Pasinex News Release September 7, 2016
Pinargozu Underground Diamond Drill Hole Report **Period** March - May 2016

Hole Number	X	Y	Elevation (m)	Azimuth (degrees)	Dip (degrees)	Final Depth (m)	From (m)	To (m)	Interval (m)	Zn % (SGS)	Pb-ppm (SGS)	Ag-ppm (SGS)	Zinc Deportment	Recovery %
PPU16_001	751,907	4,175,388	694	263	-47	84	No Significant Results							
PPU16_002	751,909	4,175,391	695	334	-33	95	No Significant Results							
PPU16_003	751,909	4,175,391	695	334	-16	90	53.9	54.0	0.1	49.2	46	-	Non-sulphide	95.0
PPU16_004	751,909	4,175,389	694	0	-90	195	21.0	21.2	0.2	44.2	825	25.0	Non-sulphide	68.0
							61.5	61.6	0.1	28.9	870	20.0	Non-sulphide	99.0
PPU16_005	751,914	4,175,389	695	73	0	106	No Significant Results							
PPU16_006	751,800	4,175,346	693	315	-19	90	20.7	22.1	1.4	8.2	590	32.4	Non-sulphide	80.4
PPU16_007	751,801	4,175,347	693	355	-37	69	No Significant Results							
PPU16_008	751,806	4,175,347	692	54	-29	70	29.4	31.5	2.1	37.4	471	25.0	Non-sulphide	89.0
PPU16_009	751,806	4,175,347	693	70	-30	78	60.4	61.2	0.8	1.6	153	4.0	Sulphide	78.0
PPU16_010	751,806	4,175,348	692	40	-29	64	33.5	35.5	2.0	48.4	84,700	114.0	Sulphide	89.0
PPU16_011	751,806	4,175,348	692	40	-40	66	22.8	25.8	3.0	32.7	2,924	82.7	Non-sulphide	78.3
							29.4	29.7	0.3	39.2	292	-	Non-sulphide	85.0
PPU16_012	751,806	4,175,348	692	40	-54	66	21.3	23.0	1.7	31.3	330,353	257.5	Non-sulphide	77.0
PPU16_013	751,804	4,175,346	692	0	-90	60	No Significant Results							
PPU16_014	751,804	4,175,348	692	29	-32	67	28.0	30.1	2.1	57.1	705	82.8	Mixed	94.0
							39.0	39.5	2.5	63.2	813	138.2	Mixed	91.2
PPU16_015	751,804	4,175,348	692	29	-49	54	20.8	24.0	3.2	56.8	31,914	118.3	Sulphide	90.4
PPU16_016	751,804	4,175,348	692	29	-72	38	19.1	25.5	6.4	37.4	131,479	184.3	Mixed	76.6
PPU16_017	751,804	4,175,348	691	29	-84	38	22.1	22.4	0.3	37.1	5,007	22.0	Non-sulphide	97.0
PPU16_018	751,806	4,175,347	692	54	-50	38	21.6	31.4	9.8	49.4	1,267	48.1	Non-sulphide	58.2
PPU16_019	751,806	4,175,347	692	54	-73	32	20.0	27.5	7.5	51.9	41,849	75.4	Non-sulphide	70.7
PPU16_020	751,806	4,175,347	692	54	-83	36	18.5	26.5	8.0	55.6	9,095	64.4	Mixed	84.7
							30.3	30.6	0.3	25.4	998	-	Non-sulphide	95.0
PPU16_021	751,806	4,175,343	692	100	-48	64	22.8	23.6	0.8	31.5	116	60.0	Non-sulphide	76.0
							48.0	53.5	5.5	50.1	1,234	52.1	Mixed	73.7
PPU16_022	751,806	4,175,343	692	100	-60	51	22.2	22.3	0.1	15.7	199	34.0	Non-sulphide	98.0
PPU16_023	751,806	4,175,343	692	100	-43	64	23.5	26.8	3.3	36.1	203	547.4	Non-sulphide	18.9
PPU16_024	751,804	4,175,343	694	112	-46	64	23.5	32.1	8.6	40.8	471	838.0	Mixed	65.1
							45.7	49.0	3.3	54.7	5,597	65.0	Mixed	79.7
PPU16_025	751,804	4,175,343	694	112	-80	48	No Significant Results							
PPU16_026	751,805	4,175,342	692	134	-36	107	63.1	63.3	0.2	53.3	354	185.0	Mixed	98.0
PPU16_027	751,805	4,175,342	692	134	-42	105	45.2	49.0	3.8	55.8	1,022	20.2	Mixed	90.9
PPU16_028	751,805	4,175,342	692	134	-50	63	21.0	21.5	0.5	45.1	474	59.0	Non-sulphide	38.0
							27.0	37.0	10.0	54.4	2,994	271.6	Mixed	78.4
PPU16_029	751,805	4,175,342	692	134	-62	55	20.2	20.5	0.3	29.4	1,285	34.0	Mixed	97.0
PPU16_030	751,804	4,175,341	692	160	-47	70	22.4	56.4	34.0	35.1	1,825	42.1	Mixed	58.7
PPU16_031	751,804	4,175,341	692	160	-57	61	19.1	38.5	19.4	41.4	66,986	141.5	Mixed	53.6
							44.0	44.2	0.2	50.8	594	-	Non-sulphide	93.0
PPU16_032	751,803	4,175,341	692	180	-45	80.5	41.5	45.2	3.7	49.1	1,079	2.5	Mixed	73.6
							50.5	58.7	8.2	33.5	768	0.0	Mixed	98.0

Footnotes Regarding Core Recovery to Drill Interval Table:

Achieving acceptable drill core recovery (>80%) through friable non sulphide zinc mineralization is challenging. Both mineralized and un-mineralized material can be washed out during the drilling process. There is no guarantee in the case of the latter that grade is being enhanced and to what extent. However, for the following reasons inadvertent upgrading through the drilling process is considered by the QP (John Barry) to be a minor risk for the following reasons:

1. Mining at Pinargozu exploits consistently high grade zinc mineralization underground where previous drilling intersected high grade non sulphide zinc mineralization.

2. There is a sharp contact between high-grade zinc mineralization and the barren host rock and therefore the risk is low of washing out barren material from within a mineralized interval.

3. DSO shipping of ore is consistently high grade and >30% Zn.

4. Large cavities are not very common. When one is encountered in drilling, it is excluded from the calculated composite for that mineralized interval. The mineralized intervals tabulated above contain no significant cavities.