

NEWMEX MINERALS INC.

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FOR IMMEDIATE RELEASE

Newmex Announces Third Quarter Results

(Calgary, Alberta) Newmex Minerals Inc. ("Newmex" or "Company") today announced its second quarter results.

The Company had a net loss for the three months ended June 30, 2005 of \$138,601. The majority of this loss is attributable to two items: a further \$25,000 write-down in the carrying value of its Zeballos mineral property, and the expensing of approximately \$71,000 in costs associated with the preparation of a preliminary prospecting report on the Zeballos mineral property carried out by independent consultants. This preliminary prospecting report recommends that the Company make significant expenditures to conduct further testing. The Company is assessing this recommendation. In the interim and based upon a conservative approach to the valuation of its mineral property, the Company expensed the aforesaid report expenditures and reduced the carrying value of the property.

As previously announced, Newmex has entered into two memoranda of understanding relating to the potential acquisition of certain oil and gas interests located in the United States. The Company is in the process of carrying out its due diligence and initial structuring and preparation of formal documentation.

Consolidated Balance Sheets

As at	June 30, 2005 (unaudited)	September 30, 2004 (audited)
Assets		
Current assets		
Cash	\$ 582,840	\$ 4,208
Sundry assets	61,670	35,789
Short-term investments	-	632,081
	<u>644,510</u>	<u>672,078</u>
Mineral properties and deferred costs	100,000	125,000
	<u>\$ 744,510</u>	<u>\$ 797,078</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 77,374	\$ 77,550
Advances due to Proprietary Industries Inc.	17,580	374,305
Advances due to EnerGCorp, Inc.	-	1,017,007
Income taxes payable	4,912	4,912
	<u>99,866</u>	<u>1,473,774</u>
Shareholders' Equity (Deficiency)		
Share capital	6,046,918	5,233,432
Contributed surplus	816,444	816,444
Deficit	(6,218,718)	(6,726,572)
	<u>644,644</u>	<u>(676,696)</u>
	<u>\$ 744,510</u>	<u>\$ 797,078</u>

**Consolidated Statements of Earnings
and Deficit (unaudited)**

	Three months ended June 30,		Nine months ended June 30,	
	2005	2004	2005	2004
Revenue				
Interest income	\$ 2,953	\$ 272	\$ 3,268	\$ 743
Expenses				
Consulting fees	4,500	5,178	15,796	20,252
Exploration and maintenance expenses	70,972	3,799	71,249	6,499
Insurance	4,315	7,095	13,760	12,081
Interest	-	6,843	8,183	19,808
Investor and public relations	1,259	4,000	14,918	13,912
Office and general expenses	17,759	1,499	18,321	4,800
Professional fees	14,778	20,436	50,289	34,236
Travel	1,820	3,208	1,820	3,688
	<u>115,403</u>	<u>52,058</u>	<u>194,336</u>	<u>115,276</u>
Loss before the following	<u>(112,450)</u>	<u>(51,786)</u>	<u>(191,068)</u>	<u>(114,533)</u>
Gain on disposal of short-term investments	-	28,762	-	409,572
Gain on settlement of debt	-	-	846,244	-
Write-downs	(25,000)	-	(200,800)	-
Foreign currency exchange gain (loss)	(1,151)	(33,630)	53,478	30,092
	<u>(26,151)</u>	<u>(4,868)</u>	<u>698,922</u>	<u>439,664</u>
Income (loss) before income taxes	<u>(138,601)</u>	<u>(56,654)</u>	<u>507,854</u>	<u>325,131</u>
Income taxes	-	-	-	-
Net income (loss) for the period	(138,601)	(56,654)	507,854	325,131
Deficit, beginning of period	<u>(6,080,117)</u>	<u>(6,636,464)</u>	<u>(6,726,572)</u>	<u>(7,018,249)</u>
Deficit, end of period	\$ (6,218,718)	\$ (6,693,118)	\$ (6,218,718)	\$ (6,693,118)
Earnings (loss) per share – basic	\$ (0.01)	\$ (0.01)	\$ 0.04	\$ 0.04
Earnings per share – diluted	\$ -	\$ -	\$ 0.04	\$ 0.04
Weighted average number of common shares used in computing earnings (loss) per share, basic and diluted	<u>13,060,330</u>	<u>8,278,694</u>	<u>13,060,330</u>	<u>8,278,694</u>

Consolidated Statement of Cash Flows
(unaudited)

	Three months ended June 30,		Nine months ended June 30,	
	2005	2004	2005	2004
Cash flows provided by (used in)				
Operating activities				
Net income (loss) for the period	\$ (138,601)	\$ (56,654)	\$ 507,854	\$ 325,131
Items not involving cash				
Write-downs	25,000	-	200,800	-
Gain (loss) on disposal of short-term investments	-	(28,762)	-	(409,572)
Gain on settlement of debt	-	-	(846,244)	-
Interest	-	6,843	8,183	19,808
Foreign exchange loss (gain)	-	33,689	(54,378)	(17,897)
	(113,601)	(44,884)	(183,785)	(82,530)
Changes in non-cash operating balances	14,055	18,307	(26,058)	(23,842)
Cash used in operating activities	(99,546)	(26,577)	(209,843)	(106,372)
Financing activities				
Advances from (repayments to) Proprietary Industries Inc., net	(111,998)	9,316	(25,011)	45,298
Advances from (repayments to) EnerGCorp, Inc., net	-	-	-	(661,611)
Cash used in financing activities	(111,998)	9,316	(25,011)	(616,313)
Investing activities				
Proceeds from private placement, net of costs	(4,913)	-	813,486	-
Proceeds from sale of short-term investments	-	75,740	-	851,956
Cash received from investing activities	(4,913)	75,740	813,486	851,956
Net increase (decrease) in cash	(216,457)	58,479	578,632	129,271
Cash, beginning of period	799,297	197,704	4,208	126,912
Cash, end of period	\$ 582,840	\$ 256,183	\$ 582,840	\$ 256,183
Supplementary disclosure of cash flow information:				
Interest paid in the period	\$ -	\$ -	\$ -	\$ 43
Taxes paid in the period	\$ -	\$ 767	\$ -	\$ 767

FOR FURTHER INFORMATION PLEASE CONTACT:

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Forward-looking statements. This document contains statements about expected or anticipated future events and financial results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events, and the Corporation's capability to execute and implement its future plans. Actual results may differ materially from those projected by management. For such statements, we claim the safe harbour for forward-looking statements within the meaning of the *Private Securities Legislation Reform Act of 1995*.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.