



Platinex Inc.

Condensed Interim Consolidated Financial Statements

**Three and Nine Months Ended
September 30, 2020**

Expressed in Canadian Dollars

NOTICE TO READER

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

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

	As at September 30, 2020	As at December 31, 2019
ASSETS		
Current assets		
Cash	\$ 1,016,167	\$ 1,154
HST receivable	80,320	52,970
Prepaid expenses	19,818	10,650
Total current assets	1,116,305	64,774
Non-current assets		
Exploration and evaluation assets (note 3)	996,660	1
Equipment	652	961
Total non-current assets	997,312	962
Total assets	\$ 2,113,617	\$ 65,736
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 390,076	\$ 549,712
Total liabilities	390,076	549,712
Loan payable (note 4)	40,000	-
Total liabilities	430,076	549,712
Shareholders' deficiency		
Share capital (note 5)	9,841,658	8,272,886
Shares to be issued	150,000	-
Share warrant reserve (note 6)	1,366,709	590,391
Contributed surplus (note 7)	1,609,144	1,326,806
Accumulated deficit	(11,283,970)	(10,674,059)
Total shareholders' deficiency	1,683,541	(483,976)
Total liabilities and shareholders' deficiency	\$ 2,113,617	\$ 65,736

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

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

Platinex Inc.

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss
(Unaudited) - Expressed in Canadian Dollars

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Expenses				
Professional fees (note 8)	\$ 50,185	\$ 52,829	\$ 128,243	\$ 97,539
Consulting fees	12,500	-	17,071	-
Depreciation	103	102	309	308
Management fees and salaries (note 8)	19,930	33,960	60,430	82,920
Office and general	60,801	(706)	69,137	5,810
Rent (note 8)	1,500	3,000	4,500	9,000
Regulatory and transfer agent fees	6,688	3,447	18,771	13,465
Share based compensation (notes 7 and 8)	311,450	-	311,450	7,400
Gain on sale of option agreement	-	-	-	(25,000)
Net loss and comprehensive loss for the period	\$ (463,157)	\$ (92,632)	\$ (609,911)	\$ (191,442)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	129,363,304	98,134,342	111,432,630	98,028,556

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

Platinex Inc.
Condensed Interim Consolidated Statement of Cash Flows
(Unaudited) - Expressed in Canadian Dollars

	Nine Months Ended September 30,	
	2020	2019
Operating activities		
Net loss for the period	\$ (609,911)	\$ (191,442)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	309	308
Share based compensation	311,450	7,400
Changes in non-cash working capital items:		
HST receivable	(27,350)	192
Prepaid expenses	(9,168)	-
Accounts payable and accrued liabilities	(159,636)	118,577
Net cash used in operating activities	(494,306)	(64,965)
Investing activities		
Expenditures for exploration and evaluation assets	(36,659)	(45,724)
Net cash used in investing activities	(36,659)	(45,724)
Financing activities		
Proceeds from common shares issued, net of costs	1,355,978	100,000
Proceeds from common shares to be issued	150,000	-
Proceeds from loan payable	40,000	-
Net cash provided by financing activities	1,545,978	100,000
Net change in cash	1,015,013	(10,689)
Cash, beginning of period	1,154	13,797
Cash, end of period	\$ 1,016,167	\$ 3,108
Supplemental information		
Common shares issued for option payment	\$ -	\$ 5,000
Common shares and warrants issued for exploration and evaluation assets	\$ 960,000	\$ 36,000

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Platinex Inc.

Condensed Interim Consolidated Statement of Changes in Shareholders' Deficiency
(Unaudited) - Expressed in Canadian Dollars

	Share Capital	Shares to be issued	Share Warrant Reserve	Contributed Surplus	Accumulated Deficit	Total
Balance, December 31, 2018	\$ 8,165,219	\$ -	\$ 557,058	\$ 1,306,406	\$ (10,217,291)	\$ (188,608)
Net loss for the period	-	-	-	-	(191,442)	(191,442)
Common shares issued for cash (note 5(b))	66,667	-	33,333	-	-	100,000
Common shares issued for exploration and evaluation assets (note 5(b))	36,000	-	-	-	-	36,000
Exercise of stock options for advance royalty payment (note 7(i))	5,000	-	-	-	-	5,000
Share based compensation	-	-	-	7,400	-	7,400
Balance, September 30, 2019	\$ 8,272,886	\$ -	\$ 590,391	\$ 1,313,806	\$ (10,408,733)	\$ (231,650)
Balance, December 31, 2019	\$ 8,272,886	\$ -	\$ 590,391	\$ 1,326,806	\$ (10,674,059)	\$ (483,976)
Net loss for the period	-	-	-	-	(609,911)	(609,911)
Common shares issued for cash (note 5(b))	804,393	-	544,447	-	-	1,348,840
Share issue costs	(52,733)	-	21,871	-	-	(30,862)
Common shares issued for exploration and evaluation assets (note 5(b))	750,000	-	210,000	-	-	960,000
Common shares issued for the exercise of stock options	67,112	-	-	(29,112)	-	38,000
Share based compensation (note 7(ii)(iii))	-	-	-	311,450	-	311,450
Common shares to be issued for the exercise of warrants	-	150,000	-	-	-	150,000
Balance, September 30, 2020	\$ 9,841,658	\$ 150,000	\$ 1,366,709	\$ 1,609,144	\$ (11,283,970)	\$ 1,683,541

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

Platinex Inc.
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine months Ended September 30, 2020
(Unaudited) - Expressed in Canadian Dollars

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

These unaudited condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on November 25, 2020.

For the nine months ended September 30, 2020, the Company generated a net loss of \$609,911 (nine months ended September 30, 2019 - \$191,442), has an accumulated deficit of \$11,283,970 as at September 30, 2020 (December 31, 2019 - \$10,674,059) and has negative cash flow from operations amounting to \$494,306 for (nine months ended September 30, 2019 - \$64,965).

Management estimates that the funds available as at September 30, 2020 may not be sufficient to meet the Company's obligations and budgeted expenditures through December 31, 2020. 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.

Although these unaudited 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 are material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern.

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

2. BASIS OF PREPARATION

Basis of Presentation and Measurement

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

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the years ended December 31, 2019 and December 31, 2018 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 the Company's consolidated financial statements for the years ended December 31, 2019 and 2018, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2020 could result in restatement of these unaudited condensed interim financial statements.

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 unaudited condensed interim consolidated financial statements are disclosed in the Company's consolidated financial statements as at and for the years ended December 31, 2019 and 2018.

Platinex Inc.
Notes to Condensed Interim Consolidated Financial Statements
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(Unaudited) - Expressed in Canadian Dollars

2. BASIS OF PREPARATION (Continued)

New accounting policies

IAS 1, Presentation of Financial Statements ("IAS 1")

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed interim consolidated financial statements.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed interim consolidated financial statements.

3. EXPLORATION AND EVALUATION ASSETS

	Shining Tree
Balance at December 31, 2018	\$ 35,000
Option payment - cash	28,000
Option payment - shares	36,000
Royalty payment received	(25,000)
Exploration costs	22,724
Impairment	(96,723)
Balance at December 31, 2019	1
Option payment - shares and warrants	960,000
Exploration costs	36,659
Balance at September 30, 2020	\$ 996,660

Shining Tree Property, Ontario

In 2011, the Company vested an option agreement with Skead Holdings Ltd. ("Skead"), with respect to 139 claim units (5,680 acres or 2,299 ha), situated in Churchill, MacMurchy and Asquith Townships in Ontario (the "Shining Tree property"). In March, 2018, the Company settled a cumulative overdue advance royalty payment by issuance of 292,307 common shares to Skead in connection with the Shining Tree property. The settlement comprised an aggregate amount of \$73,000, which included a \$35,000 cash payment. The Company now holds a 100% interest in the claims subject to a 3% NSR and advance royalty payments of \$10,000 per year commencing in April 2019. Skead has agreed to defer payment of the April 2019 advance royalty payments.

Further Platinex may eliminate the requirement for future advance royalty payments by making a one-time advance royalty payment of \$100,000. Two thirds of the 3% NSR may be reduced by payment of: \$75,000 for each one-quarter percent for the first one-half percent; \$150,000 for each one-quarter percent for the second one-half percent; \$250,000 for each one-quarter percent for the third one-half per cent, and; \$400,000 for each one-quarter percent for the final one-half percent (\$1.75 million in aggregate). If Skead 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.

Platinex Inc.
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(Unaudited) - Expressed in Canadian Dollars

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Shining Tree Property, Ontario (continued)

The Company entered into two agreements in August 2016 and a further five agreements in November, 2016, January, 2017, March, 2017, April, 2017 and June 2017 and staked claims in December, 2016 which significantly expand the size and potential of its Shining Tree gold property. Platinex has entered into an option agreement with Skead and Ashley Gold Mines Limited, with respect to certain claims situated in Churchill, MacMurphy and Asquith Townships, in Ontario. Platinex has the right to acquire a 100% interest in the 54 claim units and a 50% interest in a further 8 claim units (991 ha or 2,480 acres), subject to a 2% NSR, by issuing 200,000 shares of Platinex (issued in 2016), and by making cash payments (or share equivalent) of \$95,000 and by incurring property expenditures of \$500,000 during the ensuing four-year period to August 17, 2020. The option is currently in arrears by \$25,000. Platinex also entered into an agreement with two prospectors to purchase a 100% interest in four claims comprising 20 claim units (320 ha or 800 acres) in Churchill, MacMurphy and Asquith Townships, in Ontario by issuing 400,000 shares of Platinex (issued in 2016). Platinex subsequently entered into five agreements with one prospector to purchase a 100% interest in: ten claims comprising 70 claim units (1,120 ha or 2,800 acres) for 398,000 shares on November 3, 2016 (issued in 2016); four claims comprising 43 claim units (688 ha. or 1,720 acres) for 71,429 shares on January 25, 2017; eight claims comprising 96 claim units (1,536 ha or 3,840 acres) for 86,705 shares on March 30, 2017; 21 claims comprising 267 claim units (4,272 ha or 10,680 acres) for 391,250 shares on April 20, 2017 and 9 claims comprising 127 claim units (2,032 ha or 5,080 acres) for \$5,000 and 436,190 shares on June 20, 2017. Platinex also staked claims comprising 45 claim units (720 ha or 1,800 acres). Six claim units were subsequently included in the Skead Agreement. On December 12, 2017, the Company issued 138,888 shares to Skead and Ashley Gold Mines Limited to satisfy a portion of a \$25,000 option payment on the Skead-Ashley option.

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

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

On April 12, 2019, the Company closed a transaction for the assignment of its ownership rights, under an option agreement with Skead and Ashley Gold Mines Limited with respect to a 50% interest in claim L4212960, to Goldeye Explorations Ltd., a subsidiary of Treasury Metals Inc. The terms include proceeds of \$25,000 received in cash and a 1% NSR royalty on 50% of the claim. The residual requirements of Platinex under the Skead-Ashley option were accordingly amended to:

- (i) Final option payment of \$28,000 (paid);
- (ii) Year 3 expenditures of \$140,000 due on or before August 17, 2020;
- (iii) Year 4 expenditures of \$186,667 due on or before August 17, 2021.

On October 28, 2019, the Company announced that it had entered into two Letters of Intent to acquire two prospective claim groups adjoining its Shining Tree property in Churchill and MacMurphy Townships, Ontario.

The first Letter of Intent ('LOI') with Skead is with respect to 19 cell claims and one fractional claim. It is intended to include these claims in an existing royalty agreement (3% NSR) with Skead and to provide Skead with staking costs of approximately \$1,000. The LOI also calls for the inclusion of two legacy claims held solely by Platinex in the Skead royalty agreement. The arrangement is intended to be concluded upon Platinex completing a financing which is currently in progress.

Platinex Inc.
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(Unaudited) - Expressed in Canadian Dollars

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Shining Tree Property, Ontario (continued)

The second LOI with a partnership represented by Joe B. Hinzer involves 8 cell claims in Churchill Township. This LOI contemplates entering into a definitive agreement to acquire 100% interest in the Dirks-Hinzer Property subject to an agreed royalty, reimbursement for past exploration and completion of a favourable due diligence by Platinex. The transaction is to be completed after Platinex completes a financing currently in progress and, at Platinex's option, may be paid in Platinex common shares.

On July 24, 2020 announced that pursuant to the terms of the mining investment agreement (the "Purchase Agreement") dated July 15, 2020 between the Company, Treasury Metals Inc. ("Treasury") and its wholly-owned subsidiary Goldeye Explorations Limited, the Company has acquired an aggregate of 208 unpatented mining claims located in the Shining Tree District, Northern Ontario (the "Mining Claims") and three net smelter royalties (the "Royalties").

In consideration for acquiring the Mining Claims and the Royalties (the "Acquisition"), Platinex issued to Treasury 12,500,000 common shares ("Consideration Shares") of Platinex and 5,000,000 non-transferable common share purchase warrants ("Consideration Warrants") of Platinex. Each Consideration Warrant entitles Treasury to purchase one common share of Platinex at a price of \$0.05 per share for a period of 24 months from the date of issue. If Treasury exercises the Consideration Warrants on or before September 1, 2020, it will receive an additional non-transferable common share purchase warrant (a "Secondary Warrant") for each Consideration Warrant exercised. Each Secondary Warrant entitles the holder to purchase one common share of Platinex at a price of \$0.20 per share for a period of 24 months from the date of the closing of the Acquisition. The Secondary Warrants provide that Treasury shall not exercise the Secondary Warrants if such exercise would result in it owning 20% or more of the issued and outstanding common shares of Platinex.

The Consideration Shares were valued at \$750,000 based on the share price on July 15, 2020. The Consideration Warrants issued were assigned an aggregate fair value of \$210,000 using the Black-Scholes valuation model with the following assumptions: share price of \$0.06, dividend yield 0%, expected volatility 194%, risk-free rate of return 0.27% and expected life of 2 years.

The parties have agreed that the Consideration Shares will be placed in a voluntary escrow agreement, with 25% (3,125,000 Consideration Shares) to be released on the 12th, 15th, 18th and 24th month anniversaries of the closing of the Acquisition. Treasury has agreed to support and vote for the recommendations of the Company's management at all shareholder meetings of the Company held the time that the Consideration Shares are held in escrow.

The Royalties consist of a 100% interest in three royalty agreements, consisting of (i) a 2% net smelter royalty in respect of the Sonia-Puma Property held by Minera Goldeye Chile Limitada (which has been acquired by Newmont Goldcorp); (ii) a 1% net smelter royalty in respect of nine mineral claims forming part of the McFaulds Lake Project held by AurCrest Resources Inc.; and (iii) a 2% net smelter royalty in respect of 29 mineral claims located in MacMurchy Township, Ontario held by Golden Harp Resources Inc.

Pursuant to the terms of the Purchase Agreement, Treasury has agreed to exercise a minimum of 3,000,000 Consideration Warrants on or before September 1, 2020. In September 2020, Treasury exercised 3,000,000 Consideration Warrants for proceeds of \$150,000, however as at September 30, 2020 the Company had not issued the 3,000,000 common shares to Treasury. Treasury has the right to participate in future financings which may be conducted by Platinex in order to allow it to maintain its pro rata equity interest in Platinex for a period of 24 months from the closing of the Acquisition. The Purchase Agreement also provides Treasury with the right to appoint one nominee to the board of directors of Platinex [for a period of two years].

On August 14, 2020, Skead Holdings Ltd and Ashley Gold Mines Limited waived the requirement for Platinex to conduct and file \$140,000 of assessment work prior to August 17, 2020.

Platinex Inc.
Notes to Condensed Interim Consolidated Financial Statements
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(Unaudited) - Expressed in Canadian Dollars

4. LOAN PAYABLE

In May 2020, the Company received a government guaranteed loan of \$40,000 to help with operating costs during COVID-19. The loan is interest-free until December 31, 2022. 25% of the loan amount is eligible for forgiveness provided that the Company pays back 75% of the loan on or before December 31, 2022. If the Company does not repay the loan by December 31, 2022, the loan may be converted into a 3-year term loan at an interest rate of 5%.

5. SHARE CAPITAL

a) Authorized: Unlimited number of common shares.

b) Issued:

	Number of common shares	Amount
Balance, December 31, 2018	97,481,595	\$ 8,165,219
Common share issuances (i)	600,000	36,000
Exercise of stock options for option payment (ii)	100,000	5,000
Issuance of common shares for private placement (iii)	3,333,332	100,000
Warrants valuation (iii)	-	(33,333)
Balance, September 30, 2019	101,514,927	\$ 8,272,886
Balance, December 31, 2019	101,514,927	\$ 8,272,886
Issuance of common shares for private placement (iv)(v)(vi)(vii)	26,665,333	1,348,840
Warrants valuation (iv)(v)(vi)(vii)	-	(544,447)
Share issue costs - cash (vi)(vii)	-	(30,862)
Share issue costs - warrants (vi)	-	(21,871)
Common shares issued for the exercise of stock options	700,000	38,000
Value of stock options exercised	-	29,112
Common shares issued for exploration and evaluation assets (note 3)	12,500,000	750,000
Balance, September 30, 2020	141,380,260	\$ 9,841,658

For the nine months ended September 30, 2019

- (i) On January 24, 2019, Platinex issued 600,000 common shares (valued at \$36,000) to satisfy a required payment to maintain the Company's interest in the Shining Tree property.
- (ii) On May 13, 2019, Skead exercised 100,000 stock options for 100,000 common shares (valued at \$5,000) to satisfy a required advance royalty payment on the Shining Tree property.
- (iii) On August 26, 2019, the Company closed a private placement of 3,333,332 Units for aggregate gross proceeds of \$100,000. Each Unit consisted of one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share at an exercise price of \$0.075 for a period of 24 months from issuance.

The warrants issued were assigned an aggregate fair value of \$33,333 using the Black-Scholes option pricing model, using the relative fair value method, with the following assumptions: dividend yield 0%, expected volatility 143%, risk-free rate of return 1.39% and expected life of 2 years.

Platinex Inc.
Notes to Condensed Interim Consolidated Financial Statements
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(Unaudited) - Expressed in Canadian Dollars

5. SHARE CAPITAL (Continued)

For the nine months ended September 30, 2020

- (iv) On January 28, 2020, the Company completed a second interim closing of its non-brokered private placement of 700,000 units for aggregate gross proceeds of \$21,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.075 for a period of 24 months from issuance.

The warrants issued were assigned an aggregate fair value of \$7,000 using the Black-Scholes valuation model, using the relative method, with the following assumptions: dividend yield 0%, expected volatility 164%, risk-free rate of return 1.48% and expected life of 2 years.

- (v) On March 3, 2020, the Company completed the final closing of its non-brokered private placement of 400,000 units for aggregate gross proceeds of \$12,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.075 for a period of 24 months from issuance.

The warrants issued were assigned an aggregate fair value of \$4,000 using the Black-Scholes valuation model, using the relative method, with the following assumptions: dividend yield 0%, expected volatility 152%, risk-free rate of return 0.97% and expected life of 2 years.

- (vi) On July 15, 2020, the Company completed a non-brokered private placement of 11,843,333 units for gross proceeds of \$355,300. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.075 for a period of 24 months from the date of issuance.

In connection with the private placement, the Company paid Haywood Securities Inc. and Canaccord Genuity Corp. ("Finders") an aggregate of (i) cash fees of \$16,824, equal to 8% of the subscription proceeds realized from subscribers introduced to the private placement by such Finders; and (ii) 560,800 finder's warrants, representing 8% of the number of units purchased by subscribers referred by the Finders. Each finder's warrant entitles the holder to purchase one common share of the Company at a price of \$0.05 for a period of 12 months from the date of issuance. All securities issued in connection with this private placement will be subject to a four month plus one day hold period from the date of issuance in accordance with applicable securities laws.

The warrants issued were assigned an aggregate fair value of \$127,406 using the Black-Scholes valuation model, using the relative method, with the following assumptions: dividend yield 0%, expected volatility 194%, risk-free rate of return 0.27% and expected life of 2 years.

The finder's warrants issued were assigned an aggregate fair value of \$21,871 using the Black-Scholes valuation model, using the relative method, with the following assumptions: dividend yield 0%, expected volatility 248%, risk-free rate of return 0.24% and expected life of 1 year.

- (vii) On August 26, 2020, the Company completed a non-brokered private placement of 13,722,000 units for gross proceeds of \$960,540. Each unit consists of one common share and one common share purchase warrant of the Company. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.10 for a period of 36 months from the date of issuance.

In connection with this private placement, the Company paid Haywood Securities Inc., Canaccord Genuity Corp. and Mackie Research Capital Corporation (collectively, "Finders") aggregate cash fees of \$13,112, equal to 6% of the subscription proceeds realized from subscribers introduced by such Finders. All securities issued in connection with this private placement will be subject to a four month plus one day hold period from the date of issuance in accordance with applicable securities laws.

Platinex Inc.
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine months Ended September 30, 2020
(Unaudited) - Expressed in Canadian Dollars

5. SHARE CAPITAL (Continued)

For the nine months ended September 30, 2020 (continued)

(vii)(continued) The warrants issued were assigned an aggregate fair value of \$406,041 using the Black-Scholes valuation model, using the relative method, with the following assumptions: dividend yield 0%, expected volatility 189%, risk-free rate of return 0.28% and expected life of 3 years.

c) Shares to be issued

Pursuant to the terms of the Purchase Agreement in note 3, in September 2020, Treasury exercised 3,000,000 Consideration Warrants for proceeds of \$150,000, however as at September 30, 2020 the Company had not issued the 3,000,000 common shares to Treasury. The 3,000,000 common shares were issued on November 5, 2020.

d) Commitment to issue shares:

During the year ended December 31, 2018, the Company entered into an agreement to settle \$74,310 of consulting fees in common shares of the Company. The amount is included in accounts payable and accrued liabilities as at September 30, 2020.

6. WARRANTS

The following table reflects the continuity of warrants for the periods ended September 30, 2020 and 2019:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2018	21,271,500	0.15
Granted (note 5(iii))	3,333,332	0.075
Balance, September 30, 2019	24,604,832	0.14
Balance, December 31, 2019	24,604,832	0.14
Granted (note 5(iv)(v)(vi)(vii))	32,226,133	0.08
Balance, September 30, 2020	56,830,965	0.11

The following table reflects the warrants issued and outstanding as of September 30, 2020:

Date of Expiry	Number of warrants outstanding	Exercise price (\$)
June 28, 2021	4,583,000	0.10
July 15, 2021	560,800	0.05
August 26, 2021	3,333,332	0.075
November 15, 2021	12,000,000	0.15
November 25, 2021	3,938,500	0.20
January 28, 2022	700,000	0.075
March 3, 2022	400,000	0.075
July 15, 2022	11,843,333	0.075
July 15, 2022	5,000,000	0.05
January 9, 2023	750,000	0.24
August 24, 2023	13,722,000	0.10
	56,830,965	0.11

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7. STOCK OPTIONS

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

The following table reflects the continuity of stock options for the periods ended September 30, 2020 and 2019:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2018	9,200,000	0.07
Granted (i)	200,000	0.05
Exercised	(100,000)	(0.05)
Expired	(2,050,000)	(0.07)
Balance, September 30, 2019	7,250,000	0.07
Balance, December 31, 2019	8,250,000	0.07
Granted (ii)(iii)(iv)	4,025,000	0.08
Exercised	(700,000)	(0.05)
Expired / Forfeited	(1,800,000)	(0.07)
Balance, September 30, 2020	9,775,000	0.08

(i) On April 23, 2019, the Company granted an aggregate of 200,000 options with a five-year term at an exercise price of \$0.05 to an officer of the Company. The options vested immediately and were valued at their grant date fair value of \$0.037 per option for a total of \$7,400 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 156%; share price of \$0.04; exercise price of \$0.05; risk-free interest rate of 1.57% and an expected life of 5 years.

(ii) On July 24, 2020, the Company granted stock options to purchase 3,175,000 common shares at \$0.085 per share to officers and directors. The options will expire on July, 24, 2025. The options vested immediately and were valued at their grant date fair value of \$0.082 per option for a total of \$260,350 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 186%; share price of \$0.085; exercise price of \$0.085; risk-free interest rate of 0.34% and an expected life of 5 years.

(iii) On August 14, 2020, the Company granted stock options to purchase 200,000 common shares at \$0.07 per share to consultants. The options will expire on August 14, 2025. The options vested immediately and were valued at their grant date fair value of \$0.067 per option for a total of \$13,400 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 186%; share price of \$0.07; exercise price of \$0.07; risk-free interest rate of 0.42% and an expected life of 5 years.

(iv) On September 2, 2020, the Company granted stock options to purchase 650,000 common shares at \$0.06 per share to a senior officer and consultants. The options will expire on August 17, 2025. The options vested immediately and were valued at their grant date fair value of \$0.058 per option for a total of \$37,700 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 186%; share price of \$0.06; exercise price of \$0.06; risk-free interest rate of 0.35% and an expected life of 5 years.

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7. STOCK OPTIONS (Continued)

The following table reflects the Company's stock options outstanding and exercisable as at September 30, 2020:

Expiry date	Options outstanding	Options exercisable	Exercise price (\$)	Weighted average remaining contractual life (years)
September 7, 2021	550,000	550,000	0.05	0.94
September 18, 2022	1,700,000	1,700,000	0.10	1.97
August 1, 2023	2,200,000	2,200,000	0.07	2.84
August 17, 2023	100,000	100,000	0.07	2.88
April 23, 2024	200,000	200,000	0.05	3.56
November 1, 2024	1,000,000	1,000,000	0.05	4.09
July 24, 2025	3,175,000	3,175,000	0.085	4.82
August 14, 2025	200,000	200,000	0.07	4.87
September 2, 2025	650,000	650,000	0.06	4.93
	9,775,000	9,775,000	0.08	3.55

8. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors and other key management personnel, close family members and enterprises that are controlled by these individuals. Related party transactions are conducted in the normal course of operations and are measured at the exchange value (the value amount established and agreed to by the related parties).

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

	Three Months Ended September 30, 2020		September 30, 2019	
Rent paid	\$ 1,500	\$ 3,000	\$ 4,500	\$ 9,000

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company. The Company's key management personnel include the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary.

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

	Three Months Ended September 30, 2020		September 30, 2019	
Management fees and salaries	\$ 19,930	\$ 33,960	\$ 60,430	\$ 82,920
Professional fees	8,394	9,875	26,837	36,413
Share based compensation	236,550	-	236,550	7,400
	\$ 264,874	\$ 43,835	\$ 323,817	\$ 126,733

As at September 30, 2020, related parties were owed \$42,237 (December 31, 2019 - \$215,572) recorded in accounts payable and accrued liabilities.

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9. SEGMENTED REPORTING

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

10. COMMITMENTS AND CONTINGENCIES

Environmental

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

11. SUBSEQUENT EVENTS

(i) On October 8, 2020, the Company granted stock options to purchase 800,000 common shares at \$0.065 per share to consultants. The options will expire on October 8, 2025.

(ii) On October 27, 2020, the Company announced that Platinex and Transition Metals Corp. have entered into an agreement respecting sharing of data and conceptual knowledge for conducting collaborative exploration work on their adjoining properties in the Shining Tree area of Ontario.