

## Pasinex Reports 2015 Financial Results

**TORONTO, ON – May 20, 2016** – Pasinex Resources Ltd. (CSE: PSE) (FSE: PNX) (the “Company” or “Pasinex”) released its 2015 full year financial results on April 29, 2016 through SEDAR.com and the website [www.pasinex.com](http://www.pasinex.com).

Pasinex is focused on base metal mining and exploration in Turkey with a priority focus on zinc mining and exploration in Adana province, Turkey. Pasinex formed a 50 / 50 joint venture with Turkish mining house Akmetal AS, and through the joint venture company, called Horzum AS, they are developing the Pinargozu Zinc project in Adana province.

- Objective to grow Pasinex through exploration which can now be initially funded through cash-flows from the Pinargozu mine.
- Small ambitious zinc producer, showing profitability in it’s joint venture company Horzum AS

The following is a summary of the Horzum AS Joint Venture Balance Sheet and Income Statement for the year ended 2015.

### Balance Sheet at December 31, 2015:

	TRY (\$)	CAD (\$)
Current assets		
Cash and prepaid expenses	1,027,199	487,714
Accounts receivable	10,356,818	4,917,417
Inventory	808,301	383,781
Non-current assets		
Plant and equipment	397,246	188,612
Property costs	2,210,335	1,049,467
Other non-current assets	410,488	194,901
<b>Total Assets</b>	<b>15,210,187</b>	<b>7,221,892</b>
Current liabilities	8,003,474	3,800,049
Due to JV partners	5,185,701	2,462,171
Share capital	500,000	237,400
Surplus (deficit)	1,521,212	707,832
Foreign exchange difference	-	14,400
	<b>15,210,387</b>	<b>7,221,892</b>

Statement of Operations for the Year Ended December 31, 2015:

	TRY (\$)	CAD (\$)
Gross sales	9,581,636	4,506,244
Cost of sales	(7,662,202)	(3,603,534)
General and administrative expenses	(145,919)	(71,085)
-		
<b>Net income for the year</b>	<b>1,773,515</b>	<b>831,625</b>

As at December 31, 2015, the property costs for the Joint Venture includes the following expenditures:

<b>Pinargozu Property cost details:</b>	TRY (\$)	CAD (\$)
Deposits and guarantees	100,278	47,612
Preparation and development	2,110,057	1,001,855
<b>Total</b>	<b>2,210,335</b>	<b>1,049,467</b>

The highlights of these results are discussed here:

1. Sales for the Horzum AS Joint venture company were \$4,506,244 CAD for 2015. This income was realized from the sale of 13,906 tonnes of direct shipping high grade zinc mineralization of between 30 – 38% Zn.
2. The JV company Horzum AS recorded an operating profit from these mining operations at Pinargozu of \$831,625 CAD (an operating margin of 18.5%)
3. A total of 10,162 wet tonnes were mined from Pinargozu mine in 2015 giving an average of 27.8 wet tonnes per day of production. In total, 13,906 wet tonnes of product was sold in 2015 with the difference between what was mined and sold coming from 2014 production.
4. A total of 14,443 meters of drilling (both diamond and percussion drilling) was conducted by the JV company in 2015. The cost of this was approximately \$875,000 USD spent in 2015.
5. The balance sheet for the Horzum AS joint venture company shows Total Assets at \$7,221,892 CAD; the capital asset for Pinargozu property exploration was \$1,049,467. Drilling continued on the Pinargozu property thus capital asset for exploration increased in 2015. Surplus was \$707,832.

Steve Williams, President and CEO of Pasinex Resources Limited commented: “2015 was a great and critical year for Pasinex. We continued to grow the Pinargozu mine. In 2015 we averaged 850 wet tonnes per month of high grade direct shipping zinc product from Pinargozu. In 2016 we are already producing at 1800 wet tonnes per month (though to April 2016). In 2015 all of the surplus operational cash generated was spent on exploration at Pinargozu. As can be seen from our JV company financial results, the company was profitable in 2015. We expect profitability to further strengthen in 2016. Also in 2016, we anticipate being able to fund all our

exploration again and to also pay required capital for the mine growth. This is a major step forward for Pasinex. We have now built the Plnargozu mine to sufficient productivity to provide the funds for exploration, as we push hard for the bigger zinc opportunity there.”

The overall consolidated financial results for Pasinex Resources Limited are presented below. The Joint Venture company, Horzum AS, is 50% owned by Pasinex and as such is accounted for by the equity method.

### **Pasinex Resources Limited**

#### Consolidated Statements of Financial Position

For the years ended December 31, 2015 and 2014

(Expressed in Canadian dollars)

	2015	2014
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 25,749	\$ 151,045
GST/HST/VAT receivable	4,035	6,852
Other receivables	2,238	2,961
Prepaid expenses and deposits	43,894	42,558
Share subscription receivable	92,500	27,500
Marketable securities	17,160	16,567
	<b>185,576</b>	<b>247,483</b>
Due from related parties	547,828	372,679
Investment in joint venture	377,794	61,974
Equipment	31,439	48,072
Exploration and evaluation assets	1,226,226	1,051,247
	<b>\$ 2,368,863</b>	<b>\$ 1,781,455</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 289,595	\$ 160,090
Due to related parties	92,306	24,492
	<b>381,901</b>	<b>184,582</b>
<b>Shareholders' equity</b>		
Share capital	8,781,434	7,645,473

Share subscriptions received	-	19,800
Reserves	<b>1,208,833</b>	1,193,566
Deficit	<b>(7,868,912)</b>	(7,188,103)
Accumulated other comprehensive (loss)	<b>(134,393)</b>	(73,863)
	<b>1,986,962</b>	1,596,873
	<b>\$ 2,368,863</b>	<b>\$ 1,781,455</b>

### **Pasinex Resources Limited**

#### Consolidated Statements of Operations and Comprehensive Loss

For the years ended December 31, 2015 and 2014

(Expressed in Canadian dollars)

	2015	2014
<b>Expenses</b>		
Administrative fees	\$ 150,000	\$ 150,000
Advertising and promotions	93,003	178,245
Amortization	15,046	21,967
Consulting and management fees	479,469	336,961
Investor relations	56,867	54,573
Office and general	43,083	47,231
Professional fees	75,760	87,623
Project investigation costs	92,435	-
Share-based payments	15,068	233,632
Supplies and equipment	8,527	4,698
Transfer agent and regulatory authority fees	20,665	23,181
Travel and meals	95,672	110,541
	<b>(1,145,595)</b>	<b>(1,248,652)</b>
<b>Other income (expenses)</b>		
Unrealized gain (loss) on marketable securities	1,427	1,318
Interest income	167	153
Equity gain (loss) from joint venture	417,042	(5,887)
Other income (expense)	71,122	(14,080)
Gain (loss) on disposition of marketable securities	-	17,350
Foreign exchange gain (loss)	(19,387)	(8,980)
Impairment of mineral properties	(5,585)	(239,645)
	<b>464,786</b>	<b>(249,771)</b>
<b>Net income (loss) for the year</b>	<b>(680,809)</b>	<b>(1,498,423)</b>

<b>Other comprehensive income (loss)</b>		
Currency translation adjustment	<b>(60,530)</b>	4,193
<b>Comprehensive income (loss) for the year</b>	<b>(741,339)</b>	(1,494,230)
<b>Basic and diluted earnings (loss) per share</b>	<b>\$</b> <b>(0.01)</b>	<b>\$</b> <b>(0.02)</b>
<b>Weighted average number of common shares outstanding</b>		
– basic and diluted	<b>82,472,473</b>	69,938,488

The following comment relate to the Pasinex Resources Limited balance sheet and income statement.

1. The equity gain realized from the joint venture company is seen as a \$417,042 CAD “Equity gain” on the income statement.
2. The equity gain on the income statement (together with other item movements, particularly on property impairment) lead to a decrease in the net loss for 2015 versus 2014. In 2015 this net loss was \$680,809 CAD versus a loss of \$1,498,423 CAD in 2014.
3. Pasinex Resource Limited operational costs in 2015 were in total \$1,145,595 CAD versus \$1,248,652 CAD in 2014.
4. The Total Assets for Pasinex increased from \$1,781,455 CAD in 2014 to \$2,368,863 CAD in 2015. This mostly reflected increases in project investment seen as “Due from related parties”, “Investment in joint venture” and “Exploration and evaluation assets”. This reflects activity in the Joint venture company and the Turkish assets of Pasinex.
5. Shareholder equity was \$1,986,962 CAD in 2015 versus \$1,596,873 CAD in 2014. Again this reflects growth of the business in Turkey.

Steve Williams, President and CEO commented on the Pasinex Resources financial results: “2015 was a tough year for raising equity in the junior resource market, therefore we only raised about \$500,000 in equity. Nevertheless, we stayed focused on our game plan of building our zinc story in Turkey by developing the Pinargozu mine to production and enhancing our geological asset there. We expect to see our balance sheet strengthen over the next year. Equally as important, we are hopeful that we will see the rewards of our persistent focus on exploration at Pinargozu in 2016.”

### **About Pasinex**

Pasinex Resources Limited (CSE: PSE; FSE: PNX) is a base-metal and precious-metal focused Company with a goal to build a mid-tier international mining company. The Company’s initial priority is to build a prospective portfolio of base-metal opportunities in Turkey. The Company has a strong technical management team with many years of experience in mineral exploration

and mining project development. The focus of Pasinex is to build a mid-tier zinc company based on their Turkey zinc projects.

The Pinargozu mine is included in the 50-50 company, Horzum Arama Isletme AS (Horzum AS), which is a corporate joint venture between Pasinex and Turkish mining house, Akmetal Madencilik San ve Tic. AS (Akmetal AS). Akmetal A.S is one of Turkey's largest family-owned conglomerates with the past-producing Horzum zinc Mine nearby.

Visit our web site at: [www.pasinex.com](http://www.pasinex.com)

On Behalf of the Board of Directors  
**PASINEX RESOURCES LTD.**

**“Steve Williams”**

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