Platinex Inc.

Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2019

Expressed in Canadian Dollars

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Platinex Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

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

		As at March 31, 2019		As at December 31, 2018
ASSETS				
Current assets				
Cash	**$**	**8,791**	$	13,797
HST receivable		**43,668**		46,052
Prepaid expenses		**10,000**		10,000
Total current assets		**62,459**		69,849
Non-current assets				
Exploration and evaluation assets (notes 3 and 8)		**71,209**		35,000
Equipment		**1,269**		1,372
Total non-current assets		**72,478**		36,372
Total assets	**$**	**134,937**	$	106,221
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
Current liabilities				
Accounts payable and accrued liabilities (note 8)	**$**	**334,273**	$	294,829
Total liabilities		**334,273**		294,829
Shareholders' deficiency				
Share capital (note 5)		**8,201,219**		8,165,219
Share warrant reserve (note 6)		**557,058**		557,058
Contributed surplus (note 7)		**1,306,406**		1,306,406
Accumulated deficit		**(10,264,019)**		(10,217,291)
Total shareholders' deficiency		**(199,336)**		(188,608)
Total liabilities and shareholders' deficiency	**$**	**134,937**	$	106,221

Nature of operations and going concern (note 1)
Commitments and contingencies (note 10)
Subsequent events (note 11)

Platinex Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Unaudited - Expressed in Canadian Dollars

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Expenses		
Professional fees (note 8)	**$ 29,512**	$ 40,600
Consulting fees (notes 5 and 6)	**-**	224,000
Depreciation	**103**	147
Directors fees (note 8)	**-**	20,000
Investor relations	**-**	3,692
Management fees (note 8)	**10,320**	50,593
Office and general	**2,296**	5,511
Rent (note 8)	**2,000**	3,354
Regulatory and transfer agent fees	**2,497**	9,951
Royalty agreement purchase	**-**	93,262
Net loss and comprehensive loss for the period	**$ (46,728)**	$ (451,110)
Basic and diluted loss per share	**$ (0.000)**	$ (0.005)
Weighted average number of common shares outstanding - basic and diluted	**97,921,595**	96,033,083

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

Platinex Inc.
Condensed Interim Consolidated Statements of Cash Flows
Unaudited - Expressed in Canadian Dollars

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Operating activities		
Net loss for the period	**$ (46,728)**	$ (451,110)
Adjustments to reconcile net loss to net cash used in operating activities:		
Consulting fees	**-**	195,000
Depreciation	**103**	147
Changes in non-cash working capital items:		
HST receivable	**2,384**	(16,152)
Prepaid expenses	**-**	14,509
Accounts payable and accrued liabilities	**39,444**	(77,962)
Due to related parties	**-**	12,995
Net cash used in operating activities	**(4,797)**	(322,573)
Investing activities		
Expenditures for exploration and evaluation assets	**(209)**	(1,780)
Goodwill	-	(50,356)
Net cash used in investing activities	**(209)**	(52,136)
Financing activities		
Share capital issued	**-**	164,400
Net cash provided by financing activities	**-**	164,400
Net change in cash	**(5,006)**	(210,309)
Cash, beginning of period	**13,797**	510,297
Cash, end of period	**$ 8,791**	$ 299,988

Supplemental information		
Common shares issued for services	**$ -**	$ 195,000
Common shares issued for exploration and evaluation assets	**$ 36,000**	$ 38,000
Fair value of warrants exercised	**$ -**	$ 616
Fair value of options exercised	**$ -**	$ 73,166

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

Unaudited - Expressed in Canadian Dollars

	Share Capital	Share Warrant Reserve	Contributed Surplus	Accumulated Deficit	Total
Balance, December 31, 2017	**$ 7,860,435**	**$ 411,476**	**$ 1,113,572**	**$ (6,824,077)**	**$ 2,561,406**
Net loss for the period	-	-	-	(451,110)	(451,110)
Common shares issued for cash (note 5(b))	263,182	(616)	(73,166)	-	189,400
Warrants issued	-	170,000	-	-	170,000
Balance, March 31, 2018	**$ 8,123,617**	**$ 580,860**	**$ 1,040,406**	**$ (7,275,187)**	**$ 2,469,696**
Balance, December 31, 2018	**$ 8,165,219**	**$ 557,058**	**$ 1,306,406**	**$ (10,217,291)**	**$ (188,608)**
Net loss for the period	-	-	-	(46,728)	(46,728)
Common shares issued for exploration and evaluation assets(note 5(b))	36,000	-	-	-	36,000
Balance, March 31, 2019	**$ 8,201,219**	**$ 557,058**	**$ 1,306,406**	**$ (10,264,019)**	**$ (199,336)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

Until March 22, 2017, the Company was listed on the TSX Venture Exchange, having the symbol PTX-V, as a Tier 2 mining issuer. Effective March 23, 2017, the Company is listed on the Canadian Securities Exchange, having the symbol PTX. The address of the Company's corporate office and principal place of business is 807-20 William Roe Blvd., Newmarket, Ontario, L3Y 5V8, Canada.

These unaudited condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on May 29, 2019.

For the three months ended March 31, 2019, the Company generated a net loss of $46,728 (three months ended March 31, 2018 - $451,110), has an accumulated deficit of $10,264,019 as at March 31, 2019 (December 31, 2018 - $10,217,291) and has negative cash flow from operations amounting to $4,797 for (three months ended March 31, 2018 - $322,573).

Management estimates that the funds available as at March 31, 2019 will not be sufficient to meet the Company's obligations and budgeted expenditures through December 31, 2019. 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 consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, the above-noted facts and circumstances are material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern.

These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities, to the reported 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

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, 2018 and December 31, 2017 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, 2018 and December 31, 2017.

2. BASIS OF PREPARATION (Continued)

Basis of Presentation and Measurement (continued)

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, 2018 and December 31, 2017.

New accounting policies

Leases ("IFRS 16")

IFRS 16 was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. The application of the new standard had no impact on the unaudited condensed interim consolidated financial statements as at March 31, 2019.

Uncertainty over Income Tax Treatments ("IFRIC 23")

The Company adopted IFRIC 23 on January 1, 2019 on a modified retrospective basis without restatement of comparative information. The interpretation requires an entity to assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings and to exercise judgment in determining whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision should be based on which approach provides better predictions of the resolution of the uncertainty. An entity also has to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, assuming that the taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so. The adoption of the new standard had no impact on the unaudited condensed interim consolidated financial statements as at March 31, 2019.

Business Combinations ("IFRS 3")

In October 2018, the IASB issued an amendment to IFRS 3, effective for annual periods beginning on or after January 1, 2020 with early adoption permitted. The amendment clarifies that a business must include, at minimum, an input and a substantive process that together contribute to the ability to create outputs, and assists companies in determining whether an acquisition is a business combination or an acquisition of a group of assets by providing supplemental guidance for assessing whether an acquired process is substantive. The Company has decided to early adopt the amendments to IFRS 3 effective January 1, 2019 and shall apply the amended standard in assessing business combinations on a prospective basis. For acquisitions that are determined to be acquisitions of assets as opposed to business combinations, the Company allocates the transaction price to the individual identifiable assets acquired and liabilities assumed on the basis of their relative fair values, and no goodwill is recognized. Acquisitions that continue to meet the definition of a business combination are accounted for under the acquisition method, without any changes to the Company's accounting policy. There was no impact on the Company's unaudited condensed interim consolidated financial statements.

Unaudited - Expressed in Canadian Dollars

3. EXPLORATION AND EVALUATION ASSETS

	Shining Tree
Balance at December 31, 2017	**$ 2,176,173**
Exploration costs	47,497
Impairment	(2,188,670)
Balance at December 31, 2018	**35,000**
Exploration costs	36,209
Balance at March 31, 2019	**$ 71,209**

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, MacMurchy and Asquith Townships in Ontario (the "Shining Tree property"). In March, 2018, the Company settled a cumulative overdue advance royalty payment by issuance of 292,307 common shares to Skead Holdings Ltd. in connection with the Shining Tree property. The settlement comprised an aggregate amount of $73,000, which included a $35,000 cash payment. The Company now holds a 100% interest in the claims subject to a 3% NSR and advance royalty payments of $10,000 per year commencing in April 2019. Skead Holdings Ltd. has agreed to defer payment of the April 2019 advance royalty payments.

Further Platinex may eliminate the requirement for future advance royalty payments by making a one-time advance royalty payment of $100,000. 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 and a further five agreements in November, 2016, January, 2017, March, 2017, April, 2017 and June 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 54 claim units and a 50% interest in a further 8 claim units (991 ha or 2,480 acres), subject to a 2% NSR, by issuing 200,000 shares of Platinex (issued in 2016), 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. The option is currently in arrears by $25,000. Platinex also entered into an agreement with two prospectors to purchase a 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 (issued in 2016). Platinex subsequently entered into five agreements with one prospector to purchase a 100% interest in: ten claims comprising 70 claim units (1,120 ha or 2,800 acres) for 398,000 shares on November 3, 2016 (issued in 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; 21 claims comprising 267 claim units (4,272 ha or 10,680 acres) for 391,250 shares on April 20, 2017 and 9 claims comprising 127 claim units (2,032 ha or 5,080 acres) for $5,000 and 436,190 shares on June 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. On December 12, 2017, the Company issued 138,888 shares to Skead Holdings Ltd. and Ashley Gold Mines Limited to satisfy a portion of a $25,000 option payment on the Skead-Ashley option.

Unaudited - Expressed in Canadian Dollars

3. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Shining Tree Property, Ontario (continued)

In January and March 2019, the following amendments were made to the option agreement with Skead Holdings Ltd. and Ashley Gold Mines Limited:

(i) The $25,000 option in arrears was increased to $30,000 and due on January 18, 2019 through the issuance of shares (issued)(see note 5(v));
(ii) Final option payment of $30,000 (payable in cash) due August 1, 2019;
(iii) Year 3 expenditures of $150,000 due on or before August 17, 2020;
(iv) Year 4 expenditures of $200,000 due on or before August 17, 2021.

4. INVESTMENTS IN INTERGALACTIC FOODS, LLC AND DAVE'S SPACE CAKES LLC

In January 2018, the Company entered into an agreement to acquire a 51% interest in Intergalactic Foods, LLC ("IGF"), an entity incorporated in Oregon for cash consideration of $94,418 (US$75,000). The Company subsequently advanced cash of $41,150 to IGF for operating expenses. The Company concluded it did not have control as the 49% shareholder managed the operations and made all decisions. During the year ended December 31, 2018, IGF was unable to commence operations. The Company entered into a separate royalty agreement with the principal of IGF, Dave McNicoll, for cash consideration of $93,262 (US$75,000), under which the Company acquired a five (5%) gross revenue royalty of Dave's Space Cakes LLC. No royalties have been received under the agreement. As at December 31, 2018, the Company determined that there were indicators of impairment and recorded a loss on investment of $232,910 in net loss during the year then ended.

5. SHARE CAPITAL

a) Authorized: Unlimited number of common shares.

b) Issued:

	Number of common shares	Amount
Balance, December 31, 2017	**94,605,288**	**$ 7,860,435**
Common share issuances (i) to (iv)	2,520,307	263,182
Balance, March 31, 2018	**97,125,595**	**8,123,617**
Balance, December 31, 2018	**97,481,595**	**$ 8,165,219**
Common share issuances (v)	600,000	36,000
Balance, March 31, 2019	**98,081,595**	**$ 8,201,219**

For the three months ended March 31, 2018

(i) During the three months ended March 31, 2018, 2,000,000 options having a weighted average exercise price of $0.05 were exercised for 2,000,000 common shares of the Company for gross proceeds of $105,000.

(ii) During the three months ended March 31, 2018, 128,000 warrants having a weighted average exercise price of $0.05 were exercised for 128,000 common shares of the Company for gross proceeds of $21,400.

Unaudited - Expressed in Canadian Dollars

5. SHARE CAPITAL (Continued)

For the three months ended March 31, 2018 (continued)

(iii) On January 31, 2018, 100,000 common shares at a price of $0.25 were issued as a finder's fee in connection with the investment in IGF (note 4) and was recognized as consulting fees expense. The fair value of the shares issued was determined based on the market price at the date of the issuance.

(iv) On March 13, 2018, the Company executed a shares-for-debt settlement transaction of cumulative overdue advance royalty payments in which Platinex issued 292,307 common shares at a price of $0.13 per share to Skead Holdings Ltd., in connection with the Shining Tree property. The fair value of the shares issued was determined based on the market price at the date of the issuance. The advance royalty settlement comprised an aggregate amount of $73,000, which is comprised of a $35,000 cash payment and the $38,000 fair value of the common shares issued.

For the three months ended March 31, 2019

(v) On January 24, 2019, Platinex issued 600,000 common shares (valued at $36,000) to Skead Holdings Ltd. and Ashley Gold Mines Limited to satisfy a required payment to maintain the Company's interest in the Shining Tree property.

c) Commitment to issue shares:

During the year ended December 31, 2018, the Company entered into an agreement to settle $74,310 of consulting fees in common shares of the Company. The amount is included in accounts payable and accrued liabilities as at March 31, 2019.

6. WARRANTS

The following table reflects the continuity of warrants for the periods ended March 31, 2019 and 2018:

	Number of warrants	Weighted average exercise price ($)
Balance, December 31, 2017	**21,485,700**	**0.15**
Granted [(1)]	750,000	0.24
Exercised	(128,000)	(0.05)
Balance, March 31, 2018	**22,107,700**	**0.12**
Balance, December 31, 2018 and March 31, 2019	**21,271,500**	**0.15**

[(1)] On January 9, 2018, the Company issued 750,000 compensation warrants, with an exercise price of $0.24 per warrant and a warrant expiration date, five years from date of issue, to arm's length parties for consulting services rendered to the Company. These warrants were measured at their fair value of $0.23 per warrant for a total value of $170,000 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 218%; share price of $0.23; exercise price of $0.24; risk-free interest rate of 2.19% and an expected life of 5 years.

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6. WARRANTS (Continued)

The following table reflects the warrants issued and outstanding as of March 31, 2019:

Date of Expiry	Number of warrants outstanding	Exercise price ($)
January 9, 2023	750,000	0.24
November 25, 2021	3,938,500	0.20
June 28, 2021	4,583,000	0.10
November 15, 2019	12,000,000	0.15
	21,271,500	**0.15**

7. STOCK OPTIONS

In October 2005, the Company's Board of Directors approved a stock option plan. Under the terms of the Company's stock option plan, a maximum of 10% of the issued and outstanding common shares are reserved for issuance to the Company's directors, officers, employees and eligible consultants. The stock option plan was approved by the Company's non-participatory shareholders on May 24, 2006 and is re-approved each successive year at the Annual General Meeting.

The following summarizes the stock option activity for the following periods:

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2017	**7,400,000**	**0.07**
Exercised	(2,000,000)	(0.05)
Balance, March 31, 2018	**5,400,000**	**0.08**
Balance, December 31, 2018 and March 31, 2019	**9,200,000**	**0.07**

The following table reflects the Company's stock options outstanding and exercisable as at March 31, 2019:

Expiry date	Options outstanding	Options exercisable	Exercise price ($)	Weighted average remaining contractual life (years)
May 14, 2019	600,000	600,000	0.05	0.12
September 7, 2021	1,850,000	1,850,000	0.05	2.44
September 18, 2022	2,950,000	2,950,000	0.10	3.47
August 1, 2023	3,200,000	3,200,000	0.07	4.34
August 17, 2023	600,000	600,000	0.07	4.38
	9,200,000	**9,200,000**	**0.07**	**3.41**

Unaudited - Expressed in Canadian Dollars

8. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors and other key management personnel, 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 parties).

The following summarizes the Company's related party transactions for the periods:

	Three Months Ended March 31, 2019	2018
Rent paid	**$ 2,000**	$ 3,000

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. The Company's key management personnel include the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary.

Remuneration of key management personnel of the Company for the periods are presented below:

	Three Months Ended March 31, 2019	2018
Directors fees	**$ -**	$ 20,000
Management fees	**10,320**	50,593
Professional fees	**15,952**	-
	$ 26,272	$ 70,593

As at March 31, 2019, related parties were owed $71,504 (December 31, 2018 - $40,078) recorded in accounts payable and accrued liabilities.

9. SEGMENTED REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities.

10. COMMITMENTS AND CONTINGENCIES

Environmental

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Contracts with Management and Directors

The Company is party to certain contracts with a former officer and former director to pay approximately $64,000 in the event that the Company completes a financing after a change of business has been accepted by the appropriate regulatory body. This amount may be settled in shares of the Company for 75% of the amount due or in cash for 50% of the amount due. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

11. SUBSEQUENT EVENTS

(i) On April 12, 2019, the Company closed a transaction for the assignment of its ownership rights, under an option agreement with Skead Holdings Ltd and Ashley Gold Mines Limited with respect to a 50% interest in claim L4212960, to Goldeye Explorations Ltd., a subsidiary of Treasury Metals Inc. The terms include proceeds of $25,000 of which $10,000 is receivable in cash and $15,000 is receivable in shares of Treasury Metals Inc. and a 1% NSR royalty on 50% of the claim.

(ii) Subsequent to March 31, 2019, Skead Holdings Ltd exercised 100,000 stock options at an exercise price of $0.05 to satisfy 50% of the $10,000 option payment which was due on Apr 11, 2019. The remaining $5,000 will be settled in shares.

(iii) On April 24, 2019, the Company granted an aggregate of 200,000 stock options under its stock option plan to a director. The options are exercisable at a price of $0.05 per share and have a term of 5 years.

(iv) On May 23, 2019, the Company announced a non-brokered private placement (the "Private Placement") of up to 10,000,000 units ("Units") at $0.05/Unit to raise $500,000. Each Unit will consist of one common share ("Common Share") of the Company and one Common Share purchase warrant (each a "Warrant").

Each Warrant is exercisable into a Common Share at an exercise price of $0.10 for 24 months following closing. The warrants will provide that, if the average closing price of the common shares on the Canadian Securities Exchange is at least $0.20 for 20 consecutive trading days and the 20th trading day is at least four months after the first closing of the offering, the Corporation may elect to change the expiry of the warrants to a date which is at least 30 days following notice of that change given to warrant holders.

The Company may pay a cash commission equal to 8% of the subscription price for the securities sold to purchasers introduced to the Company by the finder, and non-transferable finder’s warrants having a one year term to purchase shares equal in number to 8% of the units sold to the finder’s clients and consisting of one common share.

All securities issued in connection with this Private Placement will be subject to a four month plus one day hold period from the date of issuance in accordance with applicable securities laws.