PAN GLOBAL

RESOURCES

CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

Three Months Ended April 30, 2012
(Unaudited)

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of Pan Global Resources Inc. for the three months ended April 30, 2012 and 2011 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

PAN GLOBAL RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

		April 30, 2012		January 31, 2012
ASSETS				
Current assets				
Cash	$	2,348,469	$	224,942
Receivables		48,898		43,078
Advances and prepaids (Note 4)		937,272		558,530
Total current assets		3,334,639		826,550
Non-current assets				
Exploration and evaluation assets (Note 4)		506,250		506,250
Total non-current assets		506,250		506,250
TOTAL ASSETS	$	3,840,889	$	1,332,800
LIABILITIES AND EQUITY				
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 5)	$	107,472	$	147,077
Total liabilities		107,472		147,077
EQUITY				
Share capital (Note 6)		9,303,031		5,986,365
Reserves (Note 6)		1,315,727		722,575
Deficit		(6,885,341)		(5,523,217)
Total equity		3,733,417		1,185,723
TOTAL LIABILITIES AND EQUITY	$	3,840,889	$	1,332,800

Nature of operations and going concern (Note 1)

These financial statements are authorized for issuance by the Board of Directors on June 28, 2012.

Approved by the Board of Directors

"Julian Bavin" Director   *"Robert Baxter"* Director

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

PAN GLOBAL RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

		Three months ended April 30, 2012		Three months ended April 30, 2011
Exploration expenditures (Note 4)	$	605,562	$	634,713
General and administrative expenses				
Accounting, tax and audit		19,250		18,160
Consulting and management fees		62,958		59,532
Investor relations		47,550		-
Office and rent		15,936		9,389
Professional fees		29,932		4,608
Project evaluation		3,850		75,031
Regulatory and transfer agent		9,931		7,369
Stock based compensation (Note 6)		544,197		414,344
Travel		24,123		13,317
		757,727		601,750
Loss before other items		(1,363,289)		(1,236,463)
Other items				
Interest income		1,165		-
LOSS AND COMPREHENSIVE LOSS	$	(1,362,124)	$	(1,236,463)
Loss per common share - basic and diluted	$	(0.05)	$	(0.07)
Weighted average number of common shares outstanding - basic and diluted		26,828,871		17,673,332

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

PAN GLOBAL RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

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

PAN GLOBAL RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

		Three months ended April 30, 2012		Three months ended April 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year	$	(1,362,124)	$	(1,236,463)
Items not affecting cash:				
Stock based compensation		544,197		414,344
Changes in non-cash working capital items:				
Receivables		(5,820)		(46,175)
Advances and prepaid expenses		(378,742)		-
Accounts payable and accrued liabilities		(39,605)		(257,858)
Net cash used in operating activities		(1,242,094)		(1,126,152)
CASH FLOWS FROM INVESTING ACTIVITIES				
Exploration and evaluation expenditures		-		(75,000)
Net cash used in investing activities		-		(75,000)
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares issued for cash, net of share issue costs		3,365,621		-
Net cash provided by financing activities		3,365,621		-
Increase (decrease) in cash during the year		2,123,527		(1,201,152)
Cash, beginning of year		224,942		2,549,065
Cash, end of year	$	2,348,469	$	1,347,913

Supplemental disclosure with respect to cash flows (Note 9)

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

PAN GLOBAL RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Number of common shares		Capital stock		Reserves		Deficit		Total
Balance at January 31, 2012	22,501,482	$	5,986,365	$	722,575	$	(5,523,217)	$	1,185,723
Shares issued on private placements	5,877,499		3,526,500		-		-		3,526,500
Share issuance costs	-		(160,879)		-		-		(160,879)
Finders warrants issued on private placement	-		(48,955)		48,955		-		-
Stock based compensation	-		-		544,197		-		544,197
Comprehensive loss for the year	-		-		-		(1,362,124)		(1,362,124)
Balance at April 30, 2012	28,378,981	$	9,303,030	$	1,315,727	$	(6,885,341)	$	3,733,416

	Number of common shares		Capital stock		Reserves		Deficit		Total
Balance at January 31, 2011	17,388,991	$	3,519,244	$	399,707	$	(1,701,752)	$	2,217,199
Shares issued for exploration and evaluation assets	375,000		431,250		-		-		431,250
Exercise of warrants	-		-		-		-		-
Exercise of stock options	-		-		-		-		-
Reclassification of fair value of options exercised	-		-		-		-		-
Stock based compensation	-		-		414,344		-		414,344
Comprehensive loss for the year	-		-		-		(1,236,463)		(1,236,463)
Balance at April 30, 2011	17,763,991	$	3,950,494	$	814,051	$	(2,938,215)	$	1,826,330

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Pan Global Resources Inc. (hereafter referred to as the "Company") is incorporated under the laws of the Province of British Columbia and was established as a legal entity on February 1, 2006. On December 21, 2009, the Company changed its name from Mosam Capital Corp. to Pan Global Resources Inc.

The Company's principal business activities are the acquisition of rights to explore for minerals and the exploration of acquired rights. The Company's unproven mineral interests are located in the Republic of Serbia and Republic of Bosnia. The Company's continuing operations and the ability of the Company to meet its mineral property commitments are dependent upon the ability of the Company to raise additional equity and debt financing and seeking joint venture partners.

The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "PGZ".

The Company's principal office is located at:

1780 – 400 Burrard Street
Vancouver, British Columbia
V6C 3A6

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Based on its current plans, budgeted capital expenditures, and cash requirements, the Company has adequate resources to maintain its core activities for the next fiscal year and sufficient working capital to fund all of its planned activities.

In order to continue as a going concern and to meet its corporate objectives, which primarily consist of obtaining and exploring its mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and measurement

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Basis of preparation and measurement (cont'd…)

are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The condensed interim financial statements of the Company have been prepared in accordance with the same accounting policies and methods of their application as the most recent audited financial statements for the year end January 31, 2012, except that they do not include all note disclosures required for annual audited financial statements, and they include new accounting standards effective in the current period. It is suggested that the condensed interim financial statements be read in conjunction with the annual audited financial statements.

3. NEW AND FUTURE ACCOUNTING STANDARDS

Amendments to IFRS 7 Financial Instruments: Disclosures

The amendments increase disclosure with regards to the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period.

Amendments to IAS 12 Income Taxes

The amendments are made regarding *Deferred Tax: Recovery of Underlying Assets* and introduce an exception to the existing principle for the measurement of deferred tax assets and liabilities arising on an investment property measured at fair value, and the requirement that deferred tax on non-depreciable assets measured using the revaluation model in IAS 16 *Property, Plant and Equipment* should always be on a sales basis.

Effective January 1, 2012, the Company has adopted amendments to IFRS 7 *Financial Instruments: Disclosures*, and IAS 12 *Income Taxes*, and concluded that there are no material changes as a result of adopting these amendments

Accounting Pronouncements Not Yet Effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Accounting Standards Issued and Effective January 1, 2013

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 defines fair value, sets out in a single IFRS a framework for measuring

3. NEW AND FUTURE ACCOUNTING STANDARDS (cont'd…)

Accounting Pronouncements Not Yet Effective (cont'd…)

Accounting Standards Issued and Effective January 1, 2013 (cont'd…)

fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 Share-based Payment; leasing transactions within the scope of IAS 17 Leases; measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

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).

Accounting Standards Issued and Effective January 1, 2015

IFRS 9 Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

The Company's unproven mineral interests consist of one early-stage exploration project as follows:

	April 30, 2012	January 31, 2012
Balkans Properties	$ 506,250	$ 506,250
	$ 506,250	$ 506,250

Balkans Properties

On February 14, 2011 the Company signed a definitive option agreement with Lithium Li Holdings Inc. ("Lithium Li") to earn an undivided 51% interest, with further options to earn an undivided 65% or 80% interest, in Lithium Li. Lithium Li, through wholly-owned subsidiaries in the Balkans, has been granted fifteen exploration licenses in the Republic of Serbia and has applied for an additional two licenses in Bosnia and Herzegovina. Under the terms of the Option Agreement, the Company can earn up to 80% in any three licenses held by Lithium Li within 10 years of the date of the Option Agreement by spending sufficient exploration expenditures for the completion of a feasibility study (or a total of $20,000,000), and issuing a total of 1,125,000 shares and $500,000 in various anniversary payments. Pan Global shall determine, in its sole discretion, which exploration licenses may be retained by the Optionor.

To exercise the option, the Company must complete the following:

Cash payments:
- i) By February 21, 2011: $75,000 (paid)
- ii) By February 14, 2012: $150,000
- iii) By February 14, 2013: $275,000

Share issuances:
- i) By February 21, 2011: 375,000 shares (issued)
- ii) Date of exercise of the initial 51% interest: 250,000 shares
- iii) One year anniversary from exercise of initial 51% interest: 250,000 shares
- iv) Two year anniversary from exercise of initial 51% interest: 250,000 shares

Exploration expenditure:
- i) By August 14, 2012: $1,500,000 (incurred)
- ii) By February 14, 2014: $4,000,000 (cumulative)
- iii) By February 14, 2015: $8,000,000 (cumulative, if to earn an additional 14% interest)
- iv) By February 14, 2021: $20,000,000 (cumulative, if to earn an additional 15% interest)

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (cont'd…)

For the period ended April 30, 2012, the Company has spent $605,561 in exploration expenses on the properties, as follows:

Balkan Properties		
Drilling and related supplies	$	242,536
Field costs		32,792
Geophysical surveys		-
Office, administration, and overhead		156,047
Salaries and consultants		134,002
Travel and related costs		40,185
	$	605,561

As of April 30, 2012 an amount in advances and prepaids of $937,272 represent unspent funds advanced to Lithium Li (2011 - $nil).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

		April 30, 2012		January 31, 2012
Accounts payable	$	88,222	$	63,077
Accrued liabilities		19,250		84,000
	$	107,472	$	147,077

6. SHARE CAPITAL

Authorized Share Capital

Authorized share capital consists of:

- unlimited number of common shares without par value.
- unlimited class “A” common shares with a par value of $1
- unlimited class “B” common shares with a par value of $5

Equity Financings

On February 24, 2012, the Company completed a private placement of 5,877,499 units at a price of $0.60 per unit for gross proceeds of $3,526,500. Each unit consisted of one common share and one-half of one share purchase warrant with each whole warrant entitling the holder to purchase another share for $0.80 which expires on February 24, 2014. Finder’s fees totaling $141,131 were payable in cash to four finders on a portion of the offering. In addition, three finders were issued an aggregate of 204,730 finders warrants on a portion of the offering. The warrants are exercisable at $0.80 per share until February 24, 2014.

The shares and warrants issued in the two private placements were valued using the residual value method which resulted in the full amount of their fair value being allocated to the common shares.

The finder’s warrants were valued separately using a Black-Scholes option pricing model with the following inputs: a stock price of $0.65, an exercise price of $0.80, an expected life of 2 years, a risk-free interest rate of 1.07%, an expected dividend yield of 0% and an expected volatility of 78.52%. These inputs generated a value of $48,955.

Stock Options

The Company has adopted a stock option plan pursuant to the policies of the TSX-V that has been approved by the Company’s shareholders. The maximum number of shares that may be reserved for issuance under the plan is limited to 10% of the issued common shares of the Company at any time. Under the plan, the exercise price of each option equals the market price of the Company’s stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (cont'd…)

The continuity of share purchase options for the three months ended April 30, 2012 is as follows:

Expiry Date	Exercise Price	Outstanding January 31, 2012	Granted	Exercised	Expired/ Cancelled	Outstanding April 30, 2012	Exercisable April 30, 2012
30-Nov-16	0.20	87,000	-	-	-	87,000	87,000
8-Jul-15	0.25	250,000	-	-	-	250,000	250,000
10-Dec-15	0.32	200,000	-	-	-	200,000	200,000
15-Apr-16	1.03	525,000	-	-	-	525,000	525,000
28-Mar-12	0.65	-	1,660,000	-	-	1,660,000	1,570,000
28-Mar-12	0.70	-	150,000	-	-	150,000	-
Total		1,062,000	1,810,000	-	-	2,872,000	2,632,000
Weighted average exercise price		$ 0.64	$ 0.65	$ -	$ -	$ 0.65	$ 0.65

Share Purchase Warrants

The continuity of share purchase warrants for the three months ended April 30, 2012 is as follows:

Expiry Date	Exercise Price	Balance, January 31, 2012	Issued	Exercised	Expired/ Cancelled	Balance, April 30, 2012
10-Dec-12	0.30	524,999	-	-	-	524,999
29-Jan-13	0.40	65,625	-	-	-	65,625
24-Feb-14	0.80	-	3,143,480	-	-	3,143,480
Total		590,624	3,143,480	-	-	3,734,104
Weighted average exercise price		$ 0.31	$ 0.80	$ -	$ -	$ 0.72

Share-based Payments and Share-based Payment Reserve

During the three months ended April 30, 2012, the Company granted 1,810,000 (2011 – 525,000) stock options to directors, officers and employees of the Company. Using the fair value method for share-based payments, the Company recorded a charge to operations of $544,197 (2011 - $414,344) for stock options granted.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (cont'd…)

The fair value of stock options granted was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows:

Weighted average:	April 30, 2012	January 31, 2011
Risk free interest rate	1.57%	2.06%
Expected dividend yield	0%	0%
Expected stock price volatility	81.80%	113.24%
Expected life of options in years	5	2.5

7. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

	Three months ended April 30, 2012	Three months ended April 30, 2011
Salaries and consulting fees	$ 71,499	$ 82,482
Rent and office expenses	3,000	3,000
Share based payments	544,197	414,344
	$ 618,696	$ 499,826

Related party liabilities	Items or Services	April 30, 2012	January 31, 2012
Accounts payable and accrued liabilities:			
President & CEO	Management fees	$ 20,833	$ 41,721
Corporate Secretary	Legal fees	2,456	4,005
Chief Financial Officer	Accounting services	9,000	30,000
Directors	Consulting fees	-	15,000

8. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being exploration and development of mineral properties. Except for mineral property interests and exploration expenditures, substantially all of the Company's assets and expenditures are located and incurred in Canada. The mineral property interests are located in Serbia and all of the exploration expenditures are incurred in Serbia (Note 4).

(Expressed in Canadian dollars)

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the three months ended April 30, 2012, the Company issued 204,730 finders' warrants on a private placement valued at $48,955.

10. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT

Financial Instruments

The Company classified its financial instruments as follows:

As at April 30, 2012	Financial Instruments at FVTPL	Loans and Receivables	Other Financial Liabilities
Cash	$ 2,348,469	$ -	$ -
Receivables	-	48,898	-
Accounts payable and accrued liabilities	-	-	107,472
	$ 2,348,469	$ 48,898	$ 107,472

As at January 31, 2012	Financial Instruments at FVTPL	Loans and Receivables	Other Financial Liabilities
Cash	$ 224,942	$ -	$ -
Receivables	-	43,078	-
Accounts payable and accrued liabilities	-	-	147,077
	$ 224,942	$ 43,078	$ 147,077

10. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT (cont'd…)

Fair Value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The carrying value of receivables and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

As at April 30, 2012, the Company's financial instruments measured at fair value are as follows:

Financial Assets	Level 1	Level 2	Level 3	**Total**
Cash	$ 2,348,469	$ -	$ -	$ 2,348,469

Risk and Capital Management

The Company's capital includes share capital and the cumulative deficit. The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may issue new shares in order to meet its financial obligations.

The Company's activities expose it to a variety of financial risks, market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

This note presents information about the Company's exposure to each of these risks, the Company's objectives and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

10. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT (cont'd…)

Credit Risk

Credit risk arises from cash and deposits with banks, as well as credit exposure to customers, including outstanding receivables and committed transactions.

There is no significant concentration of credit risk. The Company's cash deposits are primarily held with a Canadian chartered bank. The Company has minimal accounts receivable exposure as it relates to amounts due from the Government of Canada pursuant to sales tax credits.

Interest rate risk

As the Company does not have significant interest-bearing assets, the Company's income and operating cash flows are not significantly affected by changes in market interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future.

Currency Risk

The Company has identified its functional currency as the Canadian dollar. Certain of the Company's exploration expenditures are denominated in Serbian Dinar (RSD) and United States dollars (USD). The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollar and those two currencies.

The Company has not entered into any derivative instruments to manage foreign exchange fluctuations. Management believes the foreign exchange risk related to currency conversions are minimal.