

## **Pasinex Reports Second Quarter Results: Production Steadily Increasing**

**TORONTO, ON – August 24, 2017** – Pasinex Resources Limited (CSE: PSE) (FSE: PNX) (The “Company” or “Pasinex”) today reported net income of \$450,463 for the second quarter of 2017 due to the continuing strong results from its 50% owned Horzum AS Joint Venture company (“JV company”), in Turkey. All dollar amounts are Canadian unless otherwise indicated.

The Q2 2017 unaudited financial statements and the corresponding Management Discussion and Analysis (MD&A) are available on SEDAR.com and the Pasinex website where the financial results for both Pasinex and the JV company are provided. The positive financial result of Pasinex is due to the strong financial result from the JV company. Below is a review of the JV company financial results followed by a review of the Pasinex financial results.

### **Highlights of the Second Quarter 2017 Financial Results**

#### **(1) Horzum AS 50% owned JV company Financial Results**

- In Q2 2017, the JV company, which holds the zinc mine in Turkey (Pinargozu), produced 14,518 tonnes (wet weight) of direct shipping ore (DSO) with an average grade of 34.3% zinc. Mine production in the second quarter was approximately 160 tonnes / day; an increase of 14% from Q1 2017.
- Sales revenue at 100% totaled \$4.2 million representing 8,767 tonnes (wet weight) sold. Approximately 6,000 tonnes of ore was stockpiled in the second quarter to accommodate a large vessel shipment scheduled for delivery in the third quarter. This production will be reflected as revenues in the third quarter.
- Figure 1 below shows the production chronology over the past six (6) quarters. Production from the Pinargozu mine has steadily increased through each of these quarters due in large part to the addition of a new third adit at the mine in August 2016.
- The total costs at 100% for the JV company in the second quarter 2017 were \$1.9 million or about \$190 / tonne mined. These costs included all mining, administration and exploration costs for the quarter.
- The net profit (before tax) at 100% for Q2 2017 was \$3.6 million, which represents a greater than 50% pre-tax margin.

#### **(2) Pasinex Financial Results**

- As a result of the profit realized in the JV company, Pasinex recognized a \$0.9 million equity gain on their income statement for Q2 2017.
- The equity gain led to net income for Q2 2017 of \$450,463 (\$0.00 per share) after deducting operating expenses of \$491,959.
- Total assets at the end of Q2 2017 were \$6.8 million up from \$5.3 million at the end of Q1 2017 due to the equity gain and the receipt of cash proceeds of \$1.0 million from the exercise of warrants. Subsequent to June 30, 2017 an additional \$321,534 in cash

proceeds were received from the remaining exercise of warrants. Total liabilities were \$252,002 down from \$282,818 at the end of 2016.

- The JV company declared a dividend of US\$2 million, of which US\$1 million is owing to Pasinex at June 30, 2017.

### Tonnage (Wet) Produced Per Quarter

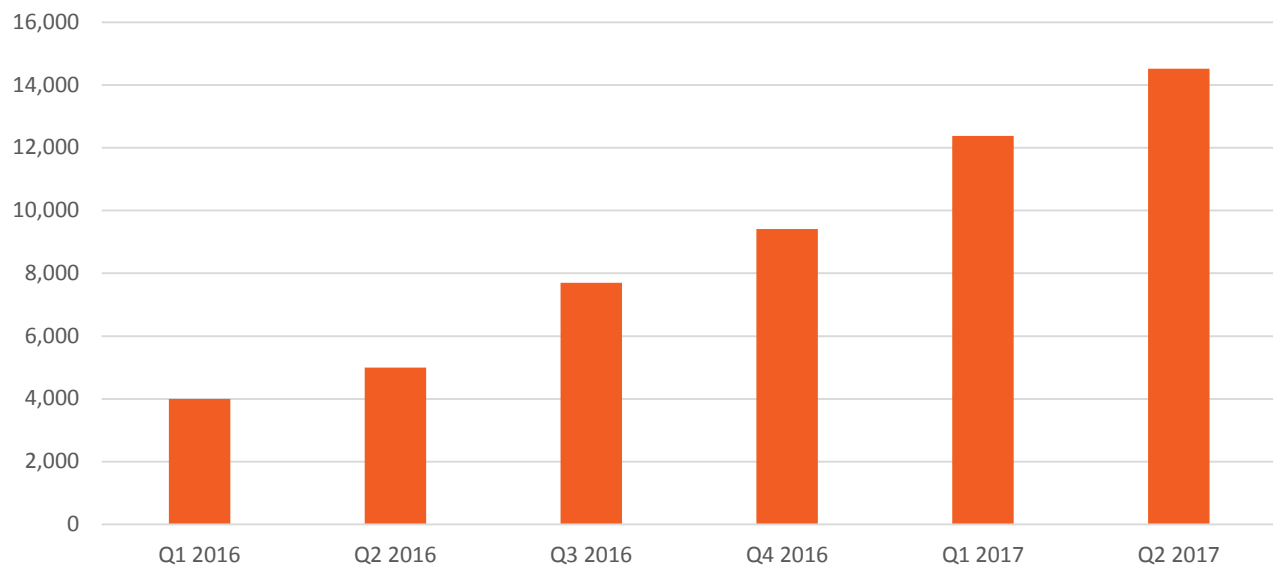


Figure 1: Pinargozu mine production from Q1 2016 to the end of Q2 2017

Steve Williams, CEO commented “Pasinex’s quarterly results continue to impress because of the strong results from Horzum AS JV company in Turkey. Pinargozu continues its upward trend in production and improving profit margins. This performance combined with a strong zinc price lent to growth in our share price allowing the exercise of our remaining warrants and the strengthening our financial position.”

### About Pasinex

Pasinex Resources Limited (CSE: PSE; FSE: PNX), a metals company, is a 50% owner of the high grade Pinargozu Zinc Mine which is in production. Under its DSO Program, Horzum AS is shipping directly to zinc smelters / refiners from its mine site in Turkey. The Company has a strong technical management team with many years of experience in mineral exploration and mining project development. The mission of Pasinex is to build a mid-tier zinc company based on assembling a large land position within a productive CRD district in Turkey.

The Pinargozu Mine is included in Horzum Arama Isletme AS (Horzum AS), which is a 50-50 corporate joint venture between Pasinex and Turkish mining house Akmetal Madencilik San ve Tic. AS (Akmetal AS). Akmetal AS is one of Turkey's largest family-owned conglomerates with the nearby past-producing Horzum Zinc Mine.

Visit our web site at: [www.pasinex.com](http://www.pasinex.com)

On Behalf of the Board of Directors  
**PASINEX RESOURCES LTD.**

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*All statements within, other than statements of historical fact, are to be considered forward looking. Although Pasinex Resources Ltd. believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, exploration results, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. We do not assume any obligation to update any forward-looking statements.*