

Pasinex Announces Option to Acquire 80% of the Gunman High Grade Zinc (Silver) Project in Nevada and Substantially Increases the Surrounding Ground Holding

TORONTO, ON – December 7, 2017 – Pasinex Resources Limited (CSE: PSE) (FSE: PNX) (The “Company” or “Pasinex”) is pleased to announce that, through its wholly-owned subsidiary Pasinex Resources Nevada Limited, it has entered into an option agreement with Cypress Development Corp (TSX.V: CYP) (“Cypress”) and Silcom Systems Inc. (“Silcom”) to earn up to an 80% interest in the Gunman zinc project (“Project” or “Gunman”) located in White Pine County, Nevada (“Option Agreement”). In essence, Pasinex has acquired the option by honouring the terms of Silcom’s original option agreement to acquire an 80% interest from Cypress in the Gunman zinc project.

The Option Agreement’s total consideration to acquire the 80% interest is staged over four (4) years and is approximately US\$1.5 million payable in a combination of cash and Pasinex common shares (assuming a share price of C\$0.22 per share and exchange to US dollars of \$0.79 using the December 5, 2017 closing price and rate, respectively). In addition, the Company must incur minimum exploration expenditures totalling US\$2,950,000 over the same four (4) year period. The Company can accelerate payments to acquire ownership sooner and also has no obligation to continue payments if the Company decides not to proceed in exercising the option.

The spending and associated ownership over the four years is as follows:

Stages	US\$ Cash	Common Shares	US\$ exploration expenditures
Upfront payment already paid	\$25,000		
Payable upon execution of Option Agreement	\$100,000	2,200,000	
September 11, 2018	\$200,000	2,200,000	
Prior to December 5, 2018			\$250,000
September 11, 2019	\$100,000	200,000	
Prior to December 5, 2019			\$800,000
Prior to December 5, 2020			\$800,000
Option to exercise and acquire initial 51% of the Project, followed by a Joint Venture Agreement with Cypress			
Prior to December 5, 2021	\$250,000	200,000	\$1,100,000
Option to exercise and acquire remaining 29% of the Project for 80% ownership interest			
Total	\$675,000	4,800,000	\$2,950,000

President and CEO of Pasinex, Steve Williams said: “We want to grow Pasinex into a mid-tier zinc company and acquiring this new zinc project is the next step towards that objective. Our 50% owned Pinargozu zinc mine in Turkey has exceeded our expectations and that is a testament to a great team and high grade generating profitability in a relatively short time. We recently received our full dividend related to 2016 profits from the joint venture company Horzum A.S. of approximately US\$1 million. This represents the first cash coming out of Turkey. Expected future cashflows from Pinargozu underpins the reason to enter into the option to acquire this high grade zinc prospect in Nevada that shows many similarities to what we have in Turkey.”

The Technical Report for the Project can be viewed on Sedar [here](#).

The Project is in White Pine County, Nevada in the northern half of the Basin and Range physiographic province called the Great Basin. The Project area is 106 kilometres south of Elko Nevada, 48 kilometres northeast of the town of Eureka.

Reverse circulation drilling programs totalling 12,250 metres have intersected zinc grades between 5% to 33% and silver between 15g/t to 465g/t over substantial widths. The deposit style at Gunman is carbonate replacement (CRD) with central zones of massive, strongly oxidized mineralization and halos of partial replacement and veining. The mineralization is within 125 metres of the surface. Pasinex is attracted by the high grades and the deposit style with striking similarities to the Company’s Pinargozu high grade CRD zinc mine in Turkey.

Figure 1:

Drill Hole	From (feet)	To (feet)	Length (feet)	% Zn	Ag ppm
BC-16	125	185	60	10.96	45
BC-24*	20	65	45	4.02	40
GM04-32	40	210	170	15.13	145
GM-01	160	210	50	9.47	60
GM-01	355	375	20	14.96	121
GM-07	105	165	60	9.88	57
GM-07	180	205	25	12.50	82
GM-09	130	195	65	6.78	49
GM-09	225	285	60	5.98	39
GM-26	50	225	175	15.66	149
GM-27	60	205	145	5.11	37
GM-28	5	175	170	9.97	51
GM-29	15	85	70	5.96	33
GM-29	140	180	40	6.47	33
GM-32	45	165	120	8.73	51
GMRC-4	20	175	155	8.70	48
GMRC-5	5	205	200	8.87	63
GMRC-9	50	225	175	11.99	121
GMRC-11	0	150	150	3.06	18
GMRC-11	165	215	50	7.87	126
GMRC-15	80	185	105	19.33	103
GMRC-16	45	225	180	16.74	105
GMRC-20	40	185	145	9.52	79
GMRC-22	105	150	45	21.38	41

* Apart from BC-24, in the RH South zone, all intersections are from the main RH zone.

Note: True widths of the drill hole intersections reported in the Figure 1 cannot be determined from the information available.

Figure 1 extracted as Table 10-1. P40 from Gunman NI 43-101 Technical Report, May 30, 2017 – Report to Silcom Systems Inc. Prepared by Daniel W. Kalmbach, CPG; Gerald E. Ray, PhD., P.Ge. Filed by Silcom Systems, Inc on SEDAR, June 13, 2017. Click [here](#) to see Gunman NI43-101 Technical Report.

Detailed Notes on Chemex Assay Procedures Used: A basic aqua regia-ICP multi-element package was run on 50 gram splits from 250-gram master pulps. Intervals assaying >100 grams/tonne silver and/or 1% zinc were rerun using a complete aqua regia

digestion followed by ICP-AES analysis. Intervals assaying greater than 30% zinc following complete aqua regia digestion were then re-assayed from a fresh 50-gram pulp using classical titration methods.

Discovery History

Western Mining Corporation ("WMC"), while initially exploring for gold in the early 1990's, discovered zinc at Gunman quite by accident. A series of reverse circulation holes targeting the mineralized outcrops at Gunman led to the discovery of the main "RH (Zinc) Zone". Gold values were low and erratic and as a result WMC allowed the claims to lapse in 1996. White Pine Minerals staked the property in 1999 and vended the claims to Cypress. Cypress began an aggressive RC drill program in May 2000 and discovered greater than 10% zinc over drilled intervals of 18 metres. Multi-ounce silver values occurred with the zinc. The best result was in RC drillhole GM-26 at the RH Zone which cut 65 metres averaging 13% zinc and 126 ppm silver including 30 metres from a depth of 37 metres averaging 23% zinc and 231 ppm silver. Additional discoveries of high grade zinc, lead and silver were made 250 metres south of the RH Zinc Zone.

President and CEO of Pasinex, Steve Williams, commented: "We picked up this outstanding high grade zinc asset primarily because of its similarities to our high grade zinc CRD deposit in Turkey. We see this high-grade zinc mineralizing system at Gunman to be an indication that there might be a much larger sulphide body at depth. For that reason, we quickly substantially increased the relatively small land package at Gunman to provide "room" for a major discovery – see Figure 2 below."

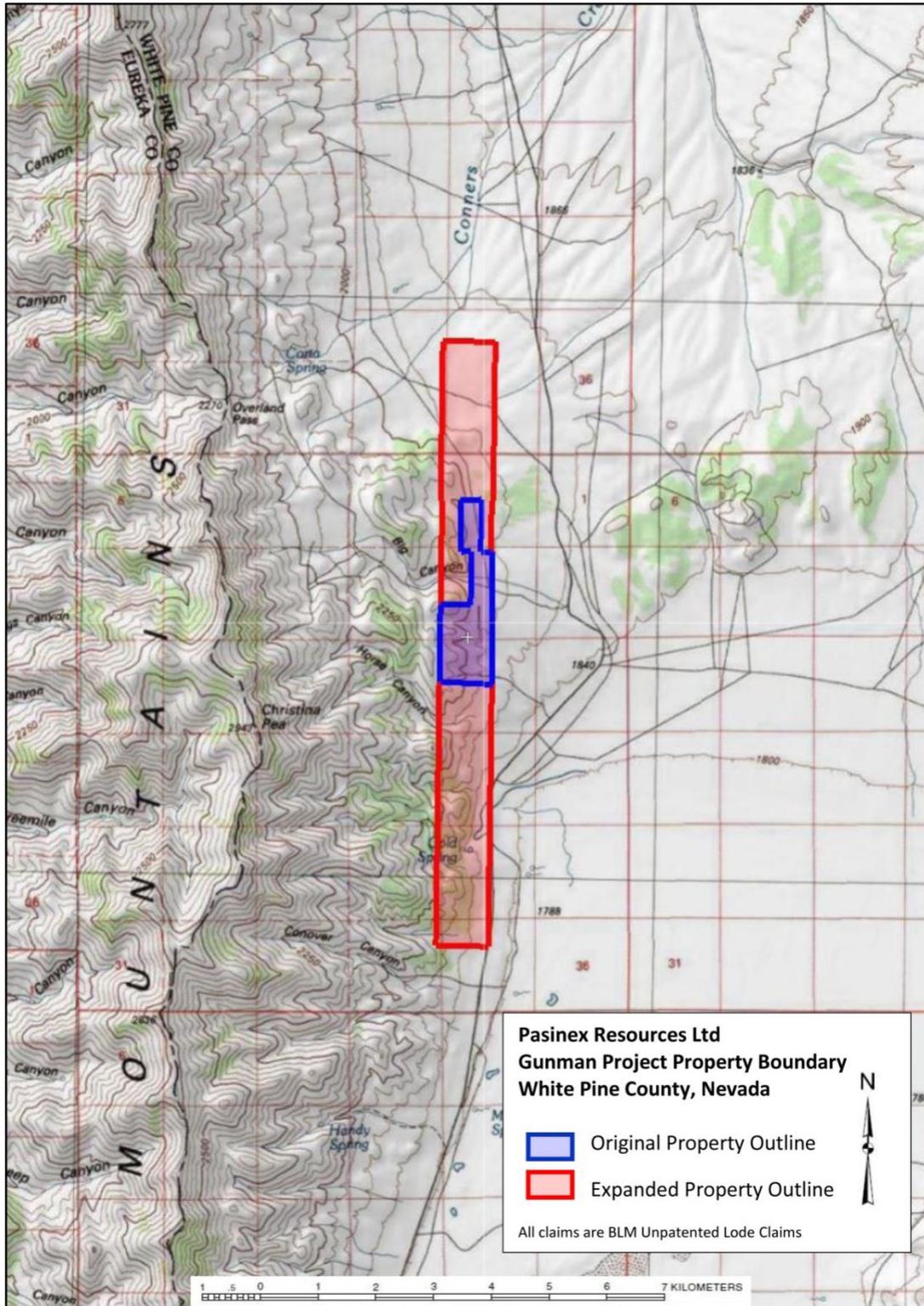


Figure 2:
Original claims and expanded ground position

Pasinex completed due diligence on the Gunman drilling results in October which involved taking a random mix of 30 pulps and coarse reject samples from the RC drilling for analysis. These samples were submitted to ALS Global in Reno using the same analytical method (code MEICP-41) along with six QA/QC samples and three standards from the same batch used to control the Cypress assay results and three blank samples to check for any contamination. The original samples and Pasinex duplicate samples compared very closely for all elements including silver and zinc.

Dividend Payment from the 50% owned Horzum AS company in Turkey

Pasinex reports that they have just received about US\$1 million as a complete payment of a dividend from the 50% owned Horzum AS company which operates the Pinargozu zinc mine. This dividend payment is the first for the joint venture company and reflects the 2016 profit. The dividend payment was received in full last week.

Qualified Person

The Company's Qualified Person is John Barry, who holds a MSc in Geology from the Pennsylvania State University and is a Professional Geologist with the European Geological Society. Mr. Barry is the Senior Technical Advisor to Pasinex Resources with 29 years of extensive global experience in exploration, mining and mine development and is a "Qualified Person" as defined in National Instrument 43 -101 "Standards of Disclosure for Mineral Projects" of the Canadian Securities Administrators. He has supervised the preparation of the scientific and technical information that forms the basis for this news release, reviewed and approved its contents.

About Pasinex

The mission of Pasinex (CSE: PSE; FSE: PNX) is to build a mid-tier zinc company by expanding our footprint in the productive CRD district in Turkey, and, at the same time, seek additional zinc assets in other attractive mining jurisdictions. The Company has a strong technical management team with many years of experience in mineral exploration, mine development and production. The Pinargozu Mine is owned jointly in a 50/50 joint venture between Pasinex and Turkish mining house Akmetal Madencilik San ve Tic. AS, one of Turkey's largest family-owned conglomerates with the nearby past-producing Horzum zinc mine. The Pinargozu mine is producing high grade zinc that ships directly to smelters/refineries under a direct shipping ore (DSO) program.

Pasinex now adds the Gunman zinc property located in Nevada to their portfolio, in which they have an option to own 80% of the property. The Gunman property is similar to the Pinargozu mine with high grade zinc mineralization and attractive silver credits.

Visit our web site at: www.pasinex.com

On Behalf of the Board of Directors

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