



## High Grade Zinc: Production, Growth and Opportunity 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



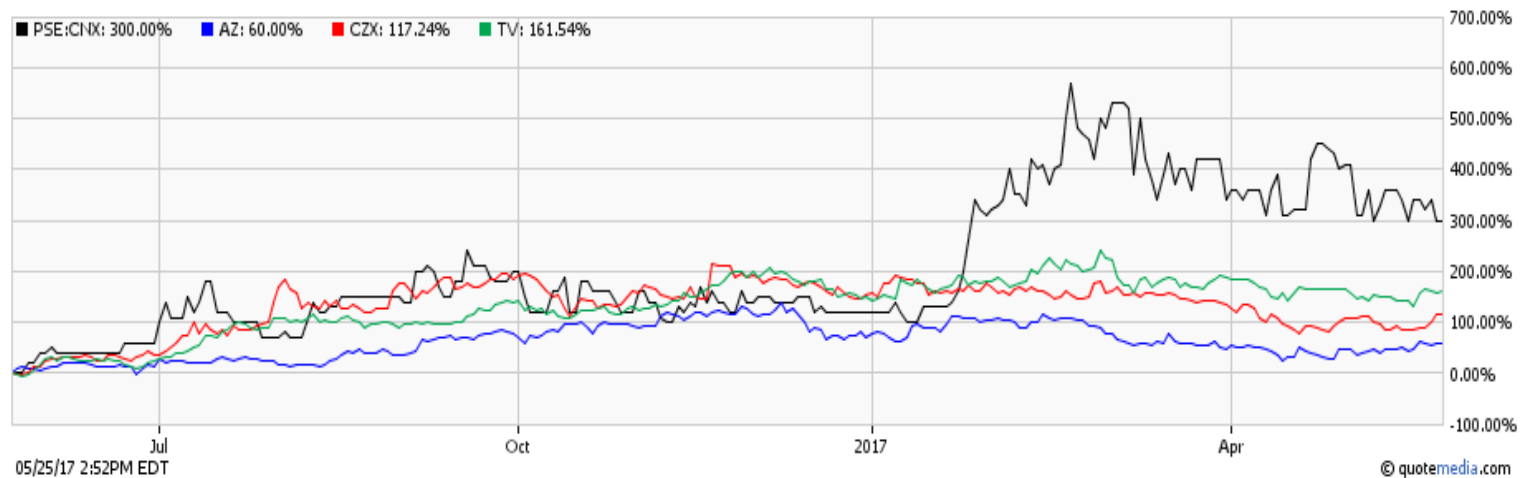
# Capital Structure, Metal Price Performance



Shares Issued and Outstanding	134,402,752
Warrants Outstanding	5,331,468
Options Granted and Outstanding	4,190,000
Total Fully Diluted	143,924,220

Board, Insiders –  
about 70% ownership

Relative one – year performance PSE compared to Arizona Mining (AZ);  
Canada Zinc Metals (CZX) and Trevali (TV) as of May 2016 to May 2017



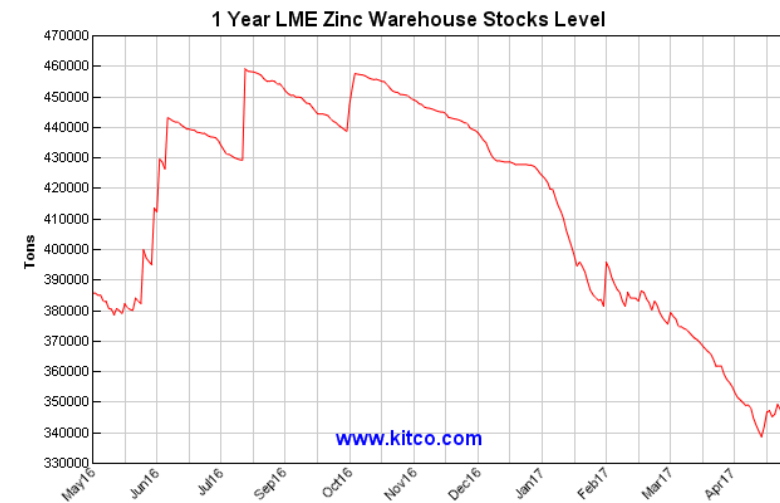
# Pasinex Management & Board

- **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



# Zinc Outlook Remains Robust

- One year price chart shows strong zinc price
- Forecasts: tightening supply following closures, price risk is still to the upside. Second half 2017 could see further price improvement
- Stocks of Zn continue to drop



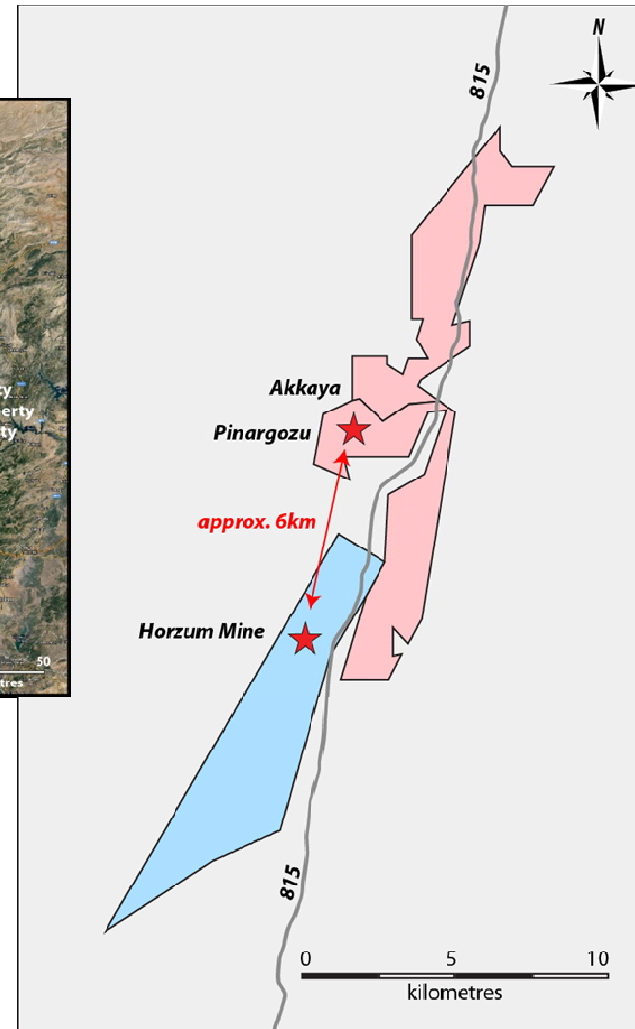
# District Zinc Potential



- 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 was readily available infrastructure.
- Access to major roads, port (Mersin), major airport (Adana), HV electrical

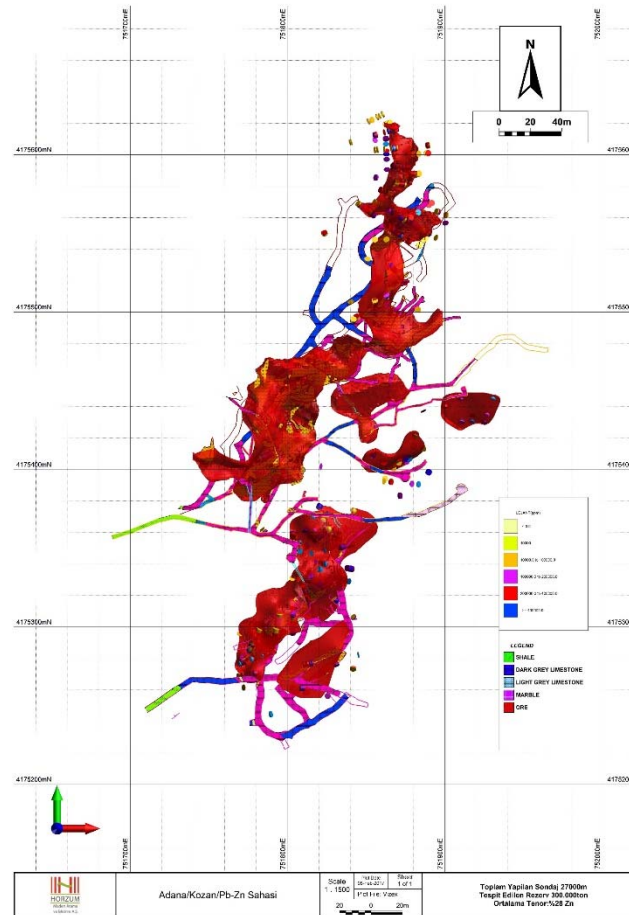


# Pinargozu Mine Site



**Main city of Adana – 2.2 million**  
**Port of Mersin – 2 ½ hrs away**  
**HV power available**  
**Water available**  
 Red – JV licenses,  
 Blue – Akmetal AS license

# Pinargozu Mine - Mineralization



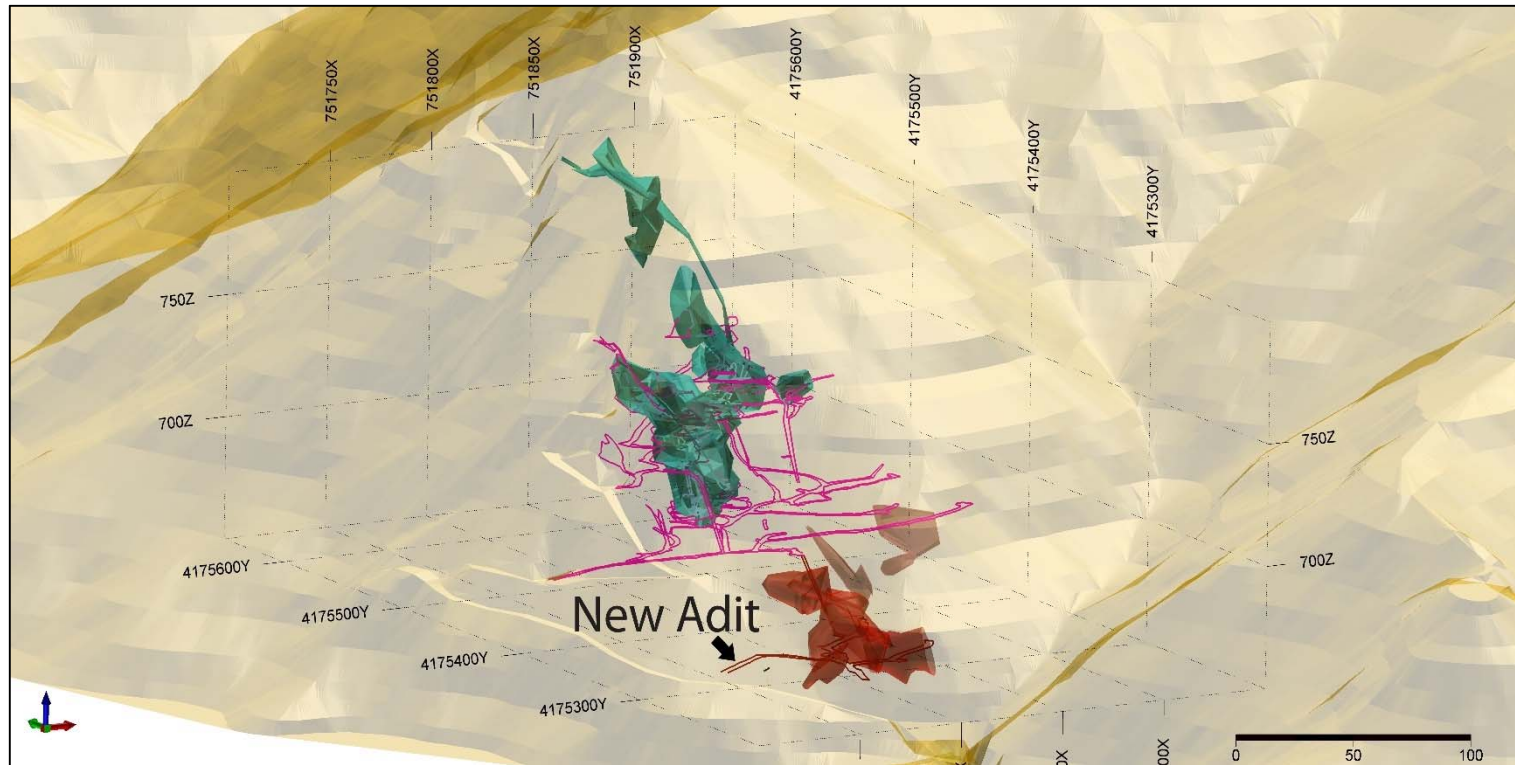
- Plan view of mineralization predominantly zinc carbonates (oxide) and sulphides shown in red area; underground workings shown in other colours

# Production from 3 Adits



- New adit at 665 m level with new loader in operation
- 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

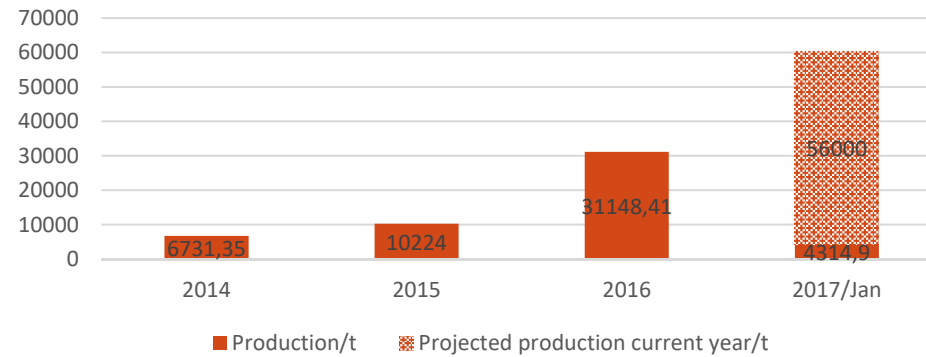


- New adit at 665 m level in 3D view
- Mineralization in green and red
- Underground drifting in pink

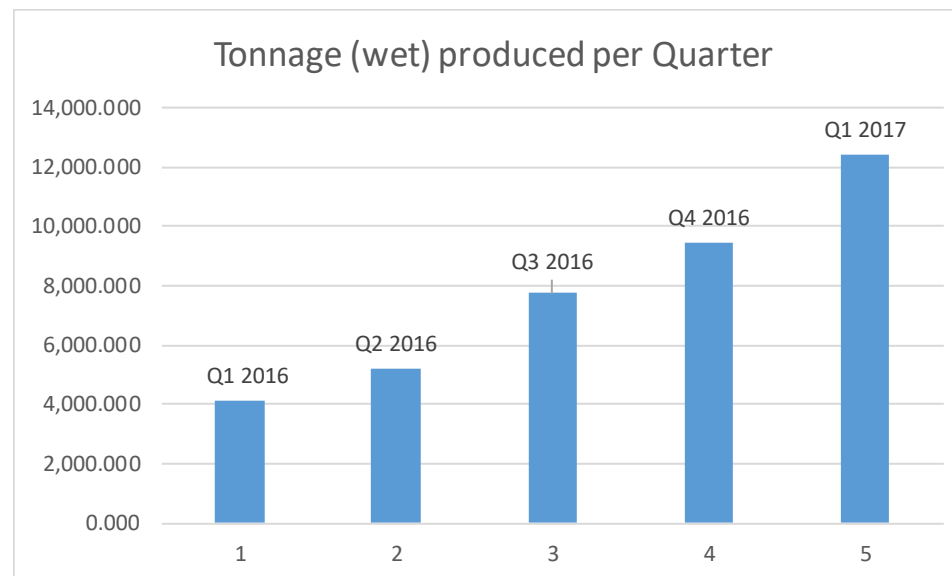
# Production Growth at Pinargozu



Pinargozou Production Growth



Tonnage (wet) produced per Quarter



May 2017

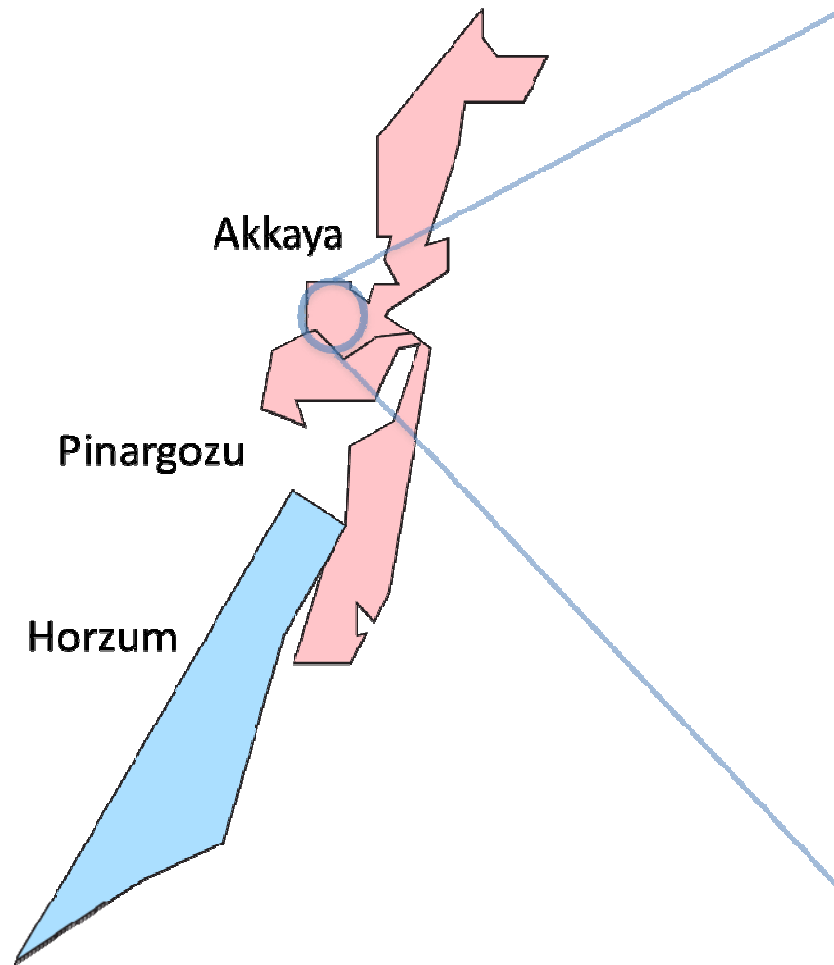
# Recent Sulphide Drill Results - A New Discovery

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

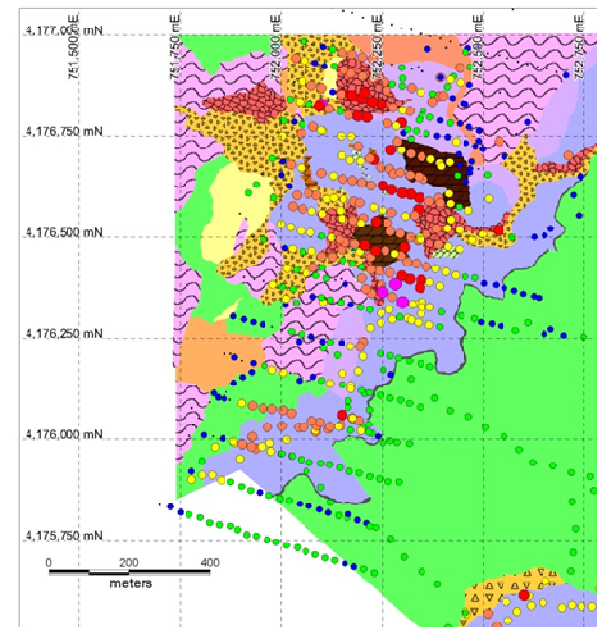
Drill Hole #	Core Length Interval Metres*	Zn Grade %**	Core Recovery %***	From (metres)
PPU16-018	9.8	49.4	58.2	21.6
PPU16-020	8	55.6	84.7	18.5
including	4.9	62.5	90.8	21.6
PPU16-024	8.6	40.8	65.1	23.5
and	3.3	54.7	79.7	45.7
PPU16-028	10	54.4	78.4	27
including	6	62.3	88.5	29.6
PPU16-030	34	35.1	58.7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



# District Exploration Potential



PASINEX AKKAYA RPOEPRTY ZN RESULTS & GEOLOGY



**AkkayaGeology Legend**

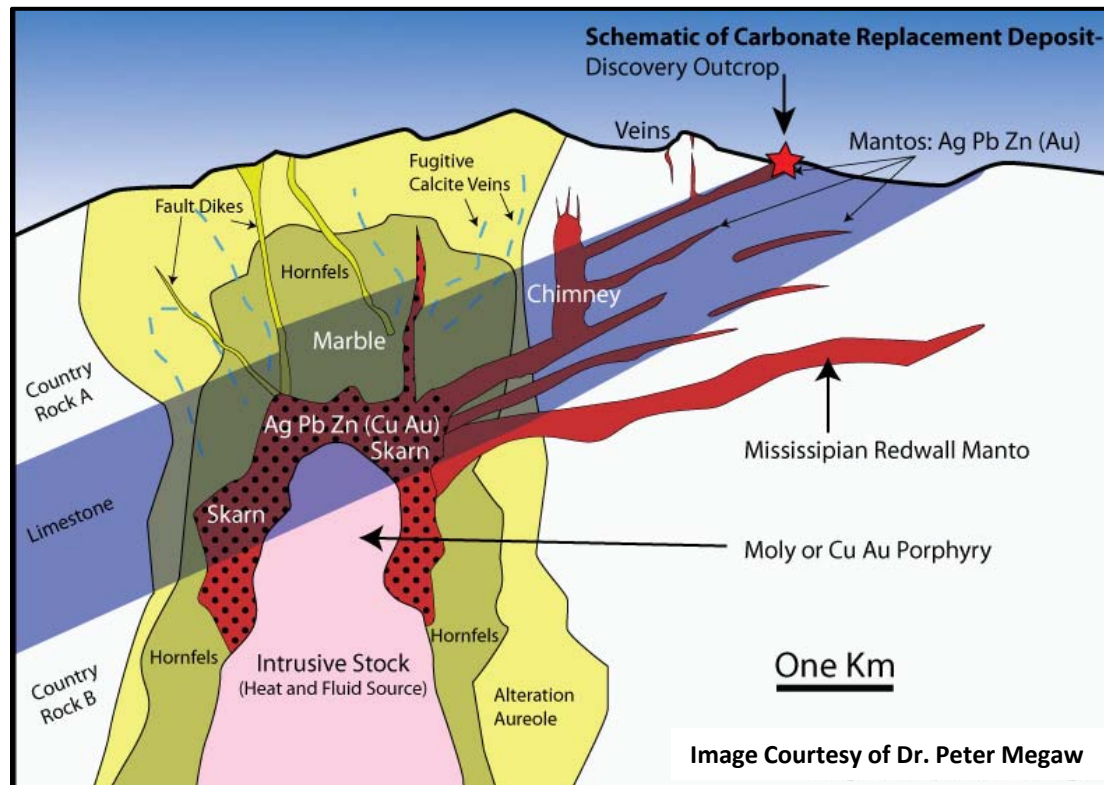
Grey Limestone	Shale
Float	Dolomite
Dokemir Limestone	Sarkisone and Shale
Talus	Orucik Formation
Quartzite	Dolomite
Float	Sandstone
Marble	Dolomite
Shale at intercalation	Orucik Formation

**HG Akkaya Soil Geochem Zn ppm**

1,000 to 10,000
600 to 1,000
300 to 600
150 to 300
60 to 150
40 to 60
0 to 40

# Exploration Conceptual Model

- Carbonate replacement type Zn - geological model
- Current Pinargozu operation is high up in the “manto” – could be a deep system; lots of exploration opportunity
- Skarn opportunity





# Horzum As JV Budget 2017

## Production

- 60,000 tonnes of DSO material to be 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 \$25 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 towards 2018**
- 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
- Over 4.5 kilometer of underground development
- 170 miners & engineers are working at Pinargozu
- Mine safety standards priority focus
- Continued Drill Success from surface and underground



## JV Future Objectives

- 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 Q3 2017 now underway (CSA Global independent consultant)



# 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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