



## **Platinex Inc.**

**Condensed Interim Consolidated Financial Statements**

**Three Months Ended March 31, 2022**

**Expressed in Canadian Dollars**

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### **NOTICE TO READER**

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

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

	As at March 31, 2022	As at December 31, 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 463,165	\$ 203,263
HST receivable	22,297	16,925
Prepaid expenses	20,717	25,029
<b>Total current assets</b>	<b>506,179</b>	<b>245,217</b>
<b>Non-current assets</b>		
Exploration and evaluation assets (note 3)	2,449,176	2,146,908
<b>Total non-current assets</b>	<b>2,449,176</b>	<b>2,146,908</b>
<b>Total assets</b>	<b>\$ 2,955,355</b>	<b>\$ 2,392,125</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 11)	\$ 339,828	\$ 245,524
Subscription receipts	435,300	-
Promissory note (note 4)	264,789	258,625
<b>Total current liabilities</b>	<b>1,039,917</b>	<b>504,149</b>
Loan payable (note 5)	40,000	40,000
<b>Total liabilities</b>	<b>1,079,917</b>	<b>544,149</b>
<b>Shareholders' equity</b>		
Share capital (note 6)	10,980,649	10,799,399
Share warrant reserve (note 7)	1,633,309	1,633,309
Share-based payment reserve (note 8)	2,103,694	2,068,594
Accumulated deficit	(12,842,214)	(12,653,326)
<b>Total shareholders' equity</b>	<b>1,875,438</b>	<b>1,847,976</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,955,355</b>	<b>\$ 2,392,125</b>

Nature of operations and going concern (note 1)  
 Commitments and contingencies (note 10)  
 Subsequent events (note 12)

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

**Platinex Inc.**

**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**Expressed in Canadian Dollars**

	Three Months Ended March 31,	
	2022	2021
<b>Expenses</b>		
Professional fees (note 11)	\$ 35,705	\$ 27,025
Consulting fees (note 11)	23,066	37,027
Depreciation	-	137
Interest	6,164	-
Investor relations and marketing	21,324	72,211
Management fees, directors' fees and salaries (note 11)	55,500	22,750
Office and general	9,395	21,937
Rent (note 11)	-	1,500
Regulatory and transfer agent fees	2,634	733
Share-based payments (notes 4, 8 and 11)	35,100	202,815
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (188,888)</b>	<b>\$ (386,135)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>164,721,906</b>	<b>156,034,774</b>

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

**Platinex Inc.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**Expressed in Canadian Dollars**

Three Months Ended  
March 31,  
**2022**                      **2021**

**Operating activities**

Net loss for the period	\$ (188,888)	\$ (386,135)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	-	137
Share-based payments	35,100	202,815
Interest and draw down fee accrual	6,164	-
Changes in non-cash working capital items:		
HST receivable	(5,372)	11,837
Prepaid expenses	4,312	(3,545)
Accounts payable and accrued liabilities	94,304	(42,730)
<b>Net cash used in operating activities</b>	<b>(54,380)</b>	<b>(217,621)</b>

**Investing activities**

Expenditures for exploration and evaluation assets	(121,018)	(52,096)
<b>Net cash used in investing activities</b>	<b>(121,018)</b>	<b>(52,096)</b>

**Financing activities**

Proceeds from common shares issued	-	20,000
Proceeds from subscription receipts	435,300	-
<b>Net cash provided by financing activities</b>	<b>435,300</b>	<b>20,000</b>

<b>Net change in cash</b>	<b>259,902</b>	<b>(249,717)</b>
<b>Cash, beginning of period</b>	<b>203,263</b>	<b>1,393,872</b>
<b>Cash, end of period</b>	<b>\$ 463,165</b>	<b>\$ 1,144,155</b>

**Supplemental information**

Common shares issued for exploration and evaluation assets	\$ 181,250	\$ -
Fair value of warrants exercised	\$ -	\$ 15,600

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

**Platinex Inc.**  
**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**  
**Expressed in Canadian Dollars**

	Share Capital	Warrant Reserve	Share-based Payment Reserve	Accumulated Deficit	Total
<b>Balance, December 31, 2020</b>	<b>\$ 10,525,580</b>	<b>\$ 1,654,928</b>	<b>\$ 1,660,351</b>	<b>\$ (11,445,671)</b>	<b>\$ 2,395,188</b>
Net loss and comprehensive loss for the period	-	-	-	(386,135)	(386,135)
Share-based payments	-	-	202,815	-	202,815
Common shares to be issued for the exercise of warrants (note 6(b)(vii))	35,600	(15,600)	-	-	20,000
<b>Balance, March 31, 2021</b>	<b>\$ 10,561,180</b>	<b>\$ 1,639,328</b>	<b>\$ 1,863,166</b>	<b>\$ (11,831,806)</b>	<b>\$ 2,231,868</b>
<b>Balance, December 31, 2021</b>	<b>10,799,399</b>	<b>\$ 1,633,309</b>	<b>\$ 2,068,594</b>	<b>\$ (12,653,326)</b>	<b>\$ 1,847,976</b>
Net loss and comprehensive loss for the period	-	-	-	(188,888)	(188,888)
Common shares issued for exploration and evaluation assets (note 3)	181,250	-	-	-	181,250
Share-based payments	-	-	35,100	-	35,100
<b>Balance, March 31, 2022</b>	<b>\$ 10,980,649</b>	<b>\$ 1,633,309</b>	<b>\$ 2,103,694</b>	<b>\$ (12,842,214)</b>	<b>\$ 1,875,438</b>

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

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**Platinex Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2022**  
**Expressed in Canadian Dollars**

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**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.

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 condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 30, 2022.

For the three months ended March 31, 2022, the Company generated a net loss of \$188,888 (three months ended March 31, 2021 - \$386,135), has an accumulated deficit of \$12,842,214 as at March 31, 2022 (December 31, 2021 - \$12,653,326) and has cash flow from operations amounting to \$(54,380) for (three months ended March 31, 2021 - \$217,621).

Management estimates that the funds available as at March 31, 2022 may not be sufficient to meet the Company's obligations and budgeted expenditures through December 31, 2022. 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 believes that it will be able to secure the necessary financing through the issuance of new debt and equity. See also note 12.

Commencing in March 2020, the outbreak of the novel strain of coronavirus known as "COVID-19" has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company.

Although these condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, the above-noted events and conditions indicate a material uncertainty which may 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 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.

**Platinex Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2022**  
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**2. BASIS OF PREPARATION**

*Basis of Presentation and Measurement*

These 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 condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the years ended December 31, 2021 and 2020 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, 2021 and 2020, 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, 2022 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 condensed interim consolidated financial statements are disclosed in the Company's consolidated financial statements as at and for the years ended December 31, 2021 and 2020.

*Accounting standards effective for future periods*

There are no IFRS or IFRIC interpretations that are not yet in effect that are currently expected to have a material impact on the Company.

**3. EXPLORATION AND EVALUATION ASSETS**

	Shining Tree	W2 Project	Total
<b>Balance at December 31, 2020</b>	<b>\$ 1,173,540</b>	<b>\$ -</b>	<b>\$ 1,173,540</b>
Acquisition - shares	200,000	-	200,000
Royalty payment received	(12,500)	-	(12,500)
Exploration costs	785,868	-	785,868
<b>Balance at December 31, 2021</b>	<b>2,146,908</b>	<b>-</b>	<b>2,146,908</b>
Acquisition - shares	-	181,250	181,250
Acquisition - cash	11,500	25,000	36,500
Exploration costs	49,717	34,801	84,518
<b>Balance at March 31, 2022</b>	<b>\$ 2,208,125</b>	<b>\$ 241,051</b>	<b>\$ 2,449,176</b>

*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"). 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. Advance royalty payments for 2019, 2020 and 2021 have been paid.

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.

### 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 expanded the size and potential of its Shining Tree gold property. Platinex has entered into an option agreement with Skead and Ashley Gold Mines Limited ("Ashley Gold"), with respect to certain claims situated in Churchill, MacMurphy and Asquith Townships, in Ontario. Platinex acquired a 100% interest in the 54 claim units and 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 "Skead-Ashley option").

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.

In January and March 2019, the following amendments were made to the Skead-Ashley option agreement:

- (i) The option in arrears was increased to \$30,000 and due on January 18, 2019 through the issuance of shares (issued);
- (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 the Skead-Ashley option agreement 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 remaining requirements 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; (waived)
- (iii) Year 4 expenditures of \$186,667 due on or before August 17, 2021.(completed)

On July 24, 2020, the Company 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").

### 3. EXPLORATION AND EVALUATION ASSETS (Continued)

#### Shining Tree Property, Ontario (continued)

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 exercised the Consideration Warrants on or before September 1, 2020, it would have received 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 option pricing 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 12<sup>th</sup>, 15<sup>th</sup>, 18<sup>th</sup> and 24<sup>th</sup> 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 during the time that the Consideration Shares are held in escrow. As at December 31, 2021, 6,250,000 (2020 - 12,500,000) Consideration Shares were 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.

Prior to September 1, 2020, Treasury exercised 3,000,000 Consideration Warrants for proceeds of \$150,000, and the 3,000,000 common shares were issued to Treasury in November 2020. In connection with the exercise of the Consideration Warrants, 3,000,000 Secondary Warrants were issued to Treasury. The 3,000,000 Secondary Warrants were assigned an aggregate fair value of \$129,000 using the Black-Scholes option pricing model with the following assumptions: share price of \$0.06, dividend yield 0%, expected volatility 202%, risk-free rate of return 0.24% and expected life of 1.87 years. The value of the Secondary Warrants was included in share capital as share issue costs. 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 provided 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 and Ashley Gold waived the requirement for Platinex to conduct and file \$140,000 of assessment work prior to August 17, 2020. On December 4, 2020, Skead-Ashley accepted that the Year 4 expenditures had been incurred which resulted in the vesting of the option and the claims were duly registered in Platinex's name.

On August 18, 2021, the Company acquired additional mining claims in Shining Tree Property from Alamos Gold Inc. Consideration for the additional mining claims included 5,000,000 common shares of Platinex (fair valued at \$200,000) which are subject to a six month hold period from the date of issue and 2% net smelter returns royalty on the mining claims. One half of the 2% NSR may be reduced by payment of \$500,000.

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**Platinex Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2022**  
**Expressed in Canadian Dollars**

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**3. EXPLORATION AND EVALUATION ASSETS (Continued)**

Shining Tree Property, Ontario (continued)

On March 22, 2022, the Company acquired 63 mining claims adjoining its Shining Tree Project from Skead. Consideration for the mining claims was \$11,500 (paid) and the issuance of 400,000 shares (note 12(iv)). The mining claims are subject to a 2% NSR of which the Company has the rights to repurchase up to 1% at the rate of \$400,000 per 0.5%.

W2 Project

On January 7, 2022, the Company acquired a 100% ownership interest in the W2 Copper-Nickel-PGE Project (the "W2 Project"). The transaction was effected by way of a purchase and sale agreement (the "Agreement") between Platinex's wholly owned subsidiary, Endurance Elements Inc. ("Endurance Elements"), and Springer Mineral Resources Corporation ("Springer").

Pursuant to the Agreement, Platinex issued 3,625,000 common shares (valued at \$181,250) to Springer. Platinex also paid \$25,000 in cash and granted Springer a net smelter returns royalty of up to 2% on the mining claims comprising the W2 Project. An additional \$25,000 cash payment will be made within 90 days of closing. Platinex has the option to buy back half of the NSR for total consideration of \$1,000,000.

Subject to certain conditions and two shareholder value enhancing project milestones being achieved Platinex will pay up to an additional \$300,000 to Springer, of which \$212,500 can be paid through the issuance of shares of Platinex.

**4. PROMISSORY NOTE**

On November 9, 2021, the Company entered into a promissory note agreement for \$250,000 from a lender. The drawdown fee is 2% of the loan amount (\$5,000). The promissory note bears interest at the rate of 10% per annum and is due on maturity. The promissory note has a six-month term maturing on May 9, 2022. The Company has the option to extend the promissory note for another six months with the payment of a 2% renewal fee (note 12(v)). Interest accrued as at December 31, 2021 was \$14,789.

The loan is secured by royalties consisting of a 100% interest in three royalty agreements plus a royalty on claim, being:

- (i) a 2% net smelter royalty in respect of the Sonia-Puma Property held by Minera Goldeye Chile Linitada (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.;
- (iii) a 1% net smelter royalty in respect of 29 mineral claims located in MacMurchy Township, Ontario held by Golden Harp Resources Inc.; and
- (iv) a 1% NSR royalty on 50% of claim L4212960.

In addition, the Company has granted to the lender 500,000 stock options at an exercise price of \$0.05 per share and expiry date of November 17, 2024. The fair value of these stock options was \$22,000).

**Platinex Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2022**  
**Expressed in Canadian Dollars**

**5. 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, 2023. 25% of the loan amount is eligible for forgiveness provided that the Company pays back 75% of the loan on or before December 31, 2023. If the Company does not repay the loan by December 31, 2023, the loan may be converted into a 2-year term loan at an interest rate of 5%.

**6. SHARE CAPITAL**

a) Authorized: Unlimited number of common shares.

b) Issued:

	Number of common shares	Amount
<b>Balance, December 31, 2020</b>	<b>155,810,598</b>	<b>\$ 10,525,580</b>
Common shares issued for the exercise of warrants (i)	400,000	20,000
Value of warrants exercised	-	15,600
<b>Balance, March 31, 2021</b>	<b>156,210,598</b>	<b>\$ 10,561,180</b>
<b>Balance, December 31, 2021</b>	<b>161,654,598</b>	<b>\$ 10,799,399</b>
Common shares issued for exploration and evaluation assets (note 3)	3,625,000	181,250
<b>Balance, March 31, 2022</b>	<b>165,279,598</b>	<b>\$ 10,980,649</b>

**For the three months ended March 31, 2021**

(i) During the three months ended March 31, 2021, 400,000 warrants were exercised for gross proceeds of \$20,000. The weighted average market price of the Company's shares during the period in which warrants were exercised was \$0.05.

c) Commitment to issue shares:

During the year ended December 31, 2018, the Company entered into an agreement to settle a portion of consulting fees in common shares of the Company. As at March 31, 2022, the amount to be settled was \$59,679 and is included in accounts payable and accrued liabilities.

**Platinex Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2022**  
**Expressed in Canadian Dollars**

**7. WARRANTS**

The following table reflects the continuity of warrants for the periods ended March 31, 2022 and 2021:

	Number of warrants	Weighted average exercise price (\$)
<b>Balance, December 31, 2020</b>	<b>62,954,934</b>	<b>0.11</b>
Exercised (note 3)	(400,000)	0.05
<b>Balance, March 31, 2021</b>	<b>62,554,934</b>	<b>0.11</b>
<b>Balance, December 31, 2021</b>	<b>38,139,302</b>	<b>0.10</b>
Expired	(1,100,000)	0.075
<b>Balance, March 31, 2022</b>	<b>37,039,302</b>	<b>0.10</b>

The following table reflects the warrants issued and outstanding as of March 31, 2022:

Date of Expiry	Number of warrants outstanding	Exercise price (\$)
June 30, 2022	408,800	0.075
July 15, 2022	11,443,333	0.075
July 15, 2022	2,000,000	0.05
July 15, 2022	3,000,000	0.20
December 31, 2022	5,715,169	0.10
January 9, 2023	750,000	0.24
August 24, 2023	13,722,000	0.10
	<b>37,039,302</b>	<b>0.10</b>

**8. 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 then 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 March 31, 2022 and 2021:

	Number of stock options	Weighted average exercise price (\$)
<b>Balance, December 31, 2020</b>	<b>9,875,000</b>	<b>0.08</b>
Granted (i)(ii)	3,725,000	0.08
<b>Balance, March 31, 2021</b>	<b>13,600,000</b>	<b>0.08</b>
<b>Balance, December 31, 2021</b>	<b>16,100,000</b>	<b>0.07</b>
Granted (iii)	900,000	0.05
<b>Balance, March 31, 2022</b>	<b>17,000,000</b>	<b>0.07</b>

**Platinex Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2022**  
**Expressed in Canadian Dollars**

**8. STOCK OPTIONS (Continued)**

(i) On February 18, 2021, the Company granted stock options to purchase 3,125,000 common shares at \$0.08 per share to a senior officer, directors and consultants. The options will expire on February 18, 2026. The options vested immediately and were valued at their grant date fair value of \$0.052 per option for a total of \$162,500 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 179%; share price of \$0.055; exercise price of \$0.08; risk-free interest rate of 0.59% and an expected life of 5 years.

(ii) On March 29, 2021, the Company granted stock options to purchase 600,000 common shares at \$0.07 per share to an advisor and a consultant. The options will expire on March 29, 2026. The options vested immediately and were valued at their grant date fair value of \$0.057 per option for a total of \$34,200 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 177%; share price of \$0.06; exercise price of \$0.07; risk-free interest rate of 0.97% and an expected life of 5 years.

(iii) On March 14, 2022, the Company granted stock options to purchase 900,000 common shares at \$0.05 per share to a director. The options will expire on March 14, 2025. The options vested immediately and were valued at their grant date fair value of \$0.039 per option for a total of \$35,100 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 172%; share price of \$0.05; exercise price of \$0.05; risk-free interest rate of 1.79% and an expected life of 3 years.

The following table reflects the Company's stock options outstanding and exercisable as at March 31, 2022:

Expiry date	Options outstanding	Options exercisable	Exercise price (\$)	Weighted average remaining contractual life (years)
September 18, 2022	1,700,000	1,700,000	0.10	0.47
August 1, 2023	200,000	200,000	0.07	1.34
August 17, 2023	100,000	100,000	0.07	1.38
April 23, 2024	200,000	200,000	0.05	2.07
November 1, 2024	1,000,000	1,000,000	0.05	2.59
November 17, 2024	3,400,000	3,400,000	0.05	2.64
March 14, 2025	900,000	900,000	0.050	2.96
July 24, 2025	3,175,000	3,175,000	0.085	3.32
August 14, 2025	200,000	200,000	0.07	3.38
August 17, 2025	300,000	300,000	0.07	3.38
September 2, 2025	650,000	650,000	0.06	3.43
October 8, 2025	800,000	800,000	0.065	3.53
February 18, 2026	3,125,000	3,125,000	0.08	3.89
February 22, 2026	50,000	50,000	0.055	3.90
March 29, 2026	600,000	600,000	0.070	4.00
April 18, 2026	600,000	600,000	0.070	4.05
	<b>17,000,000</b>	<b>17,000,000</b>	<b>0.07</b>	<b>2.96</b>

**Platinex Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2022**  
**Expressed in Canadian Dollars**

**9. SEGMENTED REPORTING**

The Company is organized into business units based on mineral properties and has one reportable operating segment in Canada, 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.

Flow-through commitments

The Company is obligated to spend \$9,575 by December 31, 2022. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for certain tax-related amounts that may become payable by the subscribers if the Company does not meet its expenditure commitments.

**11. 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.

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

	Three Months Ended March 31,	
	2022	2021
Rent paid	\$ -	\$ 1,500

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 Directors, 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 March 31,	
	2022	2021
Management and directors fees	\$ 37,500	\$ 22,750
Professional fees	18,000	18,000
Consulting fees	18,000	22,500
Share-based compensation	35,100	115,700
	<b>\$ 108,600</b>	<b>\$ 178,950</b>

As at March 31, 2022, related parties were owed \$30,750 (December 31, 2021 - \$27,311) recorded in accounts payable and accrued liabilities. Amounts owing to related parties are non-interest bearing and have no repayment terms.

## **12. SUBSEQUENT EVENTS**

(i) On April 5, 2022, the Company completed a private placement of 16,060,000 units at a price of \$0.05 per unit ("Unit") and 12,221,667 flow through units ("FT Unit") at a price of \$0.06 per unit. Each Unit and FT Unit consists of one common share and one-half warrant. Each full warrant is exercisable into one common share at \$0.07 for a period of 36 months. The Company paid cash commissions of \$67,480 and issued 1,699,367 warrants as finders' fees. Finders' warrants have the same terms as the Unit and FT Unit warrants.

(ii) On May 4, 2022, the Company completed a private placement of 3,294,000 units at a price of \$0.05 per unit ("Unit") and 3,800,000 flow through units ("FT Unit") at a price of \$0.06 per unit. Each Unit and FT Unit consists of one common share and one-half warrant. Each full warrant is exercisable into one common share at \$0.07 for a period of 36 months. The Company paid cash commissions of \$4,900 and issued 49,000 warrants as finders' fees. Finders' warrants have the same terms as the Unit and FT Unit warrants.

(iii) On May 4, 2022, the Company announced a shares for debt transaction to settle an aggregate of \$116,500 by the issuance of 2,330,000 common shares to arm's length service providers of the Company.

(iv) On May 10, 2022, the Company announced the acquisition of additional mining claims adjacent to the W2 Project. Consideration for the acquisition consisted of 200,000 common shares and a 2% NSR royalty to the seller. The Company has the right at any time to repurchase 50% of the NSR royalty for \$1,000,000. Platinex issued an aggregate of 600,000 common shares for the previous acquisition of mining claims on March 22, 2022 (note 3) and the current acquisition. The shares are subject to a statutory 4-month hold period.

(v) In May 2022, the Company exercised its option to extend the promissory note for another six months with the payment of a 2% renewal fee.