PROMINEX RESOURCE CORP.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JULY 31, 2012 AND 2011

(Expressed in Canadian Dollars)

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Website: http://www.prominex.ca
Prominex Resource Corp. trades on the TSX Venture Exchange under the symbol PXR

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NOTICE OF NO REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited financial statements of the company have been prepared by and are the responsibility of the Company's management.

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

"Gordon Barron"

President and Chief Executive Officer

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STATEMENT OF FINANCIAL POSITION

		As at July 31, 2012 $	As at April 30, 2012 $
Assets			
Current Assets			
Cash & Cash Equivalents		931	400
Receivables		20,329	183,093
Prepaid Expenses		1,319	1,289
		22,579	184,782
Non-current Assets			
Exploration & Evaluation Assets (Note 5)		1,895,196	1,857,826
Total Assets		**1,917,775**	**2,042,608**
Liabilities			
Current Liabilities			
Accounts Payables and Accruals		522,851	601,347
Shareholders' Equity			
Share Capital (Note 7)		8,342,503	8,342,503
Warrants (Note7)		13,900	13,900
Contributed Surplus (Note 7)		2,723,419	2,723,419
Deficit		(9,684,898)	(9,638,561)
Total Equity		1,394,924	1,441,261
Total Liabilities and Shareholders' Equity		**1,917,775**	**2,042,608**

See Nature of Operations and Going Concern (Note 1)
See Subsequent Events (Note 13)

On behalf of the Board

"Gordon Barron"	*"Gordon MacNiel"*
Director	Director

The accompanying notes form an integral part of these financial statements

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STATEMENT OF COMPREHENSIVE LOSS

	For The three months ended July 31	
	2012	2011
	$	$
REVENUE:		
Interest revenue	6	-
EXPENSES:		
Accounting Fees	3,375	-
Audit	-	-
Automobile Expenses	377	-
Bank charges & interest	239	133
Consulting wages & benefits	26,500	24,900
Legal Fees	150	4,455
Marketing	300	-
Meals and Entertainment	127	-
Office	1,081	3,185
Regulatory fees	-	-
Rent	3,866	4,266
Secretarial services	-	945
Shareholder information	9,843	1,234
Training	-	2,944
Transfer agent & shareholder	485	6,094
Travel & entertainment	-	1,563
	46,343	49,719
Net loss and total comprehensive loss	(46,337)	(49,719)
Weighted average number of shares outstanding, basic and diluted	60,926,569	52,071,561
Loss per share, basic and diluted	(0.001)	(0.001)

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STATEMENT OF CHANGES IN EQUITY

	Common Share Without Par Value					
	Shares No.	**Amount $**	**Warrants $**	**Contributed Surplus $**	**Deficit $**	**Total Shareholders' Equity $**
Balance, May 1, 2011	**58,320,890**	**8,168,785**	**152,800**	**2,570,619**	**(9,408,933)**	**1,483,271**
Private Placement at $0.05 per Unit	4,000,000	186,100	13,900	-	-	200,000
Share Issuance Costs	-	(12,382)	-	-	-	(12,382)
Expiry of Warrants	-	-	(152,800)	152,800	-	-
Net loss and comprehensive Loss for the period					(229,628)	(229,628)
Balance, April 30, 2012	**62,320,890**	**8,342,503**	**13,900**	**2,723,419**	**(9,638,561)**	**1,441,261**
Net loss and comprehensive loss for the period					(46,337)	(46,337)
Balance, July 31, 2012	**62,320,890**	**8,342,503**	**13,900**	**2,723,419**	**(9,684,898)**	**1,394,924**

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STATEMENT OF CASH FLOWS

	For the three months ended July 31	
	2012	**2011**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Operating		
Net Loss and Comprehensive Loss	(46,337)	(49,719)
Net Change In Non-Cash Working Capital (Note 8)	84,238	(52,388)
Investing		
Exploration and Evaluation Expenditures	(37,370)	(47,709)
Increase (decrease) in Cash & Cash Equivalents	531	(149,816)
Cash & Cash Equivalents, beginning of period	400	290,103
Cash & Cash Equivalents, end of period	931	140,287

See Supplemental cash flow Information (Note 8)

The accompanying notes form an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Prominex Resource Corp. (the "Company") is continued under the Canada Business Corporations Act and its principal business activity is the exploration and evaluation of mineral assets. The address of the Company's head office is 1001-1010 Howe Street, Vancouver, British Columbia, Canada V6Z 1P5.

The Company's shares are publicly traded on the TSX Venture Exchange under the ticker symbol PXR. These financial statements were authorized for issue in accordance with a resolution of the Directors on August XX, 2012.

The Company is in the exploration stage and is in the process of exploring and evaluation of mineral property assets in Canada, and has not yet determined whether these properties contain economic reserves. While these financial statements have been prepared based on accounting principles applicable to a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business, several adverse conditions could cast doubt upon the validity of this assumption. The Company has accumulated losses of $9.685 million to July 31, 2012 ($9.175 million at July 31, 2011). As at July 31, 2012, the Company has negative working capital position of $500,272. The Company will require additional funds in order to cover on-going administrative costs and settle current creditor amounts. Management intends to work with vendors and other creditors to have them delay on demanding amounts due while it pursues financing options that would provide the Company with sufficient cash to repay its creditors and support ongoing operations. If the Company is to advance or develop its exploration and evaluation assets further, it will be necessary to obtain additional financing. While the Company has been successful in the past, there can be no assurance that the Company will be able to obtain the required short term funding, or additional exploration financing required in order to satisfy current creditors, develop its mineral property assets, achieve profitability and generate positive cash flows.

The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete their development, and upon future profitable production or proceeds from the disposition of its interests. The amounts shown as exploration and evaluation assets represent net costs to date and do not necessarily represent present or future values. If the going concern assumption was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported loss and the balance sheet classifications used.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). The accounting policies used in the preparation of these condensed interim financial statements are consistent with the accounting policies disclosed in the Company's April 30th, 2012 annual financial statements. These condensed interim financial statements do not

include all of the information required for full annual financial statements and should be read in conjunction with the Company's April 30th, 2012 annual financial statements. The Board of Directors has delegated the approval of the interim financial statements to the Audit Committee. These condensed interim financial statements were authorized for issue by the Audit Committee of the Board of Directors on September 27th, 2012.

(b) Accounting Standards Issued but not yet Effective

IFRS 9, Financial Instruments: Classification and Measurement, effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's interim financial statements for the period beginning May 1, 2013, and has not yet considered the potential impact of the adoption of IFRS 9.

The IASB issued the following standards, effective for annual periods beginning on or after January 1, 2013 with early adoption permitted, which have not yet been adopted by the Company. The Company has not yet begun to assess the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

IFRS 10 Consolidated Financial Statements establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard:

a) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements
b) defines the principle of control, and establishes control as the basis for consolidation
c) sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee
d) sets out the accounting requirements for the preparation of consolidated financial statements. IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements and SIC12 Consolidation—Special Purpose Entities.

IFRS 11 Joint Arrangements establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement.

IFRS 12 Disclosure of Involvement with Other Entities requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

IFRS 13 Fair Value Measurement is a comprehensive standard for fair value measurement and disclosure requirements across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

IAS 27 Separate Financial Statements has the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements.

IAS 28 Investments in Associates and Joint Ventures prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture).

International Financial Reporting Interpretations Committee 20 (IFRIC 20) "Stripping Costs in the Production Phase of a Surface Mine" requires stripping costs incurred during the production phase of a surface mine to be capitalized as part of the asset, if certain criteria are met, and depreciated on a units of production basis unless another method is more appropriate.

3. CAPITAL MANAGEMENT

The Company manages its capital to maintain adequate levels of funding to support the acquisition of exploration and evaluation assets and to maintain the necessary corporate and administrative functions to support these activities. The capital structure consists of shareholders' equity comprised of share capital, contributed surplus, warrants and deficit. The Company raises capital, as necessary, to meet its needs and to take advantage of perceived opportunities and therefore, does not have a numeric target for its capital structure. There were no changes to the Company's approach to capital management during the quarter ending July 31, 2012. The Company does not have any covenants respecting its capital ratios.

4. MARKETABLE SECURITIES

The Company does not have any marketable securities.

5. FLOW THROUGH FINANCING AND SHARE PREMIUM LIABILITY

The Company recognizes a flow through share premium liability when it issues flow-through shares equal to the estimated premium, if any, that investors pay for the flow through feature. The liability is reduced pro-rata as the flow-through share expenditures are incurred.

The Company raised $200,000 on a flow through unit offering during 2011. The investors did not pay a premium and no premium liability was incurred.

The issuance of flow-through common shares requires the renunciation of Canadian Exploration Expenditures ("CEE") in the amount of equal value to the common shares issued for the benefit of those shareholders that

purchased those flow-through common shares. In accordance with income tax legislation of Canada, the Company must incur CEE in the year of renunciation or in the subsequent year, otherwise a tax penalty may apply.

Under the terms of the Company's flow through share agreement, the Company is required to spend and renounce qualifying CEE as defined by the Income Tax Act Canada.

The Company has undertaken to guarantee to flow through shareholders that these expenditures qualify as CEE, if not, is subject to reassessment and tax penalties may apply.

6. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets are all located in Newfoundland and Labrador, Canada. The Company has investigated title to all of its exploration and evaluation assets and all of its properties are in good standing.

6.1 Tulks Hill

On December 15, 2005, the Company entered into an option agreement to acquire a 51% interest in a property known as Tulks Hill located in central Newfoundland. On November 7, 2007, the Company earned a 51% interest by completing the requirements under the option agreement and since then has been the operator of an unincorporated joint venture with Buchans Minerals Corporation (TSX: V-BMC). On July 22, 2008, the joint venture received an NI 43-101 Technical Report on the Tulks Hill property. The property is subject to Net Smelter Return royalties ranging from 2% to 2.25% on certain of the claims. No expenditures are required until 2013.

6.2 Lake Bond

On December 28, 2006, the Company entered into an option agreement (the "Reid Option Agreement") to acquire a 100% interest (the "Option") in a property known as Reid Lot 50, Lake Bond (the "Reid Property") located in central Newfoundland. Under the terms of the original Reid Option Agreement, in order to acquire the Option, the Company must expend $50,000 on exploration and development of the Reid Property by October 17, 2010. The Reid Option Agreement has been extended to September 30, 2012 allowing the Company additional time to complete the expenditures. The property is subject to a Net Smelter Return royalty of 2%, of which the Company can purchase 1% for $1,000,000.

The Company has completed the necessary expenditures to earn its interest and is at present completing the assessment reports to file with Reid Newfoundland Company Limited.

	Balance April 30, 2012 $	Exploration Expenditures $	Write-downs $	Balance July 31, 2012 $
Tulks Hill	1,781,240	4,067	-	1,785,307
Lake Bond	76,586	33,303	-	109,889
	1,857,826	37,370	-	1,895,196

	Balance April 30, 2011 $	Exploration Expenditures $	Write-downs $	Balance April 30, 2012 $
Tulks Hill	1,623,852	157,388	-	1,781,240
Lake Bond	71,086	5,500	-	76,586
	1,694,938	162,888	-	1,857,826

7. SHARE CAPITAL

7.1 Authorized

The Company is authorized to issue unlimited common shares without par value.

7.2 Issued and Outstanding

Common shares issued	62,320,890
Options outstanding	4,900,000
Warrants outstanding	4,000,000

The Company closed a non-brokered flow-through Unit private placement of up to 4,000,000 flow-through units ("Units") at CAD $0.05 per unit. Each unit consisted of one flow through common share ("Common Share") and one full flow through common share purchase warrant ("Warrant"). Each warrant will be exercisable at CAD $0.10 into one flow through common share for a period of 12 months from the Closing date. The Company closed the private placement on October 19th, 2011.

The Company did not complete any private placements during the quarter ending July 31, 2012.

7.3 Share Purchase Warrants

The change in warrants during the twelve months ended April 30th, 2011 and the three months ended July 31, 2012 and 2011 is as follows:

	Number	Weighted Average Exercise Price ($)
Outstanding at April 30, 2011	8,995,000	0.10
Outstanding at July 31, 2011	8,995,000	0.10
Issued	4,000,000	0.10
Expired	8,995,000	0.10
Outstanding at April 30, 2012	4,000,000	0.10
Outstanding at July 31, 2012	4,000,000	0.10

The following table provides detailed information about share purchase warrants outstanding as at July 31, 2012:

Warrants Outstanding	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years
4,000,000	0.10	October 19, 2012	.25

The weighted average fair value of the private placement warrants issued during the year ended April 30, 2012 was $13,900. The fair value of these share warrants was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected dividend yield	-
Expected stock price volatility	66%
Risk-free interest rate	0.94%
Expected warrant life in years	1

7.4 Share Based Payments

Share Purchase Options

The Company has adopted a formal stock option plan, which follows the TSX Venture Exchange (TSX-V) policy under which it is authorized to grant options to directors and employees to acquire up to 10% of issued and outstanding common stock. Under the plan, the exercise price of each option equals the discounted market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of

five years and options issued are subject to a vesting provision whereby 25% become exercisable every three months over a period of 12 months.

The Company granted 1,200,000 stock purchase options to the independent directors on July 9th, 2012. These share purchase options vest 25% every 90 days and to date none of the share purchase options granted on July 9, 2012 have vested.

The Company will recognize an expense at each financial position reporting date to reflect the actual number of share purchase options that are expected to vest during that financial period. The fair value for share purchase options granted to non-employees is measured in that financial reporting period using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest during that financial reporting period. The Company will record an expense in the quarter ending October 31, 2012 that will be charged to loss for the share purchase options that vest.

The change in share purchase options during the year ended April 30, 2012 and the three months ended July 31, 2012 and 2011 is as follows:

	Number of Options	**Weighted-Average Exercise Price $**
At April 30, 2011	3,700,000	0.10
Expired	-	-
Issued	-	-
At July 31, 2011	3,700,000	0.10
Expired	-	-
Issued	1,200,000	0.10
At July 31, 2012	4,900,000	0.10

For the three months ended July 31, 2012 share based payments cost were of $Nil (2011 $Nil).

The fair value of the share purchase options issued during the year ended April 30, 2011, was estimated using a Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, expected volatility of 105%, risk-free interest rate of 2.56% and expected life of five years.

The following table summarizes information about share purchase options outstanding at July 31, 2012

Date	**Exercise Price $**	**Options Outstanding and Exercisable**	**Options Not Vested**	**Remaining Contractual Life (in years)**
01/19/2011	0.10	3,700,000	nil	3.42
07/07/2012	0.10	1,200,000	1,200,000	5
31/07/2012	0.10	4,900,000	1,200,000	4.9

The following table summarizes information about share purchase options outstanding at July 31, 2011

Date	Exercise Price $	Options Outstanding and Exercisable	Options Not Vested	Remaining Contractual Life (in years)
01/19/2011	0.10	3,700,000	nil	4.75

8. SUPPLEMENTAL CASH FLOW INFORMATION

Three months ended July 31

	2012 ($)	2011 ($)
Amounts receivable	162,764	(8,726)
Prepaid expenses	(30)	14,518
Amounts payable and accrued liabilities	(78,496)	(58,180)
	84,238	(52,388)

9. RELATED PARTY TRANSACTIONS

The Company's related parties consist of executive officers and directors, the spouse of an executive officer, and companies controlled by executive officers and directors.

During the three months ended July 31, 2012, the Company paid or accrued the following amounts to related parties:

- $3,866 in head office rent to an officer and director (2011 - $3,866), which was charged to loss for the period;
- $31,500 in management fees to key management personnel, of which 26,500 was charged to loss for the period, $5,000 was capitalized to exploration and evaluation assets (2011 $35,400- $24,000) was charged to loss for the period and $- $10,500 was capitalized to exploration and evaluation assets).

Included in accounts payable and accrued liabilities are amounts owing to related parties of $354,103 (2011 - $286,529)

These transactions, which were incurred in the normal course of operations, have been recorded at their exchange amounts, being the amounts agreed to by the related parties.

10. CONTINGENCIES AND COMMITMENTS

The Company has no contingencies

11. FINANCIAL RISK MANAGEMENT

The Company’s activities expose it to a variety of financial risks.

11.1 Credit Risk

The Company’s financial assets are cash and cash equivalents and receivables. The Company holds its cash and cash equivalents with a Canadian chartered bank and the risk of default is considered to be remote. Receivables include a receivable from a joint exploration partner from which management believes the risk of loss to be limited based on historical experience.

11.2 Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

12. SUBSEQUENT EVENTS

There are no reportable subsequent events.