

Pasinex News Release August 9, 2016

Pinargozu Underground Diamond Drill Hole Status

Hole_No	X	Y	Elevation	Azimuth	Dip	Final_Depth	From (m)	To (m)	Interval (m)	Zn% (SGS)	Pb-ppm (SGS)	Ag-ppm (SGS)	Recovery (%)
PPU15_031	751908	4175389	694	296	-61	90	No Significant Results						
PPU15_032	751908	4175389	694	296	-34	65	48.7	49.0	0.3	39.6	76	30	70
PPU15_033	751909	4175390	694	313	-54	88	No Significant Results						
PPU15_034	751908	4175388	694	275	-34	75	51.3	52.5	1.2	34.1	162	3	37
							57.3	57.5	0.2	7.91	27	N.A.	89
PPU15_035	751908	4175388	694	275	-40	72	33.0	33.5	0.5	44.4	62	36	75
							38.5	39	0.5	10.4	30	N.A.	45
PPU15_036	751908	4175388	694	275	-72	119	No Significant Results						
PPU15_037	751908	4175388	694	280	-27	80	No Significant Results						
PPU15_038	751910	4175391	694	20	-46	94	No Significant Results						
PPU15_039	751910	4175391	694	20	-35	96	50.4	51.4	1	46.0	372	39	73
PPU15_040	751910	4175391	694	20	-28	83	52.5	54.0	1.5	35.61	69	13	19
PPU15_041	751910	4175391	694	20	-17	94	60.1	61.0	0.9	42.19	164	46	33
PPU15_042	751910	4175391	695	10	-36	70	49.0	50.6	1.6	26.25	378	10	99
							54.0	54.3	0.3	12.2	59	N.A.	81
PPU15_043	751910	4175391	695	10	-58	85	No Significant Results						
PPU15_044	751910	4175391	695	10	-16	84	No Significant Results						
PPU15_045	751909	4175391	694	350	-17	113	51.5	55	3.5	36.1	196	58	27
PPU15_046	751909	4175391	694	350	-34	120	No Significant Results						
PPU15_047	751910	4175391	695	360	-18	100	55.6	56.7	1.1	47.6	175	53	40
							58.5	58.6	0.1	10.6	297	13	97
PPU15_048	751910	4175391	695	360	-35	90	47.1	49.5	2.4	34.5	340	93	14
PPU15_049	751912	4175391	695	31	-32	106	No Significant Results						
PPU15_050	751912	4175391	695	31	-17	98	No Significant Results						
PPU15_051	751912	4175391	695	31	-43	102	No Significant Results						
PPU15_052	751912	4175391	695	42	-17	117	No Significant Results						
PPU15_053	751907	4175388	694	263	-32	85	41.9	43.3	1.4	48.0	78	73	58

Holes Completed since May 2015: 23	Total metres: 2123
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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.