocal Ltd. evaluated the historic data and, based on that, stated a potential for the system to carry 5,716 tonnes per vertical metre at 7.2 g/t Au over a width of 1.8 m (400 ounces per vertical foot), Unocal carried out diamond drilling of 11 holes for 1,473m and collected 201 channel samples and 35 composite grab samples on the Herrick vein. In 1990 Fort Knox Gold Inc. followed this work with 45 further channel samples and confirmed the presence of gold mineralization over a 385m strike length, obtaining samples grading up to 56.5 g/t Au over 1.0 m.

The Report states that, "Judging from evidence of previous results on the Herrick deposit there is a potential to outline a small commercial gold deposit. On a larger scale the bulk of the property may be at the low temperature top of an epithermal system that could well be associated with a world-class gold deposit at depth."

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### **Properties - continued**

#### **b) Herrick Deposit - continued**

Gold geologists recognize that the Shining Tree property is located on the westward extension of the Cadillac Malartic/Larder fault systems or a parallel fault system, which is locally named the Tyrrell-Ridout Deformation Zone, that are associated with several gold deposits that contained between 10 and 30 million ounces of gold. Moreover, the least explored southwestern Abitibi has received additional attention in recent years resulting in the discovery of some of the larger gold deposits in the Abitibi region on three sides of the Shining Tree property.

The central zone of the Herrick deposit outcrops for most of its length and is a continuously readily definable body. The valuation also identified thicker gold zones between intersecting veins in some holes and in outcrops which are not included in the calculations. These structures plunge vertically providing a prospective target for deeper exploration. There is an undefined potential for a southwesterly plunging thickened enriched section that could contain from a depth of 300m to 1,500m some 14.6 million tonnes at a grade ranging from 2.0 to 5.0g/tonne Au for a gold content of 1.0 to 2.4 million ounces. The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the delineation of a mineral resource. The internal valuation was conducted by a qualified person who is not independent of the issuer and therefore according to standards set forth in National Instrument 43-101 no resource estimate is available. More sampling of existing core and stripping of identified thicker mineralized zones where these projects to surface, is warranted and could increase the potential within the exploration envelope.

Along the 380m length of the Herrick Central Zone 72 channel and composite grab sample sections have averaged 6.99 g/t Au / 1.9m true width. Drilling of the same zone to a depth of 300m below surface in 59 drill holes has averaged 2.16 g/t Au / 2.9 m true width. The mineralized zone appears to be thickening at depth with zone widths of up to 46.1 m recorded in drilling.

Platinex has commissioned an independent valuation of the Herrick deposit. Authors of the independent valuation recommended that more drilling and sampling is required to establish the resource within the area that has been drilled. This assessment will be considered in light of the additional opportunities recently acquired on the property in order to revise priorities for future exploration.

#### **c) Gold in Glacial Till**

Since October 2008, the Company has carried out an exploration program on the property. Particular interest is focused on 446 samples recovered from basal till that have been processed by Overburden Drilling Management. Many of the samples contain pristine gold grains indicating a nearby bedrock source. In addition, 169 samples each returned more than ten gold grains (up to 144 gold grains in one sample) that suggest several nearby previously unexplored gold occurrences in the bedrock.

Noticeably a line of the highest counts was obtained along 9 km easterly trending shear believed to be the Larder Lake Break or an associated splay fault and correlating with XDS ORTHO anomalies and circumscribing a syenite stock. In fact a pattern that has resulted from recognition of the syenite stock is that the better gold grain counts tend to correlate with the observed margins of the syenite stock. The occurrence, distribution and density of high gold counts are similar to such patterns over the Timmins and Matachewan gold camps. The Company views this result as the initial step in locating and identifying one or more major gold deposits, potentially leading to a new major gold camp. Acquisition of a significant strike extent along the Tyrrell-Ridout Deformation Zone will give Platinex access to a very prospective source for the gold in till anomalies. Ironically the deformation zone is largely unexplored.

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### Properties - continued

#### d) Exploration by the Company

Gold is the best pathfinder to gold, intuitively providing the most direct path to a significant discovery. Less direct indicators of gold including other geochemical, geophysical and geological expressions are less reliable indicators of gold in the ground. Not all major gold deposits in glaciated terrains provide evidence of their existence through gold dispersion trains. However, gold dispersion trains are always pathfinders

to sources of gold in place and major gold dispersion trains are either associated with major gold deposits or multiple spatially concentrated gold deposits. This is the promise of the Shining Tree property.

The exploration program in 2008 and 2009 included an airborne geophysical survey, till sampling, and 26 drill holes for a total of 1,270 m of diamond drilling. In 2010, a comprehensive program of drilling on the Herrick deposit (23 holes for 4,253m) till sampling, and stripping was carried out to further evaluate the potential of the property. A substantial program of channel sampling was carried out on the Caswell prospect. In 2011 three holes for 930m were drilled on the Herrick deposit and seven holes for 1,070m was carried out to test the Caswell trenches. Several good results were obtained including an assay of 18.75g/Au over 0.5m within a broader zone assaying 4.5g/t over 2.52m.

In 2010, the Company retrieved documents revealing results of testing near the old Westree or Caswell mine workings of its Shining Tree claim group in which a trench was bulk sampled in 1975 with 551 lbs (250.5kg) of vein material returning 2.960 oz/ton gold (101.3 g/t) and 1206.41 oz/ton silver (41,271.3 g/t) and 572 lbs (260.0 kg) of wall rock material returning 0.224 oz/ton Au (7.7 g/t) and 368.9 oz/ton silver (12,620.1 g/t). A second bulk sample consisting of 1742 pounds (791.8 kg) of vein material taken approximately 125 feet (38.1m) west of the first sample returned 32.77oz./ton silver (1120.7g/t) and trace gold. A 100 lb (45.45kg) grab sample of muck and rock taken from the trench between these samples returned 2.033 oz./ton gold (69.53g/t) and 1.08 oz./ton silver (36.94g/t). These results have been verified but require qualification. Stripping was carried out in the autumn of 2010 and drilling of seven holes was completed for 1,070m in April 2011. All of the holes intersected gold mineralization with one hole intersecting a potentially commercial value. A nine km Pole-dipole IP survey was completed in March 2012 by JVX Ltd. Following the IP survey, a five hole 870m drilling program was carried out on previously undrilled portions of the property to test five very strong IP anomalies spatially associated with gold in till anomalies. All of the holes intersected thick zones of mineralization and/or alteration. Logging, sampling and assaying of the core is partly completed and initial results reported. One hole intersected unmineralized, chloritized syenite with a few randomly selected character samples returning anomalous values up to 327 ppb Au. The strong IP response was unexplained. This area and its strike projections are a high priority for follow up exploration.

The clustering of the higher gold in till counts near the margins of a syenite stock is suggestive of a prominent, recognizable, and readily explorable, geological environment on a large portion of the original property. Subject to the availability of financing, further drilling is planned to follow up till and IP results and to further expand the known size of the Herrick deposit. In addition, a 16 km strike length of the Tyrrell-Ridout Deformation Zone has now been acquired and exploration of this prospective target is also high priority.

The Ontario Department of Mines reported in 1934 that visible gold and significant gold values over 0.5 opt were returned from channel samples on the principal N60E trending Churchill veins in the southeast part of the zone, where secondary veins in the area also showed gold values of up to 6.96 g/t. Select grab samples from the old Pet Vein on the Churchill Mining property, taken by Vernon Drylie (P.Eng.) for Creso Exploration in 2009, responded well to initial enhanced gravity concentration testing undertaken by the Knelson Research and Technology Centre, with feed material grading 14.7 g/tonne Au gave a Knelson concentrate grading 724.1 g/tonne Au at 39% Au recovery, in a mass pull of 0.8%, indicating good grade enhancement by gravity concentration techniques. The drilling and surface sampling conducted in 2010 exposed a broad zone of low grade gold mineralization in a formational zone of jasper iron formation and

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### **Properties - continued**

#### **d) Exploration by the Company cont'd**

carbonates. Sampling by The Company in the summer of 2011 returned values in grab samples up to 181 g/t Au from the Pet Vein.

#### **e) Memorandum of Understanding**

In July 2013, the 2009 exploration agreement with Mattagami First Nation was amended to include the Matachewan First Nation. A mineral exploration plan under the New Ontario Mining Act has been submitted and approved and an exploration permit has been issued by the Ontario government (refer to overall performance page 3). However, both the plan and the permit have expired and new plans and permits are being prepared for submission.

#### **f) Nabish Lake**

On August 11, 2014, Platinex acquired an option to purchase the Nabish Lake Ni-Cu-PGE property located 20 kilometres south of the Town of Dryden, Ontario. The property comprises 94 claim units covering 1,504 hectares of the Nabish Lake mafic intrusive complex. The intrusion is one of several mineralized, well layered, mafic to ultramafic intrusions that ring the large Atikwa Batholith. Documents on record with the Ontario Ministry of Northern Development and Mines report samples collected on the property have returned values of up to 3.5% Ni, 6.5% Cu and anomalous levels of PGE. In addition, an airborne VTEM survey over a portion of the property has outlined several unexplained geophysical conductors worthy of drill testing.

On August 11, 2014, Rubicon Minerals Corporation agreed to grant the Company a four-year option to purchase a one hundred percent (100%) undivided interest in 10 unpatented mining claims, subject to a 1.5% NSR, in exchange for 800,000 common shares of Platinex and \$70,350 to be paid by the fourth anniversary according to a prescribed payment schedule. An initial issuance of 200,000 common shares recorded at the fair market value of \$0.01 per share was made on August 19, 2014 and the first payment for \$7,350 was to be made on the earlier of four months after signing or receipt of drilling permits and exploration financing; the payment is in default as at May 29, 2015. A second optional payment of \$6,000 on August 11, 2015 and a third payment of \$10,000 on August 10, 2016 have not been made. The property comprises 10 claims for 92 claim units covering 1,504 hectares of the Nabish Lake mafic intrusive complex.

For the purpose of this Management's Discussion and Analysis James R. Trusler, P.Eng., President and CEO of the Company is the Qualified Person.

#### **Former Big Trout Lake Property, Ontario**

As described in detail in the Management Discussion and Analysis for the year ended December 31, 2009, the Company made considerable efforts to attain lawful access to its property for the purpose of exploration through attempts to consult, engage and accommodate KI and then through litigation.

The claims and leases were surrendered in December 2009 to the Ontario government in return for a payment of \$5,000,000 plus additional mediation and negotiation costs totaling \$377,056 and a retained 2.5% Net Smelter Royalty interest.

Discussions with several parties are proceeding to sell the royalty in whole or in part as an alternative to other financing initiatives currently being pursued by the Company. An internal evaluation of the royalty was completed in 2014 for that purpose.



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### Private Placements

For further detail regarding share capital issuances, see the audited consolidated financial statements and related notes for the years ended December 31, 2016 and December 31, 2015. Proceeds from non-flow through common shares are used for administrative expenses and working capital. Proceeds from issuance of flow-through common shares are used for mineral exploration on the Company's Canadian mineral properties qualifying as Canadian Exploration Expense (CEE) under the *Income Tax Act (Canada)* enabling the subscriber to obtain applicable tax credits and deductions.

On May 12, 2016, the Company announced a non-brokered private placement (the "Private Placement") of a minimum of 8,000,000 units ("Units") and up to 15,000,000 Units at \$0.025/Unit to raise a minimum of \$200,000 and a maximum of \$375,000. Each Unit comprised one common share ("Common Share") of the Company and one warrant ("Warrant") of the Company.

On June 28, 2016, the Company completed the first tranche of the private placement of 8,000,000 units at \$0.025 per unit to raise \$200,000. The warrants were valued at \$176,000. 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 \$0.15 for 20 consecutive days four months after the initial closing of the Private Placement, or if the average closing price of the Common Shares trade at a price of \$0.20 per share for 20 consecutive trading days ending more than twelve 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.

On August 25, 2016, the Company completed the second tranche of the private placement of 4,720,000 units at \$0.025 per unit to raise \$118,000. 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 \$0.15 for 20 consecutive days twelve months after the initial closing of the Private Placement, or if the average closing price of the Common Shares trade at a price of \$0.20 per share for 20 consecutive trading days ending more than twelve months after the initial 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.

On November 25, 2016, the Company completed a private placement of 458,000 units at \$0.10 per unit to raise \$458,000. Each unit comprised one common share and one warrant. Each Warrant is exercisable into a Common Share at an exercise price of \$0.125 on or before the date which is 12 months after the first closing of the Private Placement and thereafter at an exercise price of \$0.20 on or before the date which is 60 months after the first closing of the Private Placement. Provided that if the average closing price of Common Shares trade at a price of \$0.20 for 20 consecutive days four months after the closing of the Private Placement, or if the average closing price of the Common Shares trade at a price of \$0.30 for 20 consecutive days 12 months after the closing Platinex 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.

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#### Summary of Quarterly Results

The following table sets out financial performance highlights for the last eight fiscal quarters.

##### Operations:

	Mar-17	Dec-16	Sept-16	Jun-16	Mar-16	Dec-15	Sept-15	Jun-15
		\$	\$	\$	\$	\$	\$	\$
Expenses	169,720	76,907	205,243	39,750	10,070	31,567	23,374	9,445
Net loss	169,720	76,907	205,243	39,750	10,070	31,567	23,374	9,445
Loss per share basic	.023	0.0012	0.0034	0.0007	0.0002	0.0002	0.0005	0.0002
Loss per share fully diluted	.020	0.0012	0.0034	0.0007	0.0002	0.0002	0.0005	0.0002

##### Financial Position:

Financial Position	Mar-17	Dec-16	Sept-16	Jun-16	Mar-16	Dec-15	Sept-15	Jun-15
	\$	\$	\$	\$	\$	\$	\$	\$
Total assets	2,215,935	2,239,786	1,910,900	1,890,035	1,731,142	1,732,384	1,730,472	1,753,914
Total long-term Liabilities	-	-	-	-	-	-	-	-
Shareholders' Equity	1,972,615	1,948,166	1,462,662	1,371,284	1,253,189	1,263,259	1,261,326	1,288,700

#### Results of Operations – Quarter Ended March 31, 2017

In the first quarter of 2017, the Company's operations were focused on fund raising and developing its emerging business opportunities. The Company's first quarter 2017 expenses of \$160,720 increased materially from the \$10,070 of expenses incurred in the first quarter of fiscal 2016 due to increased legal costs related to the CSE listing, increased consulting expenses related to developing business opportunities, increased management and director's fees due to the resumption of operations. The resulting fiscal 2017 first quarter loss was \$160,720 and the 2016 first quarter loss was \$10,070; the fiscal 2017 first quarter basic loss per share of \$0.0023 as compared to a fiscal 2016 first quarter loss per share of \$0.0002.

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#### Liquidity and Capital Resources

At March 31, 2017, the Company reported a working capital of \$10,473 (\$50,249– December 31, 2016) and cash balances of \$175,812 (\$267,843 – December 31, 2016).

	<b>March 31</b>	<b>December 31</b>
	<b>2017</b>	<b>2016</b>
Cash	\$ 175,812	\$ 267,843
Current assets	77,981	74,026
Current liabilities	(243,320)	(291,620)
Working capital (deficiency)	\$ 10,473	\$ 50,249

Working capital (deficiency) is defined as current assets net of current liabilities, which is a non-GAAP measure. Non-GAAP financial measures do not have any standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. However, management believes that it is a useful in assessing the Company's liquidity.

The Company has limited financial resources and no source of operating revenue. In the past, it has relied on debt/equity financings to maintain its exploration, environmental permitting, and engineering and development activities and meet its administrative costs. The Company continues to seek capital through various means including the possible joint venturing of a direct interest in its projects and by the issuance of equity and/or debt. If the Company experiences significant delays in obtaining additional funding necessary to fund its ongoing operating and capital requirements, this may have a material adverse impact on the Company's financial condition, business and plan of operations.

The mineral properties in which the Company currently has an interest are in the exploration stages and, consequently, the Company has no current source of operating revenue and is dependent on external financing to fund continued exploration and development of its mineral properties. Historically, the

Company's principal sources of funding have been the issuance of equity securities for cash and interest income from short-term investments.

The challenging financial markets currently faced by companies in the junior mining sector generally, have had a significant adverse affect on the Company's share price and on its ability to raise additional funds through equity financings on a timely basis. The Company has taken steps to conserve cash pending completion of additional financings.

#### Transactions with Related Parties

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals. Related party transactions are conducted in the normal course of operations and are measured at the exchange value (the value amount established and agreed to by the related person).

The following summaries the Company's related party transactions for the first quarters of 2017 and 2016:

	<b>2017</b>	<b>2016</b>
Rent paid	\$ 3,000	\$ -
Exploration and evaluation assets	\$ 2,069	\$ -
Accounts payable	\$ 166,823	\$ 230,551

## PLATINEX INC.

Management's Discussion & Analysis  
For the Three Months Ended March 31, 2017

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### Transactions with Related Parties cont'd

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company. Company's key management personnel include the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary.

Remuneration of Directors and key management of Company for the first quarters of 2017 and 2016 was as follows:

	2017	2016
Director fees	\$ 9,000	\$ -
Management fees	\$ 30,811	\$ -

### Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

### Proposed Transactions

There are no material decisions by the Board of Directors of the Company with respect to any imminent or proposed transactions that have not been disclosed.

### Critical Accounting Estimates and Judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of the Company's assets and liabilities are disclosed in note 4 to the audited annual consolidated financial statements for the years ended December 31, 2016 and 2015.

### Accounting Policies

No new accounting policies were adopted in the first quarter of fiscal 2017.

### Financial Instruments and Risk Factors

The Company has designated its cash as held-for-trading, measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at March 31, 2017 and December 31, 2016, the carrying value of the Company's financial instruments represent their fair value.

The Company's risk exposures and the impact on the Company's financial instruments are disclosed in note 10 to the audited annual consolidated financial statements for the years ended December 31, 2016 and 2015.

# PLATINEX INC.

## Management's Discussion & Analysis For the Three Months Ended March 31, 2017

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### Subsequent Events

- a) On April 4, 2017, 600,000 warrants having an exercise price of \$0.05 were exercised for 600,000 common shares of the Company.
- b) On April 5, 2017, 400,000 warrants having an exercise price of \$0.05 were exercised for 400,000 common shares of the Company.
- c) On April 12, 2017, 150,000 warrants having an exercise price of \$0.05 were exercised for 150,000 common shares of the Company.
- d) On April 18, 2017, 100,000 options having an exercise price of \$0.05 were exercised for 100,000 common shares of the Company.
- e) On April 20, 2017, the Company entered into a claim purchase agreement for a 100% interest in 267 mining claims in the Shining Tree area of Ontario. On April 24, 2017, the Company issued 391,250 common shares of the Company @ \$0.12 per share in settlement of the purchase price payable.
- f) On May 16, 2017, 700,000 warrants having an exercise price of \$0.05 were exercised for 700,000 common shares of the Company.

### Additional Disclosure for Venture Issuers without Significant Revenue

The accumulated costs relating to the Company's interests in mineral properties are detailed in the unaudited condensed interim consolidated financial statements and notes for the three months ended March 31, 2017 and 2016 and the annual consolidated financial statements and notes for the years ended December 31, 2016 and 2015.

### Disclosure of Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares, and on March 31, 2017 75,587,460 common shares were issued (72,227,326 – December 31, 2016); as at May 29, 2017, 77,928,710 common shares were issued. As at March 31, 2017, there were 4,430,000 options outstanding with a weighted average exercise price of \$0.05 expiring between April 30, 2019 and September 7, 2021. As at the same date, there were 15,041,200 warrants outstanding with a weighted average exercise price of \$0.12 expiring between June 28, 2021 and November 25, 2021. From April 1 to May 29, 2017, 1,850,000 warrants were exercised at an exercise price of \$0.05; from April 1 to May 29, 2017, 100,000 options were exercised at an exercise price of \$0.05. As at May 29, 2017 there were 4,330,000 options outstanding and 13,191,200 warrants outstanding.

### Disclosure Controls and Internal Controls Over Financial Reporting

#### Management's Report on Disclosure Controls and Procedures

Disclosure controls and procedures have been designed with reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under the supervision of the President and Chief Executive Officer is responsible for the design and operations of disclosure controls and internal control over financial reporting. There have been no changes in the Company's disclosure controls and procedures during the three months ended March 31, 2017.

## **PLATINEX INC.**

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For the Three Months Ended March 31, 2017

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### **Internal Control over Financial Reporting**

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles. However, the Company's management, including its Chief Executive Officer and Chief Financial Officer, believe that due to inherent limitations, internal control over financial reporting may not prevent or detect all misstatements and fraud on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

There have been no changes in the Company's internal control over financial reporting during the three months ended March 31, 2017 that have materially affected or are reasonably likely to materially affect, the Company's internal control over financial reporting.

May 29, 2017