

# Platinex Inc.

## MANAGEMENT DISCUSSION AND ANALYSIS – For the Quarter Ended March 31, 2005

Date: May 27, 2005

### General

Readers of the following discussion and analysis should refer to Platinex Inc.'s (the "Company") audited financial statements for the years ended December 31, 2004 and 2003 and the related Management Discussion and Analysis. Those financial statements have been prepared in accordance with Canadian generally accepted accounting policies. All dollar figures included therein and in the following discussion and analysis are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or the Company's website at [www.platinex.com](http://www.platinex.com).

### Overall Performance

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

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

In the first quarter of 2004, RJ Burnside & Associates Limited completed a comprehensive report on Satellite Imagery Interpretation, Geochemical Data processing and Multi Criteria Analysis of the Big Trout Lake Property. In the second quarter of 2004 RJ Burnside & Associates Limited produced a qualifying report respecting the Big Trout Lake property which meets the criteria of National Instrument #43-101 by Qualified Persons. This will enable the Company to raise funds and apply for a TSX Venture Exchange listing. This work was supplemented in the first quarter of 2005 with a Supplementary Report on Multi-Criteria Analysis prepared by R.J. Burnside & Associates Limited.

In the fourth quarter of 2004, the Company entered into an option agreement with Brigadier Gold Limited granting Brigadier the right to earn a 50% interest in the Big Trout Lake property by contributing \$2,000,000 to exploration expenditures on or before April 1, 2007, a payment of \$50,000 for the purchase of 200,000 common shares of Platinex Inc. on January 14, 2005 and the granting of an option to Platinex Inc. to acquire 200,000 common shares of Brigadier Gold Limited for \$0.50 per share on or before June 30, 2005. The first contribution of \$300,000 to exploration was due on January 14, 2005. Platinex would be the operator during the option and joint venture period.

## **Overall Performance cont'd**

Management decided to enter the option agreement in order to move the company towards a listing and reduce the costs of so doing this.

Brigadier failed to make the payments due on January 14, 2005 and in accordance with the terms of the agreement, Brigadier's right to exercise the option terminated.

During the first quarter of 2005 Platinex continued its efforts to raise sufficient money to meet the minimum listing criteria of the TSX Venture Exchange. A placement of 160,000 shares for net proceeds of \$40,000 closed on January 10, 2005. An unbrokered placement of 3,558,136 shares for net proceeds of \$892,517 closed on May 24, 2005. The financing included the issuance of 1,657,136 shares to eliminate trade debt of \$414,416.

On May 9, 2005, Platinex filed an application to list its shares on the TSX Venture Exchange.

## **Big Trout Lake Ontario**

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

A recent synthesis of all exploration and research data on the Big Trout Lake property has greatly improved the focus of future exploration efforts. Currently a two phase exploration program is planned at a total cost of C\$1,225,000 to test six targets which have already been shown to be well mineralized with platinum group elements (PGE), gold, nickel and copper. Details of this exploration are presented on the Company website at <http://www.platinex.com/>. Recent developments of extractive technologies for chromium in South Africa on the UG2 reef and by Ressources Miniere Pro-Or Inc. have established the possibility of producing and marketing chromite which has significant iron content. The Big Trout Lake chromite deposits are of a similar chemical character to the UG2 reef chromites. Although four of the chromitite reefs underlying the Big Trout Lake property are known to be up to 3 metres thick, to extend the length of the property, and have been systematically assayed for chromium in the past, no attempt has been made to compute resources or systematically determine the iron/chromium ratios of the chromites. It is the intension of management to incorporate evaluation of chromite mineralization on the Big Trout Lake property into the currently planned exploration program.

## **Results of Operations**

In 2004, several financings were completed issuing 180,000 shares to net the treasury \$45,000. The working capital deficiency stood at \$397,203 at December 31, 2004 compared to \$254,720 at December 31, 2003 for a decrease in working capital of \$142,483.

During the quarter ended March 31, 2005, the Company conducted minor exploration and filed a report on the Big Trout Lake property in order to keep the claims in good standing. Six drill ready targets with very large tonnage potential have been identified and are the subject of a new qualifying report on the property prepared in 2004. During the first quarter of 2005, exploration expenses totaled \$21,973 and administrative expenses were \$24,351 compared to \$55,522 of exploration expenditures in the first quarter of 2004 and administration expenses of \$24,687.

## Results of Operations cont'd

Effective January 1, 2003 the Company adopted the recommendation issued by the Canadian Institute of Chartered Accountants regarding the expensing of exploration expenditures as incurred. Costs attributable to property acquisitions are capitalized while exploration expenditures on the property can only be capitalized once mineral reserves have been established. Once a mineral reserve has been established, all development costs will be capitalized. These costs together with the costs of mining interests will be charged to operations on a unit-of-production method based on estimated recoverable reserves. If the mining interests are abandoned, or when an impairment in value has been determined, the capitalized costs will be charged to operations.

The Company will continue to carry deferred exploration expenditures incurred prior to January 1, 2003 as an asset; however, when events or changes in circumstances indicate that the carrying amount may not be recoverable, the Company will evaluate the carrying value of the asset and an impairment will be recognized at that time.

## Selected Annual Information

The following table provides selected financial information that should be read in conjunction with the audited financial statements of the company.

Fiscal Years Ended (Audited):

	Dec. 31, 2004	Dec. 31, 2003	Dec. 31, 2002
Revenues	Nil	Nil	\$ 237
Exploration and Development Expenses	\$ 59,102	Nil	\$ 593,491
General and Administrative Expenses	\$128,754	\$160,718	\$ 116,261
Net Loss	(\$187,856)	(\$263,018)	(\$709,515)
Net Loss Per Share	(\$0.027)	(\$0.041)	(\$0.116)
Working Capital (Deficit)	(\$397,203)	(\$254,720)	(\$281,335)
Properties:			
Deferred Acquisition and Exploration Costs	\$817,007	\$817,007	\$ 898,436
Shareholders' Equity:			
Dollar Amount	\$423,151	\$566,007	\$ 622,336
Number of Securities	7,108,934	6,928,934	6,102,177

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

## Summary of Quarterly Results

The following tables set out the selected unaudited financial information for the Company for each of the quarters in 2002 and 2003 and 2004 and 2005:

<b>Year 2005</b>		<b>First Quarter</b>		<b>Second Quarter</b>		<b>Third Quarter</b>		<b>Fourth Quarter</b>
Revenue	\$	--	\$		\$		\$	
Exploration	\$	21,973	\$		\$		\$	
Administration	\$	24,351	\$		\$		\$	
Net Loss	\$	(46,324)	\$		\$		\$	
Net Loss per share basic and fully diluted	\$	(0.0064)	\$		\$		\$	

<b>Year 2004</b>		<b>First Quarter</b>		<b>Second Quarter</b>		<b>Third Quarter</b>		<b>Fourth Quarter</b>
Revenue	\$	--	\$	--	\$	--	\$	--
Exploration	\$	55,522	\$	22,589	\$	--	\$	(19,009)
Administration	\$	24,687	\$	42,258	\$	34,048	\$	27,761
Net Loss	\$	(80,209)	\$	(64,847)	\$	(34,048)	\$	(8,752)
Net Loss per share basic and fully diluted	\$	(0.0116)	\$	(0.0093)	\$	(0.0049)	\$	(0.0012)

<b>Year 2003</b>		<b>First Quarter</b>		<b>Second Quarter</b>		<b>Third Quarter</b>		<b>Fourth Quarter</b>
Revenue	\$	--	\$	--	\$	--	\$	--
Administration	\$	36,300	\$	40,097	\$	32,118	\$	52,203
Net Loss	\$	(36,300)	\$	(40,097)	\$	(32,118)	\$	(154,503)
Net Loss per share basic and fully diluted	\$	(0.006)	\$	(0.006)	\$	(0.005)	\$	(0.0222)

<b>Year 2002</b>		<b>First Quarter</b>		<b>Second Quarter</b>		<b>Third Quarter</b>		<b>Fourth Quarter</b>
Revenue	\$	--	\$	--	\$	--	\$	--
Administration	\$	24,794	\$	25,855	\$	40,433	\$	25,179
Net Loss	\$	(24,794)	\$	(25,855)	\$	(40,433)	\$	(618,433)
Net Loss per share basic and fully diluted	\$	(0.004)	\$	(0.00424)	\$	(0.007)	\$	(0.1013)

## **Liquidity and Capital Resources**

The Company's negative working capital position as of December 31, 2004 was \$397,203, which increased by \$6,081 by the end of the first quarter of 2005 to \$403,284. This change is comprised of exploration expenditures for the quarter totaling \$21,973, plus administrative expenditures totaling \$24,351, net of \$242 of non-cash items and common stock issued of \$40,000. Cash resources on hand have been insufficient to allow the Company to move its exploration activities on the Big Trout Lake property through its next phase and cover budgeted administrative expenses for the foreseeable future. However the recently completed financing will enable the first phase of drilling to proceed. Should drilling results prove successful on the Big Trout Lake project the Company will have to review funding alternatives at that time to further advance on the project. The Company does not have any long term contractual obligations.

Exploration expenditures will continue to expand during 2005 compared to 2004 as the Company has budgeted larger scale exploration programs in the current year reflecting the improved outlook for exploration on its Property. As mentioned before, financing alternatives will be driven by existing factors in the market at the time.

## **Transactions with Related Parties**

During the first quarter of 2005, the Company accrued \$18,000 in management fees and reimbursed rent and utility costs of \$3,000 to a partnership owned by James R. Trusler, who is director and also acts as the President and CEO of the Company. Of the management fees \$6000 were allocated to exploration on the Big Trout Lake property.

During the first quarter of 2005, the Company paid nil in management fees to a company which is owned by Simon Baker, who is director and also acts as the Vice-President of the Company.

During the first quarter of 2005, the Company accrued accounting fees of \$2,037 to an accounting firm owned by Bruce Reilly, an officer of the company.

## **Accounting Estimates/Change in Accounting Policy**

For the years ending December 31, 2003 and December 31, 2004, the Company adopted the fair value method of accounting for stock options granted during the year under its stock-based compensation plan as recommended by the Canadian Institute of Chartered Accountants. The new policy requires that the Company recognize compensation expense over the vesting period for options granted to directors, officers, and employees. During the first quarter ended March 31, 2005, procedures used by the Company to determine accounting estimates and the risks and uncertainties affecting the Company remain unchanged from the year-end results reported in the 2004 financial statements. The Company did not adopt any changes to its accounting policies or procedures during the quarter.

Effective January 1, 2003 the Company adopted the recommendation issued by the Canadian Institute of Chartered Accountants regarding the expensing of exploration expenditures as incurred. Costs attributable to property acquisitions are capitalized while exploration expenditures on the property can only be capitalized once mineral reserves have been established. Once a mineral reserve has been established, all development costs will be capitalized. These costs together with the costs of mining interests will be charged to operations on a unit-of-production method based on estimated recoverable reserves. If the mining interests are abandoned, or when an impairment in value has been determined, the capitalized costs will be charged to operations.

## **Accounting Estimates/Change in Accounting Policy cont'd**

The Company will continue to carry deferred exploration expenditures incurred prior to January 1, 2003 as an asset; however, when events or changes in circumstances indicate that the carrying amount may not be recoverable, the Company will evaluate the carrying value of the asset and an impairment will be recognized at that time.

### **Exploration Expenditures for the three months ended March 31, 2005:**

Property: Big Trout Lake \$21,973

For a comparison of expenditures for the year ended December 31, 2004 please refer to the audited financial statements.

### **Outstanding Share Capital**

The Company has authorized share capital of an unlimited number of common shares. As at December 31, 2004 the Company had outstanding: a) 7,108,934 common shares, b) 574,500 Employee's Options to purchase common shares at \$0.50 per share. As at March 31, 2005, the Company had outstanding: a) 7,268,934 common shares, b) 574,500 Employee's Options to purchase common shares at \$0.50 per share.

On January 10, 2005, the Company completed the sale by private placement of 160,000 common shares at a price of \$0.25 per share for proceeds of \$40,000.

On May 24, 2005, the Company completed the sale by private placement of 3,558,136 common shares (including 862,000 flow through common shares) at a price of C\$0.25 per share for sales in Canada and US\$0.20 per share for sales in United States for proceeds of \$892,517. The financing included the issuance of 1,657,136 shares to eliminate trade debt of \$414,416.

### **Summary of Options Issued**

At the end of the Company's year end December 31, 2004 and at the end of the most recently completed quarter on March 31, 2005 there were 574,500 stock options outstanding of which 379,500 were allocated to directors and officers exercisable into common shares at \$0.50 per share for a period of five years.

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

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

## Summary of Options Issued cont'd

- (e) Michael Proctor whereunder the Issuer granted an incentive stock option to purchase up to 25,000 shares of the Issuer exercisable at a price of \$0.50 for a period of five years from the Receipt Date.
- (f) Bruce Reilly whereunder the Issuer granted an incentive stock option to purchase up to 8,000 shares of the Issuer exercisable at a price of \$0.50 for a period of five years from the Receipt Date.
- (g) Holly Kane whereunder the Issuer granted an incentive stock option to purchase up to 1,500 shares of the Issuer exercisable at a price of \$0.50 for a period of five years from the Receipt Date.

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

## Escrowed Shares

At March 31, 2005 there were 2,380,000 shares in escrow and an additional 214,757 shares issued to management and directors which may be subject to escrow.

## Officers and Directors

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

## Risks and Uncertainties

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

### a) Mineral Exploration and Development

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

### b) Metal Prices

The Corporation's future revenues, if any, are expected to be derived in large part from the sale of platinum group elements and base metals. The price of those commodities fluctuates widely and is affected by numerous factors beyond the Corporation's control including international economic and political conditions, expectations of inflation, international currency exchange

## **Risks and Uncertainties cont'd**

rates, interest rates, global and regional consumption patterns, speculative activities, levels of supply and demand, increased productions due to new mine developments and improved mining methods, etc. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Corporation's operations cannot be accurately predicted.

### **c) Additional Financing**

The Corporation has recently raised sufficient capital to obtain a listing on the TSX Venture Exchange and carry out an initial drilling program on the Big Trout Lake property. The Corporation does not currently have sufficient financial resources to undertake by itself all of its planned exploration and possible development programs. The exploration and development of the property may therefore depend on the Corporation's ability to obtain additional required financing. There is no assurance that additional funding will be available to allow the Corporation to fulfill its obligations on the property.

### **d) Government Regulation**

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

### **e) No Market**

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

### **f) Title to Assets**

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

### **g) Exploration and Development**

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

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

## **Risks and Uncertainties cont'd**

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

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

### **h) Operating Hazards and Risks**

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

### **i) Competition and Agreements with Other Parties**

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

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

### **j) Management**

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

### **k) Dependence on Key Personnel**

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

## **Risks and Uncertainties cont'd**

### **l) Cash Flow**

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

### **m) Limited History of Operations**

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

### **n) Conflicts of Interest**

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

### **o) Dividends**

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

### **p) Resale of Shares**

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

### **q) Effect of Scaling Back Exploration Programs**

If less than the maximum financing is achieved and no further funds are raised, the planned exploration on the Big Trout Lake Property will be scaled back and/or not implemented at all. Failure to complete the program may lead to loss of all of the claims held by the Company on the

## **Risks and Uncertainties cont'd**

Big Trout Lake Property. If the Company is unable to carry out a program or is only able to carry out a scaled back program on the Big Trout Lake Property, an application to extend the claims for one year will be made. There is no assurance that such an application will be approved by the government.

### **r) Environmental Factors**

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

### **s) Indigenous Peoples' Concerns**

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

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

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

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

## **Cautionary Statement**

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

**Cautionary Statement cont'd**

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

James R. Trusler  
President and CEO  
May 27, 2005