



## High Grade Zinc: Production and Growth in Turkey

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# Summary

- 50% owner of direct shipping (DSO) zinc material
- Now producing both oxide and sulphide DSO product
- Projected total JV sales of 40 million pounds Zn in 2017
- Resource expansion drilling underway
- A district play with growth expected from:
  - Production expansion
  - Resource expansion
  - Regional discoveries
- **Positive** operating cashflow in 2017
- \$2 million USD in JV exploration over 2 years from c/f



# Introduction

- Pasinex is a 50% owner of an expanding DSO zinc producer from Pinargozu mine
- Pinargozu is a carbonate replacement deposit (CRD) near Adana, central Turkey
- Production grade exceeds 30% Zn as oxide and 48% Zn as sulphide
- Strong local JV partner Akmetal A.S.
- Direct shipping to global market
- Strong management team
- Seasoned and experienced board
- Tightly held by few major shareholders
- Strong leverage to zinc price and USD / TL exchange rate

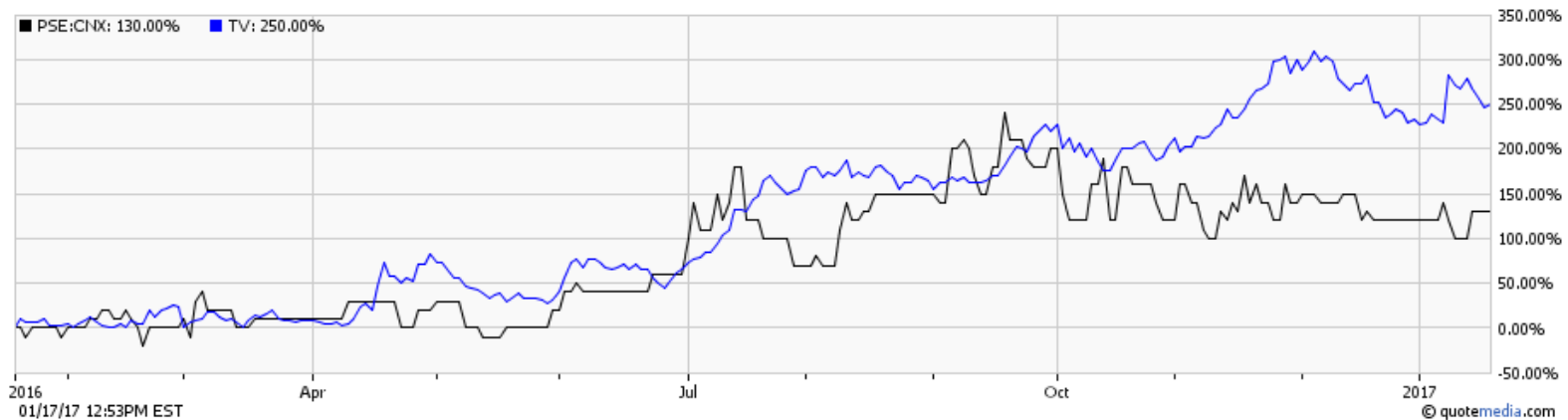


# Capital Structure, Metal Price Performance

Shares Issued and Outstanding	121,262,250
Warrants Outstanding	18,926,971
Options Granted and Outstanding	4,190,000
Total Fully Diluted	144,379,221

**Board, Insiders –  
about 70% ownership**

**Relative one – year performance PSE compared to TSX and Trevali (TV)**



# Pasinex Management & Board

- **Steve Williams**

President & CEO – Metallurgy degree and MBA, Mines in Australia and Canada, 20 years with SGS in Metallurgy, Past Managing Director SGS Canada

- **Larry Seeley**

ex-VP Falconbridge Mining, ex-President Lakefield Research

- **John Barry**

Experienced Zn geologist ex CEO Rathdowney Resources

- **Sven Olsson**

15 years in capital raising & IR for junior companies

- **Jonathan Challis**

Mining engineer with many Directorships and senior roles with juniors

- **Vic Wells**

Board Chairman

Financial and legal expert was CFO / Director for a number of junior exploration companies

- **Joachim Rainer**

20 yrs in entrepreneurial finance in Austria

## Advisors to the Board

### **Gary German**

Director Nevsun Resources Ltd.

### **Gerard Munera**

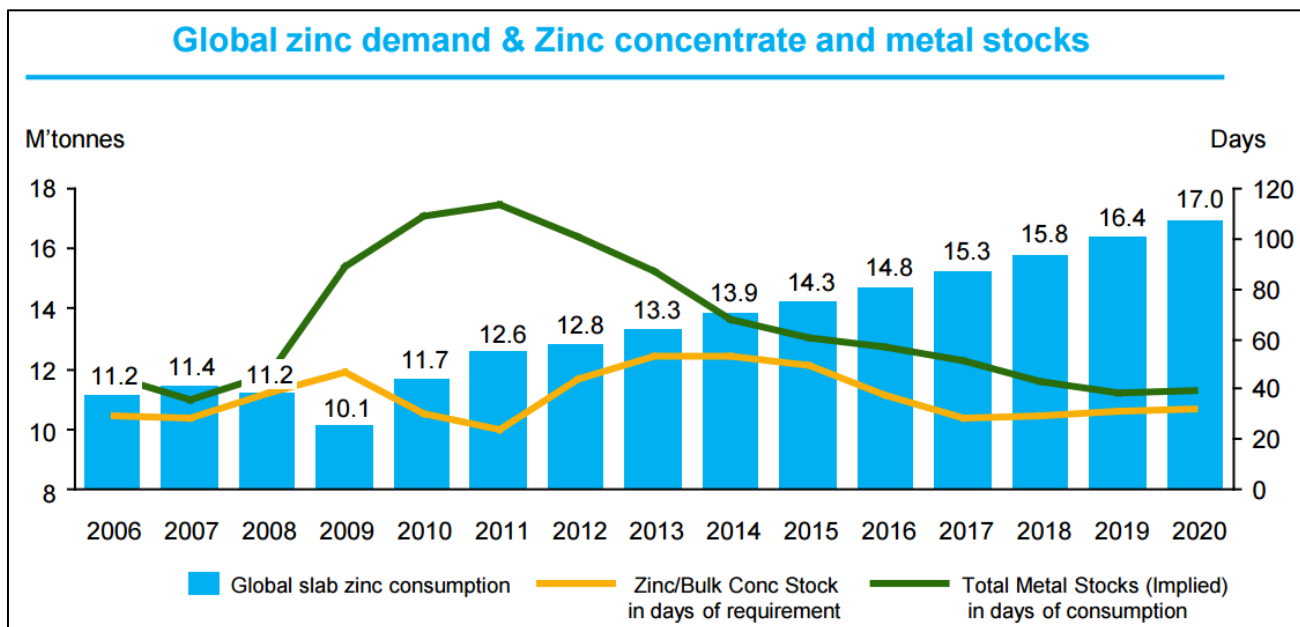
Director Nevsun Resources Ltd.





# Zinc Outlook Remains Robust

- Mine closures occurred in 2015
- Shortfall in mine supply from 2016
- Zinc price up about 75% in 2016
- Current Zn price around 120 c US / lb.



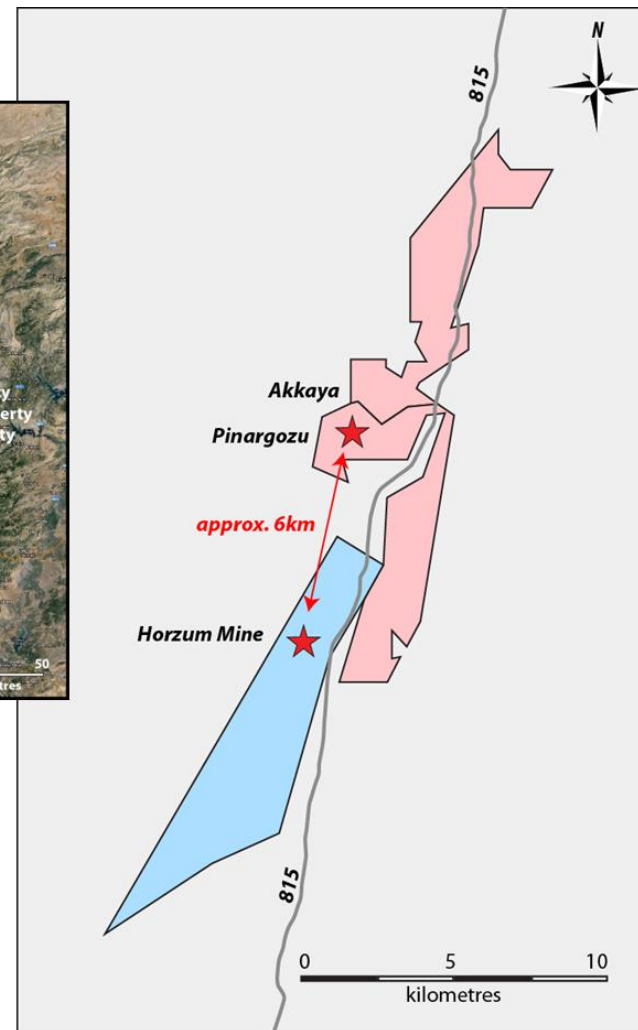
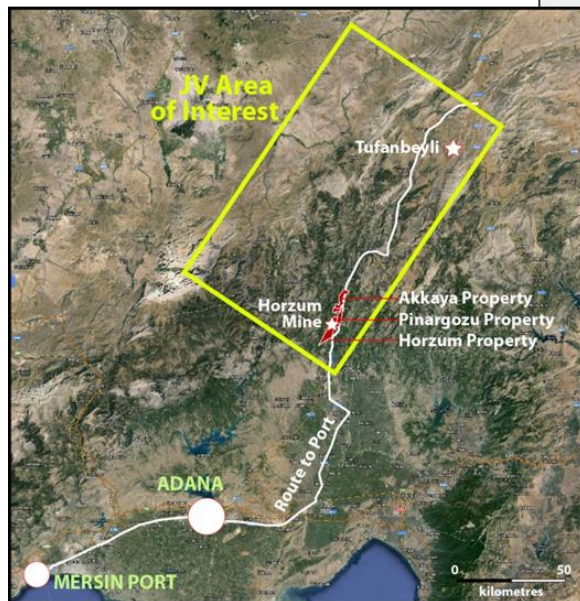
# District Zinc Potential



- Turkey is very under-explored particularly for base metals
- Red areas show area prospective for Zn exploration where Pasinex operates
- Infrastructure is strong in Turkey. Key to Pasinex being able to ramp up fast to production
- Access to major roads, port (Mersin), major airport (Adana), HV electrical

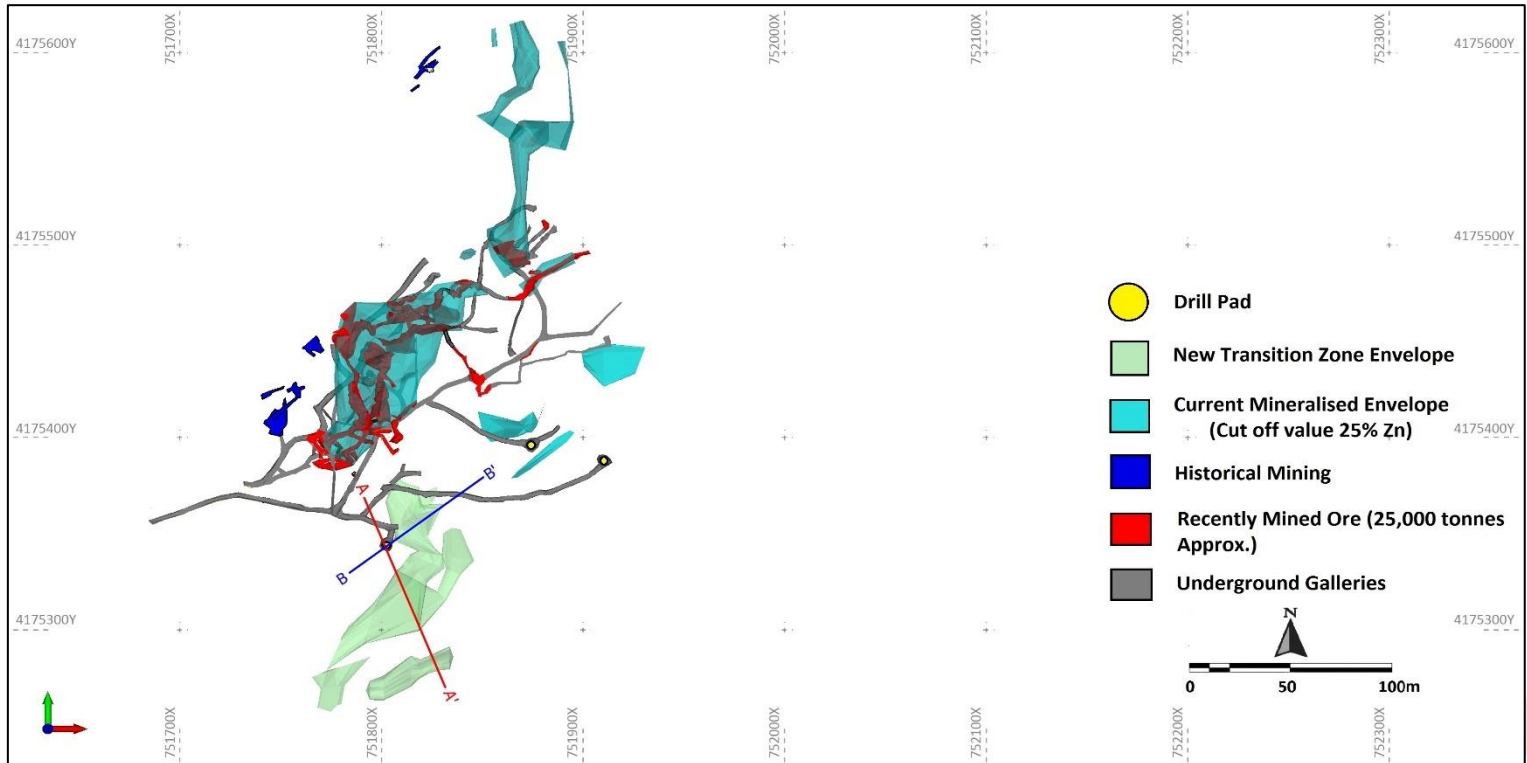


# Pinargozu Mine Site



**Main city of Adana – 1.8 million**  
**Port of Mersin – 2 ½ hrs away**  
**HV power available**  
**Water available**  
 Red – JV licenses,  
 Blue – Akmetal AS license

# Pinargozu Mine - Mineralization



- Blue area indicates inferred mineralization (cut-off grade 25% Zn)
- Green area shows newer deeper mineralization
- Mineralization predominantly zinc carbonates (oxide) - sulphides in green area
- Mineralized intercepts typically range from 28% Zn to 60% Zn



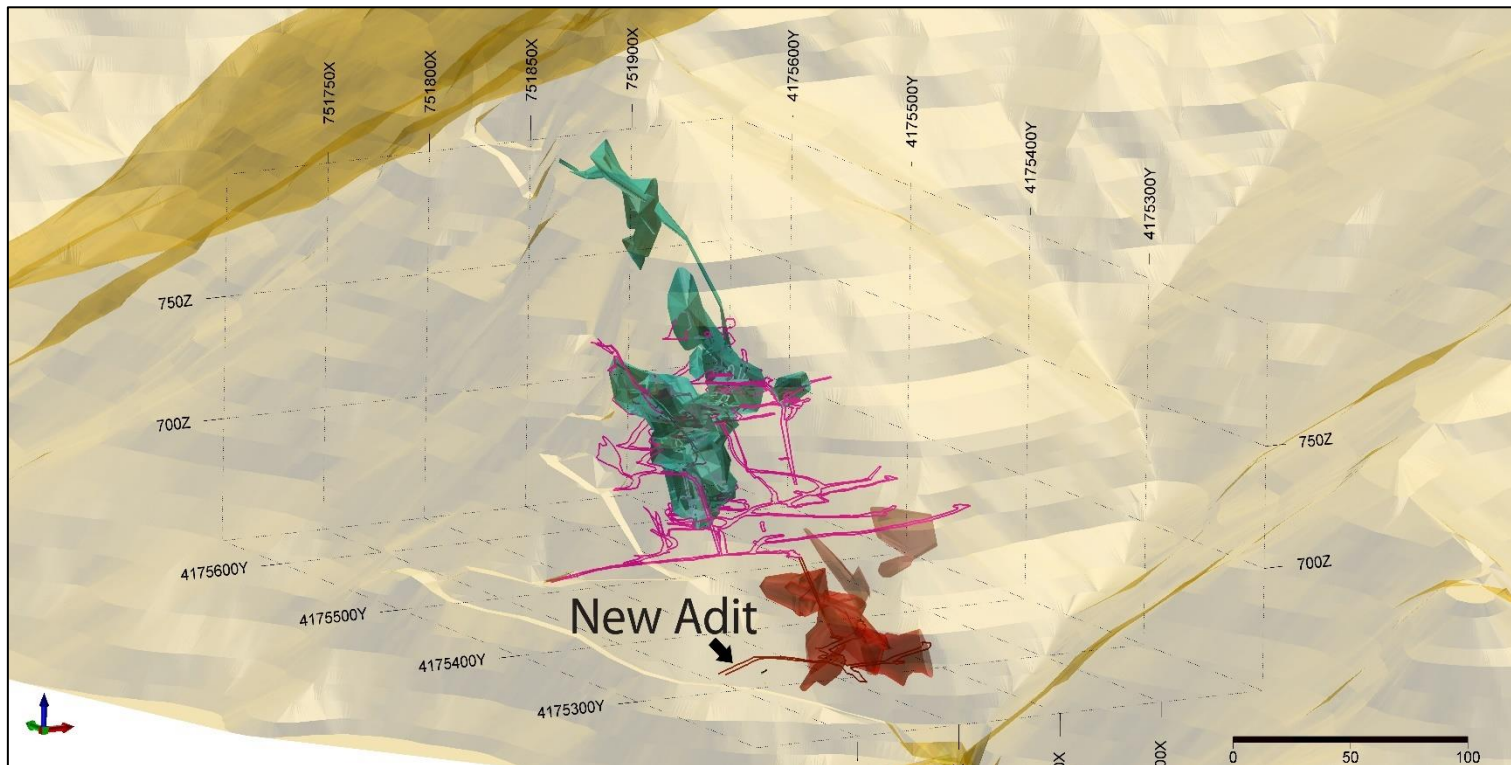
# Production from 3 Adits



- New adit at 665 m level shown during development
- Current production rate 160 tonnes per day of direct shipping product
- New adit allowing production of both oxide and sulphide DSO material
- New mining equipment being purchased in 2017



# Production from Multiple Faces



- New adit at 665 m level in 3D view
- Mineralization in green and red
- Underground drifting in pink

# Recent Sulphide Drill Results - A New Discovery

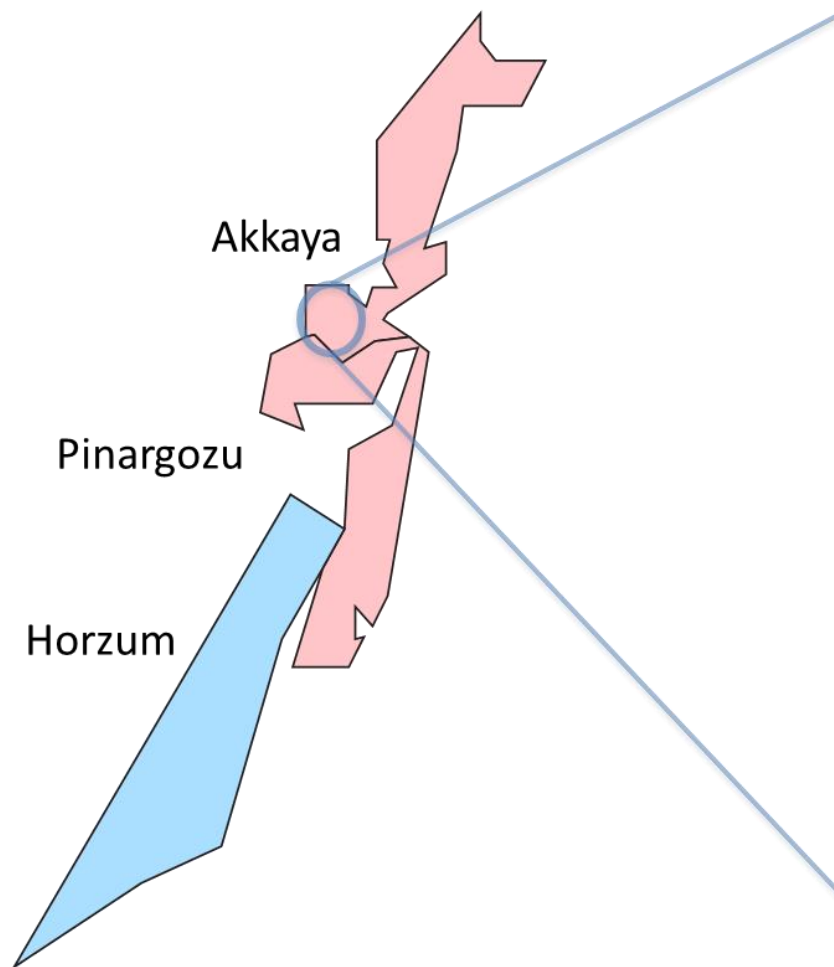
**Table 1: Summary Highlights of Drill Assay Results**

Drill Hole #	Core Length Interval Metres*	Zn Grade %**	Core Recovery %***	From (metres)
PPU16-018	9.8	49.4	58.2	21.6
PPU16-020	8	55.6	84.7	18.5
including	4.9	62.5	90.8	21.6
PPU16-024	8.6	40.8	65.1	23.5
and	3.3	54.7	79.7	45.7
PPU16-028	10	54.4	78.4	27
including	6	62.3	88.5	29.6
PPU16-030	34	35.1	58.7	22.4
PPU16-031	19.4	41.4	53.6	19.1

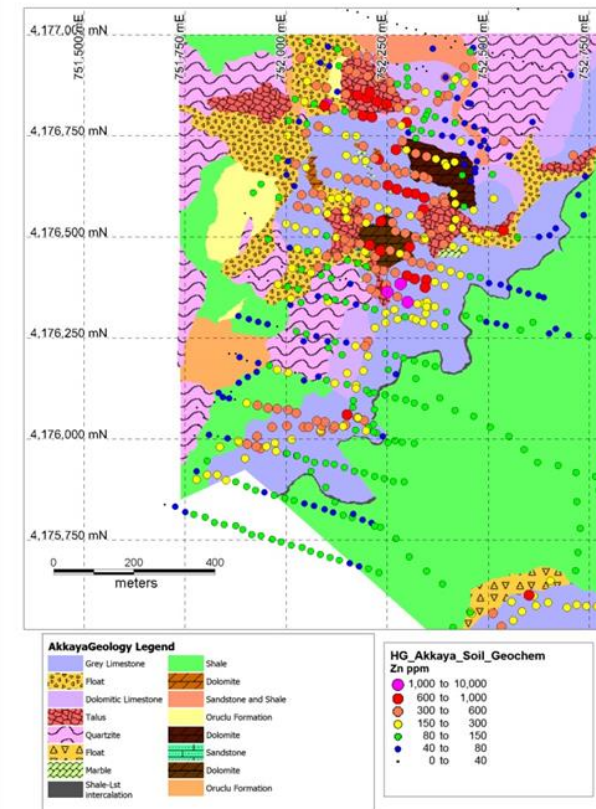




# District Exploration Potential



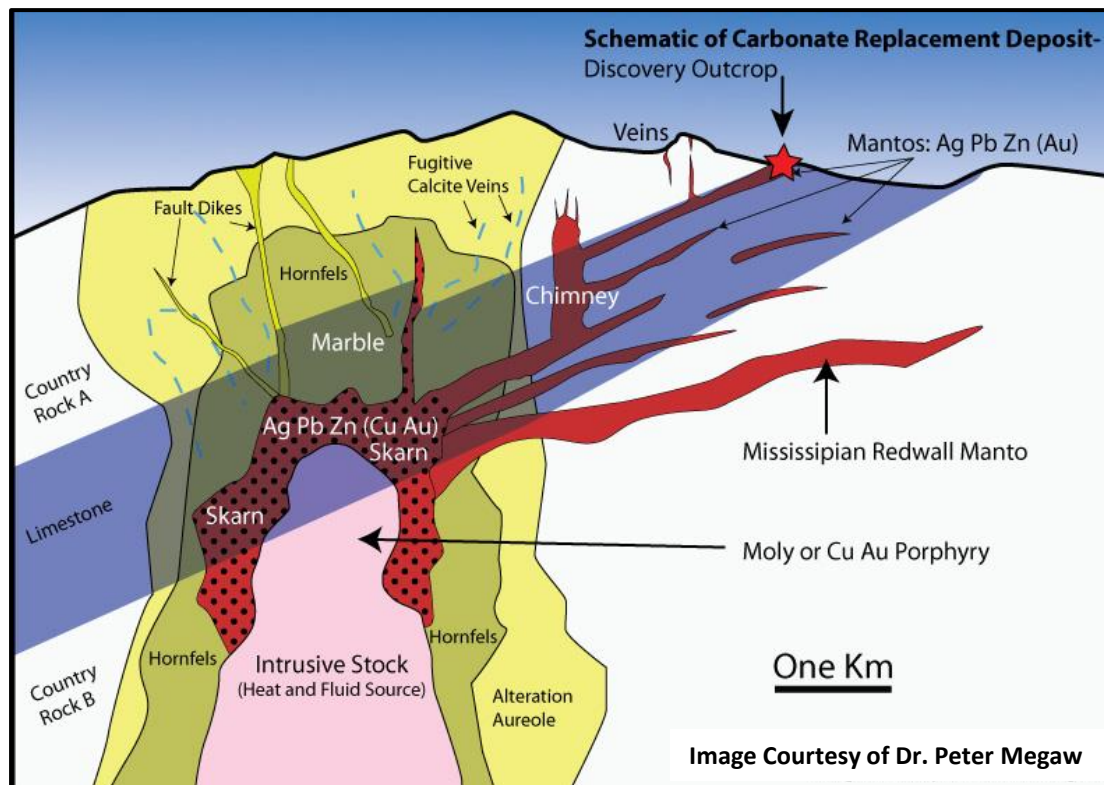
**PASINEX AKKAYA RPOEPTY ZN RESULTS & GEOLOGY**





# Exploration Conceptual Model

- Carbonate replacement Zn geological model
- Current Pinargozu operation is high up in the “manto”  
– could be a deep system
- Skarn opportunity (marble seen at Pinargozu)



# Horzum As JV Budget 2017

## Production

- 60,000 tonnes of DSO material sold in 2017
- Equivalent 40,000,000 lbs of Zn production for the year
- Zn oxide product grade assumed 32% Zn, Zn sulphide 48% Zn
- By product production of Pb and Ag

## Sales

- About \$24 M USD in sales in 2017
- Assumed Zn price of \$1.20 US / lb, Pb \$1.00 US / lb and Ag \$16.50 / oz

## Income Statement

- Operating income margin of 49%
- Exploration budget in 2017 of \$1.3 M USD

## Capital

- \$1 M USD on capital expenditures for mining equipment in 2017



# Pinargozu Strategy

## Strategy

- Expand annual JV zinc production rate to **50 million pounds in late 2017**
- Increase resources to over 1 million tons to support over ten years mining
- Establish district exploration opportunities, identify additional resources

## Status

- Three adits from hillside now operating
- Approx. 2.5 kilometer of underground development
- 170 miners & engineers are working at Pinargozu
- Mine safety standards priority focus
- Continued Drill Success from surface and underground



## Progress (JV)

- Over 24,000 t of ore mined, grading over 30%
- Over 8,000 t of contained zinc sold to smelters

## JV Objectives for 2017

- Target Inferred resource of 1 Mt @ 30% Zn
- Increase zinc sales to **50 million pounds (22,000 tpa)**
- Produce NI 43-101 resource report in 2017



# Zinc Outlook Remains Robust

- One year price chart shows strong price recovery
- Forecasts: tightening supply following closures, price risk is to the upside



# Pasinex Summary

- A primary zinc production company
- 50% interest in Pinargozu mine, Turkey
- 40,000,000 lb JV zinc production in 2017
- Resource expansion, drills turning
- Large land position in a CRD zinc district
- Tightly held by few major shareholders
- Highly leveraged to Zn price with good upside potential



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