*The Management Discussion and Analysis ("MD&A") is an overview of the activities of Prominex Resource Corp. ("Prominex" or the "Company") for the three months ending July 31, 2013 and 2012. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the three months ended July 31, 2013 and 2012, and the notes attached thereto. The effective date of this MD&A is September 24, 2013. This MD&A and the unaudited condensed interim financial statements and comparative information have been prepared in Canadian dollars, and in accordance with international Financial Reporting Standards ("**IFRS**"), applicable to the preparation of interim financial statement for publicly accountable enterprises in Canada, including International Accounting Standards 34 Interim Financial Reporting ("IAS 34"). Additional information related to the Company is available for viewing on the Company's website www.prominex.ca and on SEDAR at www.sedar.com.*

*The following MD&A is management's assessment of the Company's operations and financial results, together with future prospect sand includes certain statements that may be deemed "forward-looking statements". All information, other than historical facts included herein, including without limitation data regarding potential mineralization, exploration results and plans and objectives of the Company, is forward-looking information that involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate and future events and actual results could differ materially from those anticipated in the forward-looking information.*

*It is the Company's policy that forward-looking statements are based on the Company's beliefs and assumptions and on information available at the time these assumptions are made. The forward looking statements contained herein are as of September 24, 2013 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations for our ability to raise capital and meet our obligations.*

*Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.*

*The MD&A has been prepared in accordance with the provisions of National Instrument 51.102, Section 5 and Form 51-102F1 and has been approved by the Company's Board of Directors.*

## DESCRIPTION OF BUSINESS

Prominex is a mineral exploration company engaged in acquiring, exploring and developing mineral properties within Canada. The Company's properties are located on the island of Newfoundland in the province of Newfoundland and Labrador, Canada.

Prominex is evaluating two projects within a base metal rich area of central Newfoundland, home to formerly producing world-class base metal deposits at Buchans and the currently producing Duck Pond zinc-copper mine owned and operated by Teck Corporation. Prominex is exploring primarily for zinc-lead-copper-silver-gold mineral resources within its properties with the objective of identifying commercially exploitable mineralization.

The Company's properties are currently at an "exploration stage." The Company has no producing properties, no operating income or cash flow. To date, the Company is dependent on the equities market to finance all of its activities and it will continue to rely on this source of funding for its exploration expenditures and to meet its ongoing working capital requirements. The common shares of the Company are listed on the TSX Venture Exchange (the "Exchange") under the symbol "PXR". The Company's head office is in Vancouver, BC, Canada. The Company also maintains an exploration office and core storage facilities in Buchans, NL.

Prominex's business is managed by the directors and officers and augmented by independent financial, geological and mining professionals retained to advise the Company on its exploration programs and business.

## OVERALL PERFORMANCE

The Company's continuation as a going concern is dependent on its ability to raise sufficient and appropriate equity financing to fund and complete the development of its mineral properties and attainment of future profitable operations. While the Company has been successful in the past in financing its activities there can be no assurances it will be successful in the future. The recoverability of exploration costs is dependent upon the ability of the Company to obtain financing to fund and complete the development of such reserves or through the sale of the licenses.

At present, Prominex holds interests in two mineral projects located in central Newfoundland, Tulks Hill (51%) and is the joint venture operator and Lake Bond (100%), both of which are host to historical base metal resources identified by earlier explorers. The Company's mineral properties are in good standing. To date, Prominex has expended $1,929,550 in exploration and acquisition costs on these projects. However, going forward the size, scope, and objective(s) of the exploration activity is dependent upon access to additional funds and subject to the objective of limiting shareholder dilution, among other factors.

During the 2013 fiscal year, the Company closed a non-brokered flow through private placement by the issuance of 21,370,000 units at a price of $0.015 per unit for gross proceeds to the Company of $320,550. Each unit comprises one common share and one non-transferable common share purchase warrant of the Company. Each warrant, expiring on April 12, 2014 entitles the holder to purchase one common share of the Company at a price of $0.05. Prominex is using the proceeds from the transaction, to satisfy current liabilities and to further exploration programs at the Tulks Hill and Lake Bond properties located in central Newfoundland, and for general working capital.

Since 2008, Prominex's ability to finance has been significantly affected by overall market conditions and by base metal price trends, especially zinc, as its mineral resource inventory value is comprised of 50% zinc, with lead, copper, silver, and gold. Zinc commodity market prices declined dramatically from January 2007 when zinc traded at $2.10. Zinc traded down to a low of $0.47 in March of 2009 and now trades at US$0.8762/lb. The price drop from its high in 2007 to its low in 2009 has been attributed to problems in world credit markets, which consequently resulted in a slowing world economy, and the reduction in demand for zinc end products.

## MINERAL PROPERTIES

At present, Prominex holds interests in two mineral projects located in central Newfoundland, Tulks Hill (51%) and is the joint venture operator and Lake Bond, both of which are host to historical base metal resources identified by earlier explorers.

The Tulks Hill project is host to an NI 43-101 compliant inferred and indicated base metal resource (Zn, Cu, Pb, Ag, and Au) in addition to historic base metal resources that have yet to be evaluated. Prominex commenced evaluation of these additional resources in late 2011.

On May 3, 2013, the Company announced that its application for a Mining Lease for a portion of the Tulks Hill property located in central Newfoundland has been accepted by the Department of Natural Resources in St. John's, Newfoundland and Labrador. The mining lease application is 60 hectares (ha) in size and covers the Tulks Hill volcanogenic massive sulphide (VMS) deposit, including National Instrument 43-101 (NI 43-101) compliant mineral resources, located on the Tulks Hill Mineral Licence 10212M. Newfoundland and Labrador Mineral Regulations require a legal survey of the area covered by the application be submitted to the Department of Natural Resources by November 1, 2013.

The Company earned its 100% interest in the Lake Bond property during 2012. On September 3, 2013, Prominex announced that it had received approval from the Department of Natural Resources for an exploration program on its Reid Lot 50 (Lake Bond) property in Newfoundland. The exploration program includes a detailed compilation of all previous diamond drill results in addition to a detailed geochemical soil sampling and prospecting survey. Subject to suitable financing, the Company plans a 2,000 m diamond drill program for the winter/spring 2014 exploration program.

At the present time Prominex is seeking funding to further its exploration efforts.

### TULKS HILL PROJECT

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. In November 2007, the Company earned an undivided 51% interest in the property by completing the requirements under the option agreement. Prominex is operator of the joint venture with Buchans Mineral Corporation. (TSX:V-BMC) formerly Royal Roads Inc. (TSX:V – RRO)

In July 2008, the Company received a National Instrument (NI) 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101) compliant technical report on the Tulks Hill property (the “Tulks Hill Property”). The Tulks Hill Property is subject to net smelter return royalty ranging from 2.0% to 2.25% on certain of the claims.

The following summary is from the NI 43-101 technical report on the Tulks Hill Property, Newfoundland and Labrador, Canada, prepared for the Tulks Hill joint venture between Prominex (operator) and Buchans Mineral Corporation (formerly Buchans River Limited). Prepared by Mr. Hrayr Agnerian, M.Sc. (Applied), P. Geo. of Scott Wilson RPA on July 22, 2008:

*“The T3 Lens of the Tulks Hill deposit contains some 431,000 tonnes of Indicated mineral resources at an average grade of 0.89% Cu, 3.97% Zn, 1.61% Pb, 35.09 g/t Ag and 1.17 g/t Au. The 1.1% CuEq cut-off grade is based on a minimum 2 m horizontal thickness of mineralization. The drilling by Prominex at Tulks Hill has confirmed the earlier results by Asarco Inc.”*

*“There is good potential for the discovery of additional Cu-Zn-Pb-Ag-Au mineralization northeast, southwest, and southeast of the T3 Lens and at other targets within Mineral License 10212M. These targets have geological and geophysical characteristics that are similar to the T3 Lens.”*

**T3 Lens – Mineral Resources above the Adit**

| | | | Grade | | | | |
|---|---|---|---|---|---|---|---|
| | *Category* | *Tonnes* | *C% Cu* | *% Zn* | *% Pb* | *g/t Ag* | *g/t Au* |
| 2 | Indicated | 290,000 | 0.91 | 5.03 | 2.00 | 38.81 | 1.24 |
| 3 | Indicated | 30,000 | 0.52 | 2.67 | 1.53 | 61.52 | 0.59 |
| **Total** | **Indicated** | **320,000** | **0.87** | **4.81** | **1.96** | **40.94** | **1.18** |

**Mineral Resources below the Adit and Elsewhere**

| | | | Grade | | | | |
|---|---|---|---|---|---|---|---|
| *Zone* | *Category* | *Tonnes* | *% Cu* | *% Zn* | *% Pb* | *g/t Ag* | *g/t Au* |
| 1 | Indicated | 4,000 | 0.79 | 1.09 | 0.41 | 26.19 | 0.31 |
| 2 | Indicated | 44,000 | 0.76 | 1.77 | 0.56 | 19.53 | 2.76 |
| 3 | Indicated | 5,000 | 0.52 | 2.46 | 1.39 | 57.95 | 0.66 |
| 4 | Indicated | 58,000 | 1.12 | 1.42 | 0.60 | 15.09 | 0.06 |
| **Total** | **Indicated** | **111,000** | **0.94** | **1.55** | **0.60** | **18.24** | **1.15** |

## LAKE BOND

On December 28, 2006, the Company entered into an option agreement with Reid Newfoundland Company Limited (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. The Company has completed the terms of the option agreement with Reid Newfoundland Company Ltd. and has earned a 100% interest in the property. The property is subject to a net smelter return royalty of 2.0 in favour of Reid Newfoundland Company. The Company has the right to purchase 1% of this net smelter royalty from Reid Newfoundland Company for $1,000,000.

On September 3, 2013, Prominex announced that it had received approval from the Department of Natural Resources for an exploration program on its Reid Lot 50 (Lake Bond) property in Newfoundland. The exploration program includes a detailed compilation of all previous diamond drill results in addition to a detailed geochemical soil sampling and prospecting survey. The area of interest is at least 1,000 m wide and approximately 1,000 m long. The purpose of the geochemical survey is to assess past induced polarization (IP) anomalies and outline possible coincident anomalous zones in preparation for further drilling programs. There are coincident ground geophysical (Max-Min EM) anomalies associated with the Main Zone of mineralization.

Subject to suitable financing, the Company plans a 2,000 m diamond drill program for the winter/spring 2014 exploration program.

**Exploration and Evaluation assets:**

| | Balance April 30, 2013 $ | Exploration Expenditures $ | Balance July 31, 2013 $ |
|---|---|---|---|
| Tulks Hill | 1,782,326 | 3,155 | 1,785,481 |
| Lake Bond | 138,693 | 5,376 | 144,069 |
| | 1,921,019 | 8,531 | 1,929,550 |

| | Balance July 31, 2012 $ | Exploration Expenditures $ | Balance April 30, 2013 $ |
|---|---|---|---|
| Tulks Hill | 1,785,307 | (2,981) | 1,782,326 |
| Lake Bond | 109,889 | 28,804 | 138,693 |
| | 1,895,196 | 25,823 | 1,921,019 |

| | Balance April 30, 2012 $ | Exploration Expenditures $ | 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 |

## QUALIFIED PERSON

Mr. Hrayr Agnerian P.Geo. of Agnerian Consulting Ltd. is a Qualified Person as set out in the definitions of National Instrument 43-101 (NI 43-101) by reason of his education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience and is independent of the Issuer applying the test set out in Section 1.4 of NI 43-101. Mr. Agnerian is the author of the report titled "Technical Report on the Tulks Hill Cu-Zn Property, Newfoundland" prepared for Tulks Hill Joint Venture between Prominex Resources Corp. (The Operator) and Buchans River Ltd., (TSX:V-BUV), now Buchans Mineral Corporation (TSX:V-BMC) and dated July 22, 2008. The report is available on SEDAR (www.sedar.com) and on the company website (www.prominex.ca

## Results of Operations

The financial information contained in this MD&A for the unaudited condensed interim financial statements for the three months ending July 31, 2013 and 2012 has been prepared in accordance with the Company's IFRS accounting policies. The review of results of operations should be read in conjunction with the unaudited condensed interim financial statements of for the three months ending July 31, 2013 and 2012

**July 31, 2013 compared to July 31, 2012**

The Company's projects are at the exploration stage, and it has generated no revenue from operations to date. The Company capitalizes all exploration and evaluation costs. For the three months ended July 31, 2013, the Company capitalized exploration and evaluation costs of $8,531. The net amounts capitalized to each project were as follows: Tulks Hill - $3,155 (2012 $4,067) and Lake Bond $5,376 (2012 -$33,307)

The Company had a net loss for the three months ended July 31, 2013 of $57,138 ($0.001) per share compared to a net loss for the quarter ended July 31, 2012 $46,337, or ($0.001) per share. The loss for the quarter ending July 31, 2013 is comparable to same quarter of 2012. Stock compensation costs of $1,564 were incurred during the quarter ending July 31, 2013 (2012 –$Nil)

## EXPENSES FOR THE THREE MONTHS ENDED JULY 31, 2013 AND 2012 ARE AS FOLLOW:

| | For The three months ended July 31 | |
|---|---|---|
| | **2013** | **2012** |
| | **$** | **$** |
| **REVENUE**: | | |
| Interest revenue | - | 6 |
| **EXPENSES**: | | |
| Accounting fees | - | 3,375 |
| Automobile expenses | - | 377 |
| Bank charges and interest | 6 | 239 |
| Consulting wages and benefits | 39,000 | 26,500 |
| Legal fees | 624 | 150 |
| Marketing | 82 | 300 |
| Meals and entertainment | 180 | 127 |
| Office | 7,016 | 1,081 |
| Regulatory fees | 1,123 | - |
| Rent | 3,864 | 3,866 |
| Salaries and benefits | 186 | - |
| Shareholder information | 1,547 | 9,843 |
| Share-based payments | 1,564 | - |
| Training | 35 | - |
| Transfer agent and shareholder | 1,911 | 485 |
| | 57,138 | 46,343 |
| **Net loss and total comprehensive loss** | (57,138) | (46,337) |
| Weighted average number of shares outstanding, basic and diluted | 83,690,890 | 62,320,890 |
| Loss per share, basic and diluted | (0.001) | (0.001) |

## SUMMARY OF QUARTERLY RESULTS

The following is selected quarterly information for each of the past eight quarters

| | *Revenue ($)* | *Expenses ($)* | *Net Income (loss) After Tax ($)* | *Net Income (loss) per Share Basic and Diluted* |
|---|---|---|---|---|
| 31/07/2013 (IFRS) | Nil | 57,138 | (57,138) | (0.001) |
| 30/04/2013 (IFRS) | 1 | 153,220 | (153,219) | (0.003) |
| 31/01/2013 (IFRS) | Nil | 24,164 | (24,164) | (0.0004) |
| 31/10/2012 (IFRS) | Nil | 23,043 | (23,043) | (0.0004) |
| 31/07/2012 (IFRS) | 6 | 46,343 | (46,337) | (0.001) |
| 30/04/2012 (IFRS) | 13 | 99,369 | (99,356) | (0.002) |
| 31/01/2012 (IFRS) | Nil | 50,980 | (50,980) | (0.01) |
| 31/10/2011 (IFRS) | Nil | 29,573 | (29,573) | (0.0005) |
| 31/07/2011 (IFRS) | Nil | 49,719 | (49,719) | (0.001) |

## FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY

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's cash balance at July 31, 2013 was $133,431 compared to $931 for the quarter ended July 31, 2012. The Company has negative working capital of $440,273 at July 31, 2013 (April 30, 2013 - $376,168). Although it has access to sufficient working capital to meet listing obligations it does not have sufficient funds to continue significant exploration of its properties. The Company will require additional funding to further exploration activities on its mineral properties. Property exploration commitments on existing properties are minimal over for the next 4 years.

The Company has been successful in the past in obtaining financing from the placement of equity, however there can be no assurance that it will obtain adequate financing in the future or that the terms of such financing will be favourable.

## RISKS AND UNCERTAINTIES

The Company's continuation as a going concern is dependent on its ability to raise sufficient and appropriate equity financing to fund and complete the development of its mineral properties and attainment of future profitable operations. While the Company has been successful in the past in financing its activities there can be no assurances it will be successful in the future.

Companies involved in the mineral exploration industry face many risk factors. While it is not possible to eliminate all the factors inherent in the mineral exploration business, the Company, through ongoing assessment, strives to mitigate these risks to ensure the protection of its assets.

### EXPLORATION AND DEVELOPMENT RISK

Mineral exploration and development involves a high degree of risk and few properties will become producing mines. There is no assurance that any mineral resources identified and defined will be mined commercially. The Company attempts to mitigate these risks by conducting exploration programs and studies using qualified contractors and personnel who will make professional recommendations based upon the findings of these studies.

### RISK IN RESOURCE/RESERVE CALCULATIONS AND ESTIMATION OF METAL RECOVERIES

There is a degree of uncertainty attributable to the calculation of mineral resources and mineral reserves and corresponding grades and all mineral resources and mineral reserves and grades should be treated as estimates only.

### FINANCING RISK

The Company has limited financial resources and relies upon the issuance of share capital to raise funds. The Company's management is aware that the availability of equity funds at favourable terms is not certain, so the financial requirements of the Company’s operations are reviewed at least quarterly to allow for timely changes in capital deployment. The Company has been successful in the past in obtaining financing from the placement of equity, however there can be no assurance that it will obtain adequate financing in the future or that the terms of such financing will be favourable.

### POLITICAL AND LEGISLATIVE RISK

The Company's properties are located in Canada in the province of Newfoundland and Labrador. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected, to varying degrees, by changes in federal or provincial legislation and regulations and the effects of any changes cannot be accurately predicted. The Company identifies changes and potential changes in environmental legislation, provincial laws and regulations, and 'best practices guidelines' as sources of potential risk in this regard.

### BUSINESS CYCLE RISK

General market conditions and the price of precious and base metals will have an impact on the Company's ability to access financing in the future to continue the exploration of its properties and further the Company's long-term plan. Changes in cyclical market direction may have a positive or negative affect the Company. Changes in general market conditions are beyond the control of the Company.

## OUTSTANDING SHARE DATA

The share capital of the Company consist of an unlimited number of common shares , without nominal or par value of which 83,690,890 are issued and outstanding as of the date of this MDA.

### Share Purchase Warrants

The change in warrants during the twelve months ended April 30th, 2012 and the three months ended July 31, 2013 and 2012 is as follows:

| | Number | Weighted Average Exercise Price ($) |
|---|---|---|
| **Outstanding at April 30, 2012** | 4,000,000 | 0.10 |
| Issued | - | - |
| Expired | - | - |
| **Outstanding at July 31, 2012** | 4,000,000 | 0.10 |
| Issued | 21,370,000 | 0.05 |
| Expired | (4,000,000) | 0.10 |
| **Outstanding at April 30, 2013** | 21,370,000 | 0.05 |
| Issued | - | - |
| Expired | - | - |
| **Outstanding at July 31, 2013** | **21,370,000** | **0.05** |

### Share Purchase Options

The change in share purchase options during the year ended April 30, 2012 and the three months ended July 31, 2013 and 2011 is as follows:

| | Number of Options | Weighted-Average Exercise Price $ |
|---|---|---|
| **At April 30, 2012** | 3,700,000 | 0.10 |
| Expired | - | - |
| Issued | 1,200,000 | - |
| **At July 31, 2012** | 4,900,000 | 0.10 |
| Expired | - | - |
| Issued | - | - |
| **At April 30, 2013** | 4,900,000 | 0.10 |
| Expired | - | - |
| Issued | - | - |
| **At July 31, 2013** | **4,900,000** | **0.10** |

### Transactions with Related Parties

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, 2013, the Company paid or accrued the following amounts to related parties:

- $3,864 in head office rent to an officer and director (2012 - $3,866), which was charged to loss for the period;

- $31,500 in consulting fees to key management personnel was charged to loss for the period (2012 - $31,500, of which 26,500 was charged to loss for the period, $5,000 was charged to exploration and evaluation assets).

Included in amounts receivable is $5,517 (April 30, 2013 - $5,517) due from a director related to operating expense advances. The amount is unsecured, interest-free and repayable upon written notice given from the Company.

Included in accounts payable and accrued liabilities are amounts owing to related parties of $443,274 (2012 - $354,103)

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.

### OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

### PROPOSED TRANSACTIONS

The Company has no proposed transactions.

### CHANGES TO ACCOUNTING POLICIES

There were no changes to accounting policies during the period.

**(a) Accounting Standards Issued but not yet Effective**

### ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorization of these financial statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective during the quarter ended July 31, 2013:

- IFRS 11 *'Joint Arrangements'*, which replaces IAS 31 and SIC-13.

- IFRS 12 '*Disclosure of Interests in Other Entities'*, which replaces disclosure requirements in IAS 27 (as amended in 2008), IAS 28 (as revised in 2003) and IAS 31.

- IFRS 13 '*Fair Value Measurement'*, which replaces fair value measurement guidance in other IFRSs.

- IAS 1 (Amendment) '*Presentation of Financial Statements'*, which includes amendments regarding Presentation of Items of Other Comprehensive Income.

- IAS 19 (Amendment) '*Employee Benefits'*, which revises recognition and measurement of post-employment benefits.

- IAS 27 (Amendment) '*Separate Financial Statements'*, which prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

- IAS 28 (Amendment) '*Investments in Associates and Joint Ventures'*, which 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.

- IFRIC 20 '*Stripping Costs in the Production Phase of a Surface Mine*' is a new interpretation effective for annual periods beginning on or after January 1, 2013 that prescribes the accounting for stripping costs in the production phase of a surface mine.

The adoption of the above standards did not have a material impact on the Company's condensed interim consolidated financial statements.

At the date of authorization of these condensed interim consolidated financial statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective during the relevant reporting periods.

- IFRS 9 '*Financial Instruments: Classification and Measurement'* is a new financial instruments standard effective for annual periods beginning on or after 1 January 2015 that replaces IAS 39 and IFRIC 9 for classification and measurement of financial assets and financial liabilities.

- IAS 32 (Amendment) '*Financial Instruments: Presentation*' is effective for annual periods beginning on or after 1 January 2014 that establishes principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

## FUTURE FUNDING

The Company has historically financed its activities principally by sale of equity securities and while it has been successful in the past, there can be no assurances it will be successful in the future. The recoverability of exploration costs is dependent upon the ability of the Company to obtain financing to fund and complete the development of such reserves or through the sale of the licenses.

## INVESTOR AWARENESS

The Company does not have an investor awareness program. Currently, the president provides shareholder communication. The Company will continue some investor awareness initiatives including investor conference participation, print, radio, and web media advertising of the Company and its prospective properties. The Company maintains a summary of corporate and technical information on its website and provides links to regulatory, government, and other sources of information.

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with Exemption Orders issued in November 2007, the Chief Executive Officer and Chief Financial Officer (CFO) of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed unaudited interim financial statements and the audited annual financial statements and respective accompanying MD&A.

In contrast to the certificate under Multilateral Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* (MI 52-109), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in MI 52-109.

## CONTRACTUAL OBLIGATIONS

The Company has no contractual obligations.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Directors carries out its responsibility for the financial statements primarily through the audit committee, which comprises independent, non-executive directors who meet periodically with management and independent auditors to review financial reporting and internal control matters. Outlook

## OUTLOOK

**Financing**

At the present time Prominex is seeking funding to its exploration efforts. The Company is currently conducting exploration at its Lake Bond property in central Newfoundland and expects to conduct some exploration at Tulks Hill in 2013, however the size, scope, and objective(s) of the exploration activity is dependent upon access to additional funds and subject to the objective of limiting shareholder dilution.

**Exploration Objectives**

Prominex's continuing exploration objective is focused on increasing the NI 43-101 base and precious metal resources within our Tulks Hill property. In late 2011, Prominex began evaluation other historical base metal resources located within our Tulks Hill property. The results were very encouraging.

On May 3, 2013, Prominex announced that its application for a Mining Lease for a portion of the Tulks Hill property located in central Newfoundland has been accepted by the Department of Natural Resources in St. John's, Newfoundland and Labrador. The mining lease application is 60 ha in size and covers the Tulks Hill volcanogenic massive sulphide (VMS) deposit, including National Instrument 43-101 (NI 43-101) compliant mineral resources, located on the Tulks Hill Mineral Licence 10212M. Newfoundland and Labrador Mineral Regulations require a legal survey of the area covered by the application be submitted to the Department of Natural Resources by November 1, 2013.

On September 3, 2013, Prominex announced that it had received approval from the Department of Natural Resources for an exploration program on its Reid Lot 50 (Lake Bond) property in Newfoundland. The exploration program includes a detailed compilation of all previous diamond drill results in addition to a detailed geochemical soil sampling and prospecting survey. The area of interest is at least 1,000 m wide and approximately 1,000 m long. The purpose of the geochemical survey is to assess past induced polarization (IP) anomalies and outline possible coincident anomalous zones in preparation for further drilling programs. There are coincident ground geophysical (Max-Min EM) anomalies associated with the Main Zone of mineralization. Subject to suitable financing, the Company plans a 2,000 m diamond drill program for the winter/spring 2014 exploration program.

## APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MDA is available upon request from the Company and is available for viewing on the Company website at www.prominex.ca or on SEDAR at www.sedar.com

## ADDITIONAL INFORMATION

*Additional information related to the Company is available for viewing on the Company's website www.prominex.ca and on SEDAR at www.sedar.com*