PLATINEX INC.

FINANCIAL STATEMENTS

December 31, 2004 and December 31, 2003

BOLTON & BOLTON
Chartered Accountants

AUDITORS' REPORT

To the Shareholders of
Platinex Inc.

We have audited the balance sheets of Platinex Inc. as at December 31, 2004 and 2003 and the statements of loss, deficit and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2004 and 2003 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"Bolton & Bolton"

Unionville, Ontario
March 31, 2005

Chartered Accountants

PLATINEX INC.
Balance Sheets
As at December 31, 2004 and 2003

	2004	2003
ASSETS		
Current		
Cash (Note 3)	$ 39,300	$ 85,391
Accounts receivable (Note 4)	5,831	8,653
Funds held in trust (Note 5)	1,250	1,250
	46,381	95,294
Mining interests (Note 6)	817,007	817,007
Capital assets (Note 7)	3,347	3,720
	$ 866,735	$ 916,021
LIABILITIES		
Current		
Accounts payable	$ 443,584	$ 350,014
SHAREHOLDERS' EQUITY		
Capital stock (Note 8)	2,058,493	2,013,493
Deficit	(1,635,342)	(1,447,486)
	423,151	566,007
	$ 866,735	$ 916,021

On behalf of the Board of Directors

"signed"
James R. Trusler

"signed"
Simon L. Baker

The accompanying notes form an integral part of these financial statements

PLATINEX INC.
Statements of Deficit
For the years ended December 31, 2004 and 2003

	2004	2003
Balance, beginning of year	$ 1,447,486	$ 1,184,468
Net loss for the year	187,856	263,018
Balance, end of year	$ 1,635,342	$ 1,447,486

The accompanying notes form an integral part of these financial statements

PLATINEX INC.
Statements of Loss
For the years ended December 31, 2004 and 2003

	2004	2003
Expenses		
Management fees (Note 12)	$ 67,500	$ 72,000
Accounting and legal (Note 12)	17,566	37,372
Subcontract services	15,512	20,479
Rent and occupancy (Note 12)	12,000	12,000
Investor relations	7,805	8,541
Office and general	1,979	4,605
Telephone	2,565	2,571
Amortization	1,195	1,515
Travel	1,269	680
Transfer agent fees	1,334	567
Meals and entertainment	29	388
	128,754	160,718
Net loss before other items	128,754	160,718
Exploration expenditures	78,111	-
Abandonment of mineral property (Note 6)	(19,009)	102,300
	59,102	102,300
Net loss for the year	$ 187,856	$ 263,018
Basic loss per share	$ 0.027	$ 0.041
Weighted average number of common shares outstanding	6,955,235	6,389,029

The accompanying notes form an integral part of these financial statements

PLATINEX INC.
Statements of Cash Flows
For the years ended December 31, 2004 and 2003

	2004	2003
Operating activities		
Net loss	$ (187,856)	$ (263,018)
Add back: amortization	1,195	1,515
abandonment of mineral property	(19,009)	102,300
	(205,670)	(159,203)
Decrease (increase) in accounts receivable	2,822	(5,074)
Decrease (increase) in funds held in trust	-	(1,050)
Increase in accounts payable	112,579	64,899
Cash used in operating activities	(90,269)	(100,428)
Investing activities		
Purchase of capital assets	(822)	-
Mineral property expenditures	-	(20,775)
Deferred exploration expenditures	-	(96)
Cash used in investing activities	(822)	(20,871)
Financing activities		
Common shares issued for cash	45,000	206,689
Change in cash	(46,091)	85,390
Cash, beginning of year	85,391	1
Cash, end of year	$ 39,300	$ 85,391

The accompanying notes form an integral part of these financial statements

1. Nature of Operations

The Company was incorporated on August 12, 1998 under the laws of the Province of Ontario.

The Company has interests in mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of expenditures on mineral properties, including deferred exploration expenditures, is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and the development of the mineral properties, and upon future production or proceeds from the disposition thereof.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada. The significant policies are as follows**:**

a) Going concern assumption

These financial statements have been prepared on the going concern assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts different from those in the accompanying financial statements. The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and to arrange financing to meet its current and future obligations.

b) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are made in the period in which they become known. Actual results could differ from those estimates.

c) Capital assets

Capital assets are recorded at cost. Amortization is provided on the diminishing balance method at the following rates:

Computer Equipment	30%
Computer Software	100%
Furniture and equipment	20%

Amortization is provided at one half annual rates in the year of acquisition.

d) Interest in mineral properties

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.

e) Translation of foreign currency

Foreign currency denominated monetary assets and liabilities of Canadian operations are translated into Canadian dollars at exchange rates prevailing at the balance sheet date and at exchange rates prevailing at the transaction date for non-monetary items. Revenues and expenses are converted at the average exchange rate for the year. Exchange gains or losses arising from the transaction are included in operations.

f) Income taxes

The Company accounts for income taxes using the asset and liability method. Under this method, future income taxes assets and liabilities are determined based on differences between the financial statement carrying value of existing assets and liabilities and their respective income tax bases (temporary differences), and losses carried forward. Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is substantively enacted. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

g) Accounting for stock-based compensation

Effective January 1, 2003, the Company adopted, on a prospective basis, the accounting recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3870, "Stock-Based Compensation and other Stock-Based Payments". This section requires the use of the fair-value method to calculate all stock-based compensation associated with granting stock options to employees and directors, and the inclusion of that expense in the statement of operations. Under the new accounting policy, the Company measures stock-based compensation on the date of the grant and recognizes this cost over the vesting period of the options in results of operations. No stock options were granted during 2003 and 2004.

h) Impairment of long-lived assets

Effective January 1, 2004, the Company adopted the CICA Handbook Section 3063, “Impairment of Long-Lived Assets”. This section requires the Company to assess the impairment of long-lived assets, which consist primarily of mineral property, plant and equipment, whenever events or changes in circumstances indicated that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used are measured by a comparison of the carrying value of the asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the amount of the impairment is measured by the amount by which the carrying amount of the asset exceeds its fair value.

For the Company, the adoption of CICA Handbook Section 3063 had no impact on results of operations previously presented.

i) Asset retirement obligations

Effective January 1, 2004, the Company adopted the CICA Handbook Section 3110, “Asset Retirement Obligations”. This section requires that the fair value of a liability or an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The estimate excludes the residual value of the related assets. The associated retirement costs are capitalized as part of the carrying amount of the long-lived assets and amortized over the life of the asset. The amount of liability is subject to re-measurement at each reporting period. This differs from prior practice which involved accruing for the estimated retirement obligation through annual charges to earnings over the estimated life of the property.

For the Company, the adoption of CICA Handbook Section 3110 had no impact on the results of operation previously presented.

At the present time, the Company has concluded that there are no asset retirement obligations associated with any of the properties.

3. Cash

Included in cash in 2003 is $85,000 of monies received from the issue of flow-through shares. The use of these funds is restricted to exploration expenditures.

4. Accounts Receivable

As at December 31, 2004, accounts receivable represents a provision of recovery of Goods and Services taxes paid and payable.

5. Funds Held In Trust

Funds held in trust represent monies advanced to lawyers.

6. Mining Interests

	2004	2003
Big Trout Lake, Ontario		
Property	$ 413,492	$ 413,492
Exploration	403,515	403,515
	$ 817,007	$ 817,007

Mineral property descriptions:

Big Trout Lake, Ontario

During 1999, the Company acquired a 100% interest in certain mining claims located in the Patricia Mining Division of northwestern Ontario. By an agreement dated February 24, 1999, the Company acquired these claims from an officer/director in exchange for shares (Note 10). The Company has received approval of assessment work filed and these claims are in good standing until February 2005.

On November 30, 2004, the Company granted Brigadier Gold Limited ("Brigadier") an option to acquire a 50% undivided interest in the property. The terms of the option include Brigadier's commitment to (a) grant the Company an option to purchase 200,000 common shares of Brigadier at $0.50 per share; (b) purchase 200,000 of the Company's common shares on or before January 14, 2005 for a purchase price of $50,000; and (c) pay the Company $300,000 by January 14, 2005, which funds must be expended on exploration by April 1, 2006, and pay an additional $1,000,000 by January 14, 2007, which the Company must expend on exploration expenditures by April 1, 2007.

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

Duluth, Minnesota, USA

During 1999 and 2000, the Company acquired a 100% interest in fifteen mineral leases covering mining units situated in the County of St. Louis, in the state of Minnesota.

The Company received notice of termination of these leases in January 2004 and elected to write-off, in 2003, the acquisition and deferred exploration expenditures totaling $102,300.

These leases were cancelled effective March 23, 2004. As a result the Company cancelled payment of the outstanding lease payments in the amount of $12,654 and recognized an exchange gain of $6,355 on unpaid amounts. These amounts were included in the acquisition and deferred exploration expenditures written off in 2003

7. Capital Assets

Capital assets comprise computer equipment and software and furniture and fixtures.

	2004	2003
Cost	$ 17,413	$ 16,591
Accumulated amortization	14,066	12,871
	$ 3,347	3,720

8. Capital Stock

a) Authorized: Unlimited number of common shares

b) Issued:

	Number of shares	Amount
Balance at December 31, 2002	6,102,177	$1,806,804
Issued for cash	826,757	206,689
Balance at December 31, 2003	6,928,934	2,013,493
Issued for cash	180,000	45,000
Balance at December 31, 2004	7,108,934	$ 2,058,493

c) On May 14, 2003, the Company completed the sale by private placement of 446,757 common shares at a price of $0.25 per share, for net proceeds of $111,689.

d) On December 2, 2003, the Company completed the sale by private placement of 40,000 common shares at a price of $0.25 per share, for net proceeds of $10,000.

e) On December 31, 2003, the Company completed the sale by private placement of 340,000 common shares (flow-through) at a price of $0.25 per share, for net proceeds of $85,000.

f) On May 13, 2004, the Company completed the sale by private placement of 40,000 common shares at a price of $0.25 per share, for net proceeds of $10,000.

g) On December 30, 2004, the Company completed the sale by private placement of 140,000 common shares at a price of $0.25 per share, for net proceeds of $35,000.

h) As of December 31, 2004, 2,380,000 of the issued shares are held in escrow.

i) On August 2, 2001, options to purchase 574,500 common shares were granted to employees and directors at $0.50 per share. These options will expire March 27, 2007.

9. Income Taxes

At December 31, 2004, the Company had federal non-capital loss carry forwards of approximately $1,460,000 for Canadian income tax purposes, to reduce future taxable income. These non-capital loss carry forwards expire as follows:

2005	$ 6,000
2006	84,000
2007	176,000
2008	208,000
2009	620,000
2010	160,000
2011	206,000

The benefits of these losses have not been recorded in the financial statements.

At December 31, 2004, the Company reports a total of approximately $773,000 of various classes of exploration expenses available for carry forward to apply against taxable income of subsequent taxation years.

10. Non-Cash Transactions

During the year ending December 31, 1999, the Company acquired mining claims in exchange for 1,600,000 common shares having a value of $0.25 per share.

11. Contingencies and Commitments

The Big Trout Lake First Nations Band ("Band") has informed the Company that it is opposed to any exploration activities on the Big Trout Lake Property. The Ontario Ministry of Natural Resources and the Ontario Ministry of Northern Development and Mines have confirmed that the Company has the right to quiet possession of the property and the obligation to pursue exploration. The Company has initiated consultations with the Band, which are continuing, and is hopeful that a mutually acceptable accommodation of each party's interest will be reached. The Band has consented to low impact exploration, continuing consultations and employment opportunities as the project progresses. The Company does not feel that the actions of the Band will have an adverse affect on the Company's financial condition.

12. Related Parties

a) On October 19, 1999, the company entered into a management agreement with J. R. Trusler & Associates to provide management services at the rate of $6,000 per month and to supply office space and related services at the rate of $1,000 per month effective October 1, 1999 and until April 19, 2000. This agreement was extended to April 19, 2001 on December 19, 2000 and until April 19, 2002 on July 5, 2001. Effective September 1, 2001 and up to December 31, 2002, J. R. Trusler & Associates waived the management fees due under the agreement.

   In 2004 the Company paid management fees of $69,000 (2003 - $72,000) of which $1,500 was allocated to exploration expenditures on the Big Trout Lake property and reimbursement of rent and utilities of $12,000 (2003 - $12,000) to a company owned and operated by an officer/director.

   James R. Trusler, promoter, President and CEO and director of the Company is a principal partner of J R Trusler & Associates.

b) On January 2, 2000, the company signed an engagement letter with Telacorp Inc. to provide geological and management services for a minimum of 6 days per month at a per diem rate of $500 until December 31, 2000. This agreement was extended to December 31, 2001 on December 15, 2000 and to December 31, 2002 on February 5, 2002. Effective September 1, 2001 and up to December 31, 2004, Telacorp Inc. waived the geological and management fees due under this agreement.

   In 2004 the Company paid management fees of $1,000 (2003 - $0) which was allocated to exploration expenditures on the Big Trout Lake property to a company owned and operated by an officer/director.

   Simon Baker, Vice-President Corporate Development and director of the Company is the president and principal owner of Telacorp Inc.

c) During the year ended December 31, 2004, the Company accrued legal fees of $10,450 to a legal firm where one of the firm's partners is a director of the company. During the year ended December 31, 2003, the Company paid legal fees of $6,700 to a legal firm where one of the firm's partners is a director of the Company.

d) During the year ended December 31, 2004, the Company accrued accounting fees of $7,107 to an officer of the Company. During the year ended December 31, 2003, the Company paid accounting fees of $1,988 to an officer of the Company.

e) Included in accounts payable is an amount of $210,682 (2003 - $93,201) that is due to related parties.

13. Basic and Diluted Loss per Share

The basic and diluted loss per share is computed by dividing the loss by the number of common shares outstanding during the period. The conversion of stock options was not included in the calculation of diluted loss per share since the calculation would be anti-dilutive.

14. Fair Value of Financial Instruments

At December 31, 2004 and 2003, the Company estimates that the carrying value of cash, accounts receivable, funds held in trust and accounts payable approximate their fair value due to the immediate or short-term nature.

15. Subsequent Events

a) 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 net proceeds of $40,000.