



Platinex Inc.
(A Development Stage Company)
Management's Discussion and Analysis
For the Nine Months Ended September 30, 2011

Platinex Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Nine Months Ended September 30, 2011

General

This discussion and analysis of financial position and results of operations of Platinex Inc. (the "Company") and its subsidiary for the nine months ended September 30, 2011 and 2010 should be read in conjunction with the unaudited interim consolidated financial statements for the nine months ended September 30, 2011 and 2010 has been prepared as of November 29, 2011.

The discussion below should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company and the notes thereto for the nine months ended September 30, 2011 and 2010 and the audited consolidated financial statements of the Company for the year ended December 31, 2010. All amounts are expressed in Canadian dollars unless otherwise indicated.

Effective January 1, 2011, the Company has commenced preparing its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). The Company's financial statements from incorporation to December 31, 2010 were prepared in accordance with Canadian generally accepted accounting principles.

Additional information relating to the Company is filed with securities regulatory authorities in Canada and is available on SEDAR at www.sedar.com.

Highlights

The Company achieved the following milestones in 2010 and 2011:

- Received settlement from the Government of Ontario totaling \$5,000,000 plus a 2.5% Net Smelter Royalty on the former Big Trout Lake property.
- Advanced the Shining Tree Gold property to the discovery stage with the revelation of spectacular gold counts in soil along a nine kilometre length of a shear zone.
- Drilled sixty six holes to date on the Herrick gold deposit on Shining Tree property, all of which intersected gold mineralization with a National Instrument 43-101 ("NI 43-101") technical report and resource estimate to be prepared Q1 of 2012.
- Entered in a Joint Venture agreement with Creso Exploration to explore a nine claim portion of adjoining property.
- Conducted extensive sampling and follow up drilling program on the Caswell prospect at Shining Tree which have confirmed widespread and partially very high-grade gold mineralization.
- Concentrated till sampling has now identified 12 high gold count anomalies.

Overview of Company

The Company was incorporated on August 12, 1998 under the laws of the Province of Ontario and trades on the TSX Venture 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 complete the exploration and the ability of the Company to recover value for its properties and/or upon future profitable production.

Overview of Company cont'd

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, The achievement of profitable operations or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying value.

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.

The Company has a long term need for equity capital and financing for working capital and exploration and development of its properties. However, a one time extraordinary recovery of costs added cash to the treasury without dilution in 2010 as described below under 'Overall Performance and Market Conditions'.

Overall Performance and Market Conditions

The Company is in the exploration stage on its various properties that are described herein 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; the ability to raise additional capital is subject to existing market conditions at that time. 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 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 remote property exploration for platinum through issuance of equity. Many companies trade at a discount to working capital and book value signifying a lack of recognition of goodwill. In order to attract investment it is necessary for a company to distinguish itself from its competitors. Therefore, the Company has shifted its focus to exploration of the Shining Tree Gold property (described under Properties). The ability to establish resources and to be able to bring such a property to production quickly should the exploration bear fruit were key to this decision. To-date sixty six holes have targeted the Herrick deposit in addition to stripping, trenching geophysical surveys and geological mapping. All holes have intersected gold mineralization in the Central Zone, confirming the existence of a large structural gold system.

Specialized soil sampling on the property has revealed persistent high gold values spatially aligned along a 9 km east west composite shear structure tentatively identified as The Larder Lake Break or an associated splay. The gold in soil occurrences is interpreted to indicate the presence of one or more gold deposits probably, but not necessarily, on the Company's property. Exploration to locate these deposits is ongoing and results will be forthcoming on a continuous basis through the summer months of 2011.

Management is confident that the gold in till anomalies on the Shining Tree property and the Herrick gold deposit will with progressive exploration evolve into significant commercial gold deposits. A large drill program is planned to commence in the first quarter of 2012 to test these targets.

Among the Company's properties with potential for nickel, copper, PGEs and chromium are two major properties in the Ring of Fire area. Since these properties were staked a major chromium discovery, believed to be the largest known deposit in the world, has been discovered in this area. A major steel company, Cliffs Resources, has acquired a controlling interest in two resource companies with properties in the Ring of Fire and plans are in the early stages to develop these properties and bring both permanent road and rail transportation into the area.

Overall Performance and Market Conditions cont'd

Statements have been made by some of the provincial politicians that this is the most significant discovery in Canada in the last 100 years. The Company believes its holdings are well positioned in the Ring of Fire area and the Company intends to ensure that exploration is pursued on these properties in an orderly manner.

In addition Noront Resources has recently released results of drilling the Eagle One deposit in the Ring of Fire intrusion. They revealed a combined resource of over 20 million tonnes of high grade Ni-Cu-PGE mineralization. This is a significant discovery.

The Ring of Fire intrusion outcrops on the Company's South McFaulds property approximately 20 km to the southwest. The Company has recently published a qualifying report on the property. A Federal/Provincial airborne gravity and magnetic survey covering most of the McFaulds Lake area was released on August 3, 2011. The Company has evaluated the data release and retained a geophysicist to provide an interpretation. A portion of the McFaulds South property was subjected to an airborne HELITEM and magnetic survey by Fugro Airborne Surveys, Corporation in September 2011. The final survey report by Fugro is outstanding.

In March and April three qualifying reports were completed on McFaulds North and South and the Norton Lake properties.

In April 2011, the Company vested its interest in the main portion of the Shining Tree property.

Properties

During the third half of 2008, the Company staked a property in Nunavut, completed several qualifying reports and summary reports and commenced exploration on one gold property and six additional PGE prospects in Ontario comprising 1,905 claim units for 30,850 ha. (76,200 acres). Initial exploration was carried out on several of these properties in 2008. Each property requires assessment work to keep it in good standing.

Due to the lawsuit previously filed against the Ontario government, the time to conduct this work on the six Ontario PGE properties was extended to 2012. 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 April 2008, the Company entered into an option agreement with Skead Holdings Ltd., with respect to certain claims situated in Churchill, Macmurchy and Asquith Townships in Ontario (the "Shining Tree property"). According to the agreement, the Company has the right to acquire a 100%-interest in the 139 claim units (5,680 acres or 2,299 ha), subject to a 3% NSR, by issuing 250,000 shares of Platinex, making cash payments (or share equivalent) totaling \$250,000 and by incurring property expenditures totaling \$850,000 during the four years ending April 11, 2012. The 3% NSR may be reduced by payment of \$400,000 for each 0.5% NSR purchased to a maximum of 1.5% NSR. If the optionor wishes to sell the remaining royalty interest Platinex retains a right of first refusal on the sale of the royalty interest. In May 2011, the Company vested 100% interest in the 139 claim units.

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

The property is underlain by a northwest trending, steeply dipping, sequence of felsic to mafic metavolcanic rocks intruded by irregular quartz feldspar porphyries of Early Precambrian age. Shining

Properties Cont'd

a) **Shining Tree Gold Property**

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 1,732 tonnes per vertical foot 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 385 m 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." Gold geologists recognize that the Shining Tree property is located on the westward extension of the Cadillac Malartic/Larder fault systems that are associated with several gold deposits that contained between 10 and 30 million ounces of gold. This potential has been suggested for the Shining Tree property.

Since October 2008, the Company has carried out its Phase I exploration program and commenced a Phase II program. Particular interest is focused on 155 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, 77 samples each returned more than ten gold grains (up to 101 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 and correlating with XDS ORTHO anomalies. Sampling of a further 111 samples by July, 2011 reinforced the previous results. Additional sampling of 232 bulk till samples using a backhoe was done along with sampling bedrock. All of these samples are being processed.

The outstanding gold values in soils are comparable to, and in many cases better, than those obtained over other major gold deposits in Northern Ontario and Quebec. The Company views this result as the beginning step in the location and identification of one or more major gold deposits, potentially a new major gold camp.

The Phase I exploration program in 2008 and 2009 included an airborne geophysical survey, till sampling, and 26 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 4,300m) 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.

The original surface sampling by Herrick Gold Mines outlined a 97.5 m length in 3 sections of the Central zone averaging 20.28 g/tonne Au/1.30 m and a length of 63.9 m of the West zone averaging 9.15 g/tonne Au/1.27 m. These are now interpreted to be the same zone which is offset by a fault. Further sampling of the upper 25 m of the shaft averaged 50 g/tonne Au/1.5 m. These latter results have not been qualified. Results reported previously are being revised in reference to a new interpretation and more drilling results in preparation for an internal resource estimate which is currently in progress.

The Central Zone has been channel sampled in 51 locations along 516 linear metres in two sections (by Unocal and Fort Knox Gold) and intersected by 66 drill holes to a depth of 300 m. These results have been partially qualified.

A new round of drilling on the Herrick deposit is being planned to commence circa January 2012 at which time an expanded drilling program to test up to twelve identified gold grain in till targets will be carried out.

Properties Cont'd

a) **Shining Tree Gold Property Cont'd**

Separately a comprehensive internal report to include the ore valuation on the Herrick deposit is expected to be completed in December 2011 and, if warranted, it will form the basis for an independent ore valuation and a NI 43-101 technical report.

In addition the Company in 2010 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 recently completed. All of the holes intersected gold mineralization with one hole intersecting a potentially commercial value.

The Company and Creso Exploration Inc. have entered into an agreement to combine claim holdings along the Larder Lake Break into a 50/50 joint venture in the Shining Tree gold area of Ontario. The nine claims (336ha) that constitute the joint venture property bring together the historic high grade vein systems that include the former Churchill, Gold Corona, Cochrane, and Pet occurrences. A 1,003 m drilling program was carried out in October, 2010 on the joint venture claims. The drill program was designed to begin outlining the dimensions and structural controls of an alteration zone and to guide further drilling toward the most prospective part of the system.

Further geophysical surveys, stripping and trenching are being carried out on the joint venture in 2011.

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 carbonates. Sampling by Platinex this summer returned values in grab samples up to 181 g/t Au from the Pet Vein.

Platinex entered into an agreement with Canadian Prospecting Ventures Inc. on September 16, 2010, to acquire one hundred percent interest, in its 12 claim unit (192 ha.) property. The property adjoins the Shining Tree property.

Under the agreement the Company made initial payments of \$5,000 and 50,000 shares of Platinex. In order to exercise the option Platinex must make further payments totaling \$15,000, issue an additional 250,000 shares and expend \$100,000 on exploration over three years. Upon exercise of the option Canadian Prospecting Ventures Inc. will retain a 2% NSR royalty; up to 1.0% of the royalty may be purchased in 0.5% increments for \$500,000 per 0.5% of NSR.

The South McFaulds property is located 25 km southwest of Noront Resources' Eagle One and Double Eagle nickel-copper-PGE and Blackbird chromitite discoveries within the Ring of Fire intrusion. This property comprises 696 claim units in six claim blocks covering 11,271 ha (27,840 acres). The property adjoins a block held by MacDonald Mines, Temex and Ring of Fire Resources on the southeast, and a block held by MacDonald Mines on the northwest known as the Butler Property, James Bay Resources

Properties Cont'd

b) **South McFaulds**

holds blocks of claims within and to the north of the Platinex holdings. McDonald's Butler property is being drill tested and has revealed occurrences of volcanogenic massive sulphide copper-zinc mineralization of significance and vanadium and nickel-copper-PGE mineralization. Platinex's property was staked to cover a layered intrusion that is coupled with magnetic anomalies. The Ring of Fire intrusion outcrops on the property which is on strike with Noront's discoveries in the Ring of Fire intrusion. The property is also centred on and in part marginal to a regional gravity anomaly. A qualifying report was completed on this property recently and an airborne geophysics program was carried out in September 2011 on a portion of the property.

A recent federal-provincial airborne gravity and magnetic survey covering the property has highlighted areas of potential for NI-Cu-PGE, Cu-Zn and vanadium deposits underlying the property. A portion of the McFaulds South property was subjected to an airborne HELITEM and magnetic survey by Fugro Airborne Surveys, Corporation in September 2011. The final report is due in December 2011.

c) **North McFaulds**

The North McFaulds property is located 22 km north of Noront Resources' Eagle One and Double Eagle nickel-copper-PGE discoveries and 30 km southeast of the WSR/Metalex Ventures VMS discoveries. This property comprises 609 contiguous claim units covering 9,862 ha (24,360 acres). The property adjoins on the south and east a claim block held by MacDonald Mines and Temex Resources, and on the west blocks held by Noront Resources/Bold Ventures option. It was staked to cover a layered intrusion coupled with magnetic anomalies which was recently revealed in survey publications by the Ontario government. A strong linear magnetic anomaly coincident with a strong regional gravity anomaly underlies the property. A NI 43-101 report has been completed recently and posted on the company website.

Layered intrusions in the McFaulds Lake area containing Ni-Cu-PGE mineralization and thick chromium layers have been correlated with the Company's former Big Trout Lake holdings 250 km to the west in a domal structure. The Company's Management believes that the Company will be able to apply its unique knowledge of the geology of the Big Trout Lake Igneous Complex and its tectonic setting to the McFaulds Lake area.

A recent federal-provincial airborne gravity and magnetic survey covering half of the property has highlighted potential for both magnetic Ni-Cu-PGE and Cu-Zn deposits. Follow up exploration is being considered.

d) **Norton Lake**

The Norton Lake property is located 413 km north of Thunder Bay and 50 km northeast of Fort Hope in Ontario. This property comprises 56 claim units for 907 ha (2,240 acres). The property covers a magnetic anomaly to the south and west of a 2.46 million-tonne resource of nickel, copper, cobalt, and palladium held by White Tiger Mining Corp., Rainy Mountain Royalty Corp. and Trillium North Minerals.

Lake sediment anomalies in the area suggest an environment promising for these metals on the Norton Lake prospect and the magnetic signatures of several anomalies are identical to the anomaly hosting the known deposit. A NI 43-101 report has been recently prepared and is available on the company website.

e) **Awkward Lake**

The Awkward Lake property is located 175 km north of Thunder Bay. This property comprises 88 contiguous units covering 1,425 ha (3,520 acres). The property adjoins the Key Stone Associates Inc. property on the south and the Obongo Precious Metals Inc. and Vale Canada Limited properties to the east. It was staked to cover the northern portion of the Awkward Lake intrusion which is believed to be the same age and style as the productive Lac des Iles intrusion belonging to North American Palladium Ltd. and contains known nickel-copper-PGE mineralization.

Properties Cont'd

f) **Core Zone**

The Core Zone property is located 174 km north of Thunder Bay and to the south of the previously mentioned Key Stone Associates Inc. property. Platinex's property covers 302 claim units comprising 4,891 ha (12,080 acres) and was staked to cover a layered intrusion believed genetically related to the chromium-bearing Puddy Lake ultramafic intrusion. Nickel-copper-PGE mineralization has been found within the area described.

g) **Tib Lake**

The Tib Lake property is located 60 km northwest of Thunder Bay. This property comprises 49 claim units covering 793.5 ha (1960 acres). The property adjoins the Tib lake property of Houston Lake Resources to the south and was staked to cover the northern portion of the Tib Lake layered intrusion. The intrusion is known to be related to the producing Lac des Iles intrusion and is mineralized on the adjacent property with nickel-copper-PGEs. Testing of this property is warranted, especially when considered in light of North American Palladium's nearby operation that demands feedstock.

h) **Muskox Property, Nunavut**

In November, 2007, the Company completed the staking of 38 mining claims totaling 35,231 ha. (87,058 acres) in the Muskox intrusion. A revised NI 43-101 report was filed on SEDAR and the company website during the third quarter of fiscal 2008. The Muskox property is located 30 km south of Kugluktuk and 350 km north of Yellowknife. All claims lapsed in 2010.

The Muskox Intrusion is one component of one of the world's largest magmatic episodes – the Mackenzie Magmatic Event. In size and style of magmatic activity, it is strikingly similar to the Permian-Triassic events which created the huge Noril'sk sulphide deposits; the world's principal supplier of Palladium. Despite abandoning the property in 2010 the Company maintains an active presence in activities on and about the intrusion.

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's 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 both litigation and attempts to discuss with and accommodate KI.

During 1999, the Company acquired a 100% interest in 221 mining claims located in the Patricia Mining Division of northwestern Ontario. On February 10, 2006 the Company acquired a 100% unencumbered interest in 81 renewable mining leases, expiring from April 1, 2010 to April 1, 2011, from a joint venture operated by INCO Limited for \$162,312 cash and the issuance of \$150,000 worth of the Company's common shares (428,751 common shares issued). The Company attempted to commence its exploratory drill program on the Big Trout Lake property in February, 2006. Members of the First Nation, Kitchenuhmaykoosib Inninuwug ("KI") restricted access to the property preventing commencement of the drill program. In April 2006, Platinex commenced a lawsuit against KI for damages and sought unobstructed access to its mining claims and leases. In February 2008, Platinex delivered written notice to the Province of Ontario of its intention to proceed with legal action for recovery from Ontario of damages suffered by Platinex arising from the dispute with KI. In accordance with Accounting Guideline AcG-11, the capitalized asset value has been assessed as impaired due to the lack of access to the property and has accordingly been written down. 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 2.5% Net Smelter Royalty.

Private Placements

For further detail regarding share capital issuances, see the audited financial statements and related notes for the year ended December 31, 2010. The proceeds of the non-flow through common shares are being used for administrative expenses and working capital. The proceeds from issuance of flow-through common shares will be 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.

Summary of Quarterly Results

The following table sets out financial performance highlights for the last eight fiscal quarters, prepared in accordance with IFRS or Canadian GAAP as indicated.

Operations:

	IFRS							Canadian GAAP Dec-09 \$
	Sep-11 \$	Jun-11 \$	Mar-11 \$	Dec-10 \$	Sep-10 \$	Jun-10 \$	Mar-10 \$	
Expenses	118,509	306,273	234,114	192,262	206,285	342,909	573,025	1,121,643
Part XII.6 Tax	0	0	0	6,989	0	0	0	0
Write down of deferred exploration expenditures	0	0	0	102,935	0	0	0	13,786
Cost recovery Ontario Gov't	0	0	0	0	0	0	(5,000,000)	(253,756)
Future income tax recoverable	0	0	(21,852)	(183,151)	0	0	0	0
Net loss	118,509	306,273	212,262	119,035	206,285	342,909	(4,426,975)	881,673
Loss per share basic and fully diluted	0.0025	0.0065	0.0045	0.0146	0.0047	0.0094	(0.1217)	0.0244

Financial Position:

	IFRS							Canadian GAAP Dec-09 \$
	Sep-11 \$	Jun-11 \$	Mar-11 \$	Dec-10 \$	Sep-10 \$	Jun-10 \$	Mar-10 \$	
Total assets	4,542,054	4,751,153	4,748,366	5,063,127	4,943,969	4,549,100	4,749,387	1,533,064
Total long-term Liabilities	0	0	0	0	0	0	0	0
Shareholders Equity	4,510,928	4,629,437	4,695,910	4,925,774	4,849,900	4,269,665	4,524,724	97,749

Results of Operations – Three Months Ended September 30, 2011

In the third quarter of 2011, the Company's operations were focused on the Shining Tree drill program. The Company's third quarter 2011 non-exploration expenses decreased to \$118,509 from \$206,285 for the same period in 2010 largely as a result of the capitalization of \$65,375 of salaries into exploration and evaluation assets. In the third quarter of 2011, the Company capitalized \$598,954 (\$152,158 - 2010) of exploration and evaluation assets expenditures in accordance with the Company's accounting policies.

In the third quarter of 2011, the Company reported a future income tax recoverable of \$0 (\$0 - 2010) arising from temporary differences between the carrying amounts of assets and liabilities for financial reporting and for tax purposes. The resulting fiscal 2011 third quarter loss was \$118,509 (\$206,285 - 2010) with a basic and fully diluted loss per share for the quarter of \$0.0025 (\$0.0047 - 2010).

Results of Operations – Nine Months Ended September 30, 2011

In the first nine months of 2011, the Company's operations were focused on the Shining Tree drill program. The Company's fiscal 2011 first nine months non-exploration expenses decreased to \$658,896 from \$1,122,219 for the same period in 2010 largely as a result of decreased consulting fees, legal fees, management salaries and director's fees. In the first nine months of 2011, the Company capitalized \$1,343,738 (\$549,664 - 2010) of exploration and evaluation assets expenditures in accordance with the Company's accounting policies.

In the first nine months of 2011, the Company received \$0 (\$5,000,000 - 2010) of cost recovery fees in connection with its settlement with Ontario.

In the first nine months of 2011, the Company reported a future income tax recoverable of \$21,852 (\$0 - 2010) arising from temporary differences between the carrying amounts of assets and liabilities for financial reporting and for tax purposes. The resulting fiscal 2011 first nine months loss was \$637,044 (Income - \$3,877,781 - 2010) with a basic and fully diluted loss per share for the first nine months of \$0.0134 (Earnings \$0.0996 - 2010).

In the first nine months of 2011, 1,180,000 options (0 - 2010) with a weighted average exercise price of \$0.20 (\$0.00 - 2010) expired.

Liquidity

At September 30, 2011, the Company reported working capital of \$868,215 (\$2,597,199 - December 31, 2010) and cash balances of \$809,678 (\$2,511,273 - December 31, 2010). Included in cash as at September 30, 2011, is \$0 (\$69,198 - December 31, 2010) of proceeds received from the issuance of flow-through shares whose use is restricted to exploration expenditures. Management has adopted a policy of preserving cash resources for strategy purposes and financing exploration with flow through financing.

Capital Resources

The Company currently does not have any credit facilities with financial institutions, and is not anticipating a profit from operations in the near future, therefore it will rely on its ability to obtain equity financing for growth. Management expects that it will be able to raise sufficient capital to further explore and develop its properties and projects in the future. The Company remains confident that equity financing will continue to be available on terms and conditions acceptable to the Company. In the case that equity financing is not available cash reserves could support the company's intended operations for over one year.

Transactions with Related Parties

The condensed interim consolidated financial statements include the financial statements of the Company and its subsidiary PTX Nevada LLC.

Remuneration of directors and key management personnel for the nine months ended September 30, 2011 and 2010 was:

	<u>September 30, 2011</u>	<u>September 30, 2010</u>
Management salaries and fees	\$ 360,000	\$ 316,961
Directors fees	0	56,500
Share-based payments	109,600	69,600
	<u>\$ 469,600</u>	<u>\$ 443,061</u>

For the nine months ended September 30, 2011, of the management fees and salaries, \$150,400 was allocated to exploration and evaluation assets (\$23,667 - 2010). Share based payments are the fair value of options granted to directors and key management personnel which vested during the period. At September 30, 2011, accounts payable included \$0 (December 31, 2010 - \$0) due to related parties.

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

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 or 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 assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in the statement of income/loss and comprehensive income/loss in the period the new information becomes available.

Critical Accounting Estimates cont'd

ii) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

iii) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred income tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred income tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

iv) Share-Based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 14 to the unaudited interim consolidated financial statements for the nine months ended September 30, 2011 and 2010.

Changes in Accounting Policies - Transition to International Financial Reporting Standards

As stated in Note 2 to the condensed consolidated interim financial statements for the three and nine months ended September 20, 2011, these financial statements have been prepared in accordance with IFRS and are part of the Company.

The accounting policies in Note 3 have been applied as follows:

- in preparing the condensed consolidated interim financial statements for the nine months ended September 30, 2011;
- the comparative information for the nine months ended September 30, 2010;
- the statement of financial position as at December 31, 2010; and
- the preparation of an opening IFRS statement of financial position on the Transition Date, January 1, 2010.

The Company's financial statements for the year ended December 31, 2011 will be the first annual financial statements prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was January 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be December 31, 2011. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP").

Changes in Accounting Policies - Transition to International Financial Reporting Standards cont'd

In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Canadian GAAP.

The IFRS 1 optional exemptions and exceptions applied in the conversion from Canadian GAAP to IFRS are as follows:

a) **Business Combinations**

The Company elected not to retrospectively apply IFRS 3 Business Combinations to any business combinations that may have occurred prior to its Transition Date and such business combinations have not been restated.

b) **Share-based Payment Transactions**

The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date to IFRS.

The IFRS 1 mandatory applied in the conversion from Canadian GAAP to IFRS are as follows:

c) **Estimates**

The estimates previously made by the Company under Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the Company has not used hindsight to revise estimates.

Reconciliations of Canadian GAAP Equity, Comprehensive Income and Cash Flows to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The changes made to the statements of financial position and statements of comprehensive income as shown on the pages following have resulted in reclassifications of various amounts on the statements of cash flows. However, as there have been no material adjustments to the net cash flows, no reconciliation of the statement of cash flows has been prepared.

Financial 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 September 30, 2011 and December 31, 2010, 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 summarized below:

Fair Value Hierarchy and Liquidity Risk Disclosure

The fair value hierarchy shall have the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). The adoption of these amendments resulted in additional disclosures in the notes to the consolidated financial statements.

At September 30, 2011 and December 31, 2010, the Company's financial instruments that are carried at fair value, consisting of cash have been classified as Level 2 within the fair value hierarchy.

Financial Risk Factors cont'd

Credit Risk

The Company's credit risk is primarily attributable to cash and GST receivable. The Company has no significant concentration of credit risk arising from operations. Cash is maintained at a major financial institution. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore management believes that they bear minimal risk. Financial instruments include GST receivable tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to this financial instrument is minimal.

Market Risk

a) Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has no loans and consequently is not required to hedge against interest rate risk.

b) Foreign Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

c) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

d) Fair values

The estimated fair value of the Company's financial instruments has been determined based on the Company's assessment of available market information and appropriate valuation methodologies. However, these estimates may not necessarily be indicative of the amounts that the company could realize in a current market exchange. The Company's cash, funds held in trust and accounts payable and accrued liabilities are considered financial instruments. The estimated fair values of these financial instruments approximate their carrying amounts because of the limited term of these instruments.

Commitments and Contingencies

a) Environmental Contingencies

The Company's mining and exploration activities are subject to various federal, provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and 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.

b) Flow-Through Expenditures

As at September 30, 2011, the Company is committed to incur prior to December 31, 2011, on a best efforts basis \$0 (\$69,198 – December 31, 2010) in qualifying Canadian exploration expenditures pursuant to private placements for which flow-through proceeds had been received prior to December 31, 2010 and renounced to subscribers effective as at that date. There have been no flow-through placements in fiscal 2011 to date.

Subsequent Events

There are no reportable subsequent events.

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 consolidated interim financial statements and notes for the nine months ended September 30, 2011.

Disclosure of Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares, and on September 30, 2011 there were 47,895,993 common shares issued (46,850,539 – December 31, 2010).

As at September 30, 2011, there were 3,970,000 options outstanding with a weighted average exercise price of \$0.20 expiring between May 28, 2011 and April 1, 2016. As at the same date, there were 5,067,136 warrants outstanding with a weighted average exercise price of \$0.15 expiring between June 16 and December 16, 2012.

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.

Disclosure Controls and Internal Controls Over Financial Reporting

Management's Report on Disclosure Controls and Procedures

Disclosure controls and procedures have been designed 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 September 30, 2011.

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 or 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 September 30, 2011 that have materially affected or are reasonably likely to materially affect, the Company's internal control over financial reporting.