



**Platinex Inc.**  
**Condensed Interim Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2016 and March 31, 2015**  
**Unaudited - Expressed in Canadian Dollars**

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee of the Board of Directors.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditors.

May 30, 2016

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

	Note	As at March 31 2016	As at December 31 2015
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 5,461	\$ 5,491
HST receivable		1,252	2,355
<b>Total current assets</b>		<b>\$ 6,713</b>	<b>\$ 7,846</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	3	\$ 1,723,083	\$ 1,723,083
Property, plant and equipment	4	1,346	1,455
<b>Total non-current assets</b>		<b>\$ 1,724,429</b>	<b>\$ 1,724,538</b>
<b>Total assets</b>		<b>\$ 1,731,142</b>	<b>\$ 1,732,384</b>
<b>Liabilities and Shareholders' equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		245,825	\$ 238,574
Due to related parties	7	232,128	230,551
<b>Total current liabilities</b>		<b>\$ 477,953</b>	<b>\$ 469,125</b>
<b>Shareholders' equity</b>			
Share capital	5	\$ 6,122,799	\$ 6,122,799
Shares to be issued	5c	18,500	18,500
Contributed surplus		732,633	732,633
Accumulated deficit		(5,620,743)	(5,610,673)
<b>Total shareholders' equity</b>		<b>\$ 1,253,189</b>	<b>\$ 1,263,259</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 1,731,142</b>	<b>\$ 1,732,384</b>
Nature of operations and going concern	1		

Signed on behalf of the Board of Directors:

*"James Trusler"*

\_\_\_\_\_  
Director

*"Bruce Reilly"*

\_\_\_\_\_  
Director

**Platinex Inc.**

**Condensed Interim Consolidated Statements of Changes in Equity**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2016 and March 31, 2015**

	Share Capital	Shares to be Issued	Contributed Surplus	Share Warrant Reserve	Accumulated Deficit	Total
<b>Balance December 31, 2014</b>	\$ 6,122,799	\$ 0	\$ 707,133	\$ 10,500	\$ (5,534,230)	\$ 1,306,202
Loss for the period		0	0	0	(8,057)	(8,057)
Share capital issued		0	0	0	0	0
Stock options granted		0	0	0	0	0
Warrants issued		0	0	0	0	0
Warrants expired		0	0	0	0	0
Share issue costs		0	0	0	0	0
<b>Balance March 31, 2015</b>	<u>\$ 6,122,799</u>	<u>\$ 0</u>	<u>\$ 707,133</u>	<u>\$ 10,500</u>	<u>\$ (5,542,287)</u>	<u>\$ 1,298,145</u>
<b>Balance December 31, 2015</b>	\$ 6,122,799	\$ 18,500	\$ 732,633	\$ 0	\$ (5,610,673)	\$ 1,263,259
Loss for the period		0	0	0	(10,070)	(10,070)
Share capital issued		0	0	0	0	0
Stock options granted		0	0	0	0	0
Warrants issued		0	0	0	0	0
Warrants expired		0	0	0	0	0
Share issue costs		0	0	0	0	0
<b>Balance March 31, 2016</b>	<u>\$ 6,122,799</u>	<u>\$ 18,500</u>	<u>\$ 732,633</u>	<u>\$ 0</u>	<u>(5,620,743)</u>	<u>\$ 1,253,189</u>

Nature of operations and going concern (note 1)

**Platinex Inc.**

**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months March 31, 2016 and March 31, 2015**

	Note	2016	2015
<b>Expenses</b>			
Depreciation	4	\$ 109	\$ 156
Office and general		4,761	1,983
Rent		0	708
Regulatory fees, Part XII.6 tax, interest and penalties		5,200	5,210
<b>Total expenses</b>		<u>10,070</u>	<u>8,057</u>
<b>Total net and comprehensive loss for the period</b>		<u>\$ 10,070</u>	<u>\$ 8,057</u>
<b>Loss per common share, basic and diluted</b>	8	<u>\$ 0.0002</u>	<u>\$ 0.0002</u>

Nature of operations and going concern (note 1)

**Platinex Inc.**  
**Condensed Interim Consolidated Statements of Cash Flow**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2016 and March 31, 2015**

	2016	2015
<b>Cash flows from operating activities</b>		
Net and comprehensive income (loss) for the period	\$ (10,070)	\$ (8,057)
Adjustments to reconcile net and comprehensive loss to net cash used in operating activities:		
Depreciation	109	156
Changes in non-cash working capital balances:		
HST receivable	1,103	(962)
Accounts payable	7,251	4,542
Due to related parties	1,577	3,826
	(30)	\$ (495)
<b>Total cash flows from operating activities</b>	(30)	\$ (495)
<b>Increase (decrease) in cash during the period</b>	(30)	(495)
<b>Cash at beginning of period</b>	5,491	636
<b>Cash at end of period</b>	5,461	\$ 141
Nature of operations and going concern	(note 1)	

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

---

**Platinex Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2016 and March 31, 2015**

---

## **1. NATURE OF OPERATIONS AND GOING CONCERN**

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

The Company is listed on the TSX Venture Exchange, having the symbol PTX-V, as a Tier 2 mining issuer. The address of the Company's corporate office and principal place of business is 807-20 William Roe Blvd., Newmarket, Ontario, Canada.

These condensed interim consolidated financial statements of the Company for the three months ended March 31, 2016 and March 31, 2015 were approved and authorized for issue by the Board of Directors on May 30, 2016.

The Company has interest in mineral properties located in Canada which are presently at the exploration and evaluation stage. Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets.

For the three months ended March 31, 2016, the Company generated a net loss of \$10,070 (for the three months ended March 31, 2015 – net loss of \$8,057), the deficit as at March 31, 2016 amounted to \$5,620,743 (\$5,610,673 as at December 31, 2015) and negative cash flow from operations amounted to \$30 (negative cash flow from operations amounted to \$495 as at March 31, 2015).

Management estimates that the funds available as at March 31, 2016 will not be sufficient to meet the Company's obligations and budgeted expenditures through December 31, 2016. The Company will have to raise additional funds to continue operations. The Company is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. Although there is no assurance that the Company will be successful in these actions, management is confident that it will be able to secure the necessary financing through the issuance of new debt and equity. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Although these condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, the above-noted facts and circumstances cast significant doubt on the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported revenues and expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

## **2. BASIS OF PREPARATION**

### **a) Basis of Presentation and Measurement**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and under the historical cost method, except for certain financial instruments measured at fair value.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the years ended December 31, 2015 and December 31, 2014 which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods adopted are consistent with those disclosed in Note 3 to the Company's consolidated financial statements for the years ended December 31, 2015 and December 31, 2014.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim consolidated financial statements are disclosed in note 4 of the Company's consolidated financial statements as at and for the years ended December 31, 2015 and December 31, 2014.

**Platinex Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2016 and March 31, 2015**

**3. EXPLORATION AND EVALUATION ASSETS**

	Shining Tree	South McFaulds	Total
<b>Balance at December 31, 2014</b>	\$ 1,723,083	\$ 0	\$ 1,723,083
Exploration costs	0	0	0
Impairment loss	0	0	0
<b>Balance at December 31, 2015</b>	\$ 1,723,083	\$ 0	\$ 1,723,083
Exploration costs	0	0	0
Impairment loss	0	0	0
<b>Balance at March 31, 2016</b>	\$ 1,723,083	\$ 0	\$ 1,723,083

a) Shining Tree Property, Ontario

In 2011 the Company vested an option agreement with Skead Holdings Ltd., with respect to 139 claim units (5,680 acres or 2,299 ha), situated in Churchill, MacMurchy and Asquith Townships in Ontario (the "Shining Tree property"). The Company now holds a 100% interest in the claims subject to a 3% NSR and subject to advance royalty payments of \$73,000 on April 11, 2018 and \$10,000 per year commencing on April 2019. Further Platinex may after making the \$73,000 payment eliminate the requirement for future advance royalty payments by making a one-time advance royalty payment of \$100,000. The 139 claim units have been placed in a trust and will revert to Skead Holdings Ltd. should the Company fail to make the \$73,000 advance royalty payment due in April 2018. Conversely, upon the Company making the \$73,000 payment the claims will be released from trust to the Company. In two thirds of the 3% NSR may be reduced by payment of: \$75,000 for each one-quarter percent for the first one-half percent; \$150,000 for each one-quarter percent for the second one-half percent; \$250,000 for each one-quarter percent for the third one-half per cent, and; \$400,000 for each one-quarter percent for the final one-half percent (\$1.75 million in aggregate). If Skead Holdings Ltd wishes to sell the residual royalty interest the Company retains a right of first refusal to purchase the NSR. On May 10, 2012 the Company acquired a lease (40 acres, 16 ha) from Gary John McBride for 200,000 shares of the Company. The lease is central to the Shining Tree property.

The Company 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 with NI 43-101 standards.

Since commencement of exploration in 2008, an airborne geophysical survey, stripping, trenching, sampling, induced polarization and magnetometer surveys, glacial till sampling and the drilling of 64 holes for a total of 8,393 m have been completed. A provincially significant anomaly comprising high counts of gold grains and nuggets has been defined covering a large portion of the property and the geological interpretation of this feature is that it has been generated by nearby sources, not necessarily but probably, underlying the Shining Tree property. Channel and composite grab sampling of 72 sections covering a length of 361 m of the Herrick deposit averages 6.98 g/t Au / 1.9 m average true width. Fifty nine qualified drill holes along the same length to a depth of 300m returned average grades from the Central Zone of 2.16 g/t Au / 2.9 m true width. One of the deeper holes returned a 46.1 m mineralized section indicating that the zone is thickening with depth.

b) South McFaulds, Ontario

The South McFaulds property is located 25 km southwest of Noront Resources' Eagle One and Double Eagle nickel-copper-PGE and Black Bird chromitite discoveries. This property comprises 30 claim units in one claim block covering 480 ha (1,200 acres). The property adjoins a block held by MacDonald Mines on the northeast. A qualifying report was filed on this property in May, 2011 and an airborne geophysical program was carried out in September, 2011. After filing the report, low priority portions of the property were allowed to lapse. This exploration work has enabled the Company to keep portions of the property in good standing.



**Platinex Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2016 and March 31, 2015**

**4. PROPERTY, PLANT AND EQUIPMENT**

	<u>Computer Equipment</u>
<b>Cost</b>	
<b>Balance at December 31, 2014</b>	\$ 31,764
Additions (disposals)	0
<b>Balance at December 31, 2015</b>	\$ 31,764
Additions (disposals)	0
<b>Balance at March 31, 2016</b>	\$ 31,764
<b>Depreciation and impairment losses</b>	
<b>Balance at December 31, 2014</b>	\$ 29,685
Depreciation	624
Disposals	0
<b>Balance at December 31, 2015</b>	\$ 30,309
Depreciation	109
Disposals	0
<b>Balance at March 31, 2016</b>	\$ 30,418
<b>Carrying amounts</b>	
<b>At December 31, 2015</b>	\$ 1,455
<b>At March 31, 2016</b>	\$ 1,346

**5. SHARE CAPITAL**

- a) Authorized: Unlimited number of common shares
- b) Issued:

	<u>Number of Shares</u>	<u>Amount</u>
<b>Balance at December 31, 2014, 2015 and March 31, 2016</b>	52,209,326	\$ 6,122,799

- c) On April 29, 2015, the Company received \$18,500 for shares to be issued at a future date.

**Platinex Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2016 and March 31, 2015**

**6. SHARE BASED PAYMENTS**

a) Share Purchase Warrants

	<u>Number of warrants</u>	<u>Weighted average Exercise price</u>	<u>Value of warrants</u>
<b>Balance, December 31, 2014</b>	1,050,000	\$ 0.08	\$ 10,500
Granted, private placements	0	0	0
Exercised	0	0	0
Expired or cancelled	1,050,000	0.08	10,500
<b>Balance, December 31, 2015 and March 31, 2016</b>	0	\$ 0.00	\$ 0

<u>Date of Expiry</u>	<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Grant Date Fair Value of Warrants</u>
30-Sept 15	1,050,000	\$0.08	\$10,500

The warrants granted were valued using the Black-Scholes option pricing model with the following assumptions, quoted at their weighted averages.

	<u>2013</u>
Expected dividend yield	0
Expected volatility	152%
Risk free interest rate	1.19%
Expected life	1.5 years

**Platinex Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2016 and March 31, 2015**

**6. SHARE BASED PAYMENTS CONT'D**

b) Share Purchase Options

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

On April 30, 2014, in exchange for extending the time for payment of an advance royalty payment of \$21,500 the Company agreed to grant Skead Holdings Ltd 100,000 options with a five year term and an exercise price of \$0.10 per share. On May 21, 2014, the Company revised this exercise price to \$0.05 per share.

On May 21, 2014, the Company agreed to grant 1,500,000 options with a five year term at an exercise price of \$0.05 to the directors of the Company; the options have not been issued as of May 29, 2015.

The following is a summary of changes in options from January 1, 2015 to December 31, 2015 and March 31, 2016.

Grant Date	Expiry Date	Exercise Price	Opening Balance	During the year			Closing Balance	Vested and Exercisable	Unvested
				Granted	Exercised	Cancelled			
06/25/10	06/25/15	\$0.20	1,020,000	0	0	1,020,000	0	0	0
04/01/11	04/01/16	\$0.12	1,560,000	0	0	0	1,560,000	1,560,000	0
04/30/14	04/30/19	\$0.05	100,000	0	0	0	100,000	100,000	0
11/30/15	11/30/20	\$0.05	0	1,500,000	0	0	1,500,000	1,500,000	0
			2,680,000	1,500,000	0	1,020,000	3,160,000	3,160,000	0
Weighted average exercise price			\$0.15	\$0.05	\$0.00	\$0.20	\$0.08	\$0.08	\$0.00

The options granted were valued using the Black-Scholes option pricing model with the following assumptions, quoted at their weighted averages.

	2015	2014	2011	2010
Expected dividend yield	0%	0%	0%	0%
Expected volatility	182.88%	175.73%	96.58%	135.85%
Risk-free interest rate	1.57%	1.67%	2.56%	2.35%
Expected life	5 years	5 years	5 years	5 years

**7. RELATED PARTY TRANSACTIONS**

Remuneration of Directors and key management personnel during the first quarters of 2016 and 2015 was nil. At March 31, 2016, due to related parties was \$232,128 (December 31, 2015 - \$230,551) due to related parties and included \$110,990 due to former Directors and Officers (December 31, 2015 - \$110,990).

**Platinex Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Three Months Ended March 31, 2016 and March 31, 2015**

**8. BASIC AND FULLY DILUTED EARNINGS PER SHARE**

The following table sets forth the calculation of the basic and diluted earnings per share:

	<b>Three Months Ended</b>	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Basic earnings available to common shareholders	\$ 10,070	\$ 8,057
Weighted average number of common shares outstanding basic	52,209,326	52,209,326
Basic earnings (loss) per share	\$ 0.0002	\$ 0.0002
Weighted average number of common shares outstanding	52,209,326	52,209,326
Assumed exercise of outstanding dilutive options and warrants	3,630,000	3,630,000
Shares purchased from proceeds of assumed exercise options and warrants	(53,440,000)	(92,310,000)
Weighted average number of common shares outstanding - diluted	-	-
Basic and diluted earnings (loss) per share	\$ 0.0002	\$ 0.0002

The effects of the stock options for the three months ended March 31, 2016 and 2015 have been excluded from the calculations of diluted earnings per share as it would be anti-dilutive.