

## **Pasinex Resources Intersects Black-Shale Hosted Zinc Sulphides Beneath High-Grade Zinc Oxides at its High-Grade Zinc Project in Nevada; Drilling to Start at the Akkaya Zinc Property in Turkey; Announcement of Related Party Loans**

**TORONTO, ON - August 9, 2018** – Pasinex Resources Limited (CSE: PSE) (FSE: PNX) (“Pasinex” or the “Company”) is pleased to provide an update on its 2018 exploration program at the Gunman Zinc Project in White Pine County, Nevada (including a change in the name of the project to “Spur Zinc Project”) and on its Akkaya zinc property in Turkey. In addition, the Company is announcing the receipt of related party loans.

### **Update on Spur Zinc Project (Gunman)**

An initial drilling program of four inclined diamond drill holes has been completed at the Spur Zinc Project for a total of 2,291 feet (698 metres) with assay results pending.

The intersection of zinc sulphides in black shales beneath the high-grade zinc oxides at RH Main Zone was very surprising and is highly significant from an exploration perspective. RH Main Zone has been the main focus of previous, and predominantly, RC drilling. It is only one of at least four other prospects where mineralization occurs at surface along a three to four kilometre trend between Big Canyon and Horse Canyon on the east flank of the Diamond Range. The Spur Zinc Project is about a 90 minute drive south of Elko in eastern Nevada.

Pasinex CEO Mr. Steve Williams said “We are delighted with the new discovery of zinc sulphides at our Spur Zinc Project, even at this initial stage of our drilling it sparks a radical rethink not only on the potential scale of the mineralizing system we are targeting but also how we effectively explore it”.

This is the first time that significant sulphide mineralization has been identified in black shales at the Spur Zinc Project. This shale-hosted mineralization was unexpected and presents new and exciting potential for a Shale-Hosted-Massive-Sulphide (SHMS or ‘Sedex’) deposit. In the goldfields of Nevada, this style of zinc mineralization would have been easy to miss by previous explorers without experience in this kind of mineralizing system. The objectives of this diamond drill program were stated in a Company news release on May 14<sup>th</sup>, 2018, namely (i) to drill fully across and confirm oxidised high-grade zinc mineralization in the heart of the RH Main Zone within the Pennsylvanian-age Ely Formation limestone, (ii) to test a target down-plunge from the known mineralized zone, and (iii) for the first time at this zinc project to measure the orientation of structures controlling mineralization from oriented drill-core.

The first diamond drill hole SRDD-2018-001 targeted the RH Main Zone where high-grade mineralization had been defined only by previous RC (reverse circulation) drilling. SRDD-2018-001 intersected high-grade oxidized zinc mineralization which was identified visually and confirmed by portable XRF readings. Mineralization occurs in oxidized breccia in limestone in an

interval of 61 feet from 143 to 204 feet (44-62 metres). The orientation of the breccia zones is uncertain and true width is not constrained\*.

Drill hole SRDD-2018-004 drilled about 50 metres down-plunge at the southern end of the known RH Main mineralized zone intersected typical oxidized zinc mineralization over a length of 11 feet from 273 to 284 feet (83 to 86 metres; not true width\*). This drill-hole also encountered a deeper zone of extensive zinc-sulphide mineralization in a black carbonaceous mudstone and siltstone member of the Ely Formation. The fine-grained pale sphalerite occurs disseminated in carbonaceous weakly-dolomitic mudstone and in irregular breccia zones, notably in the absence of any other metal sulphides. Zinc mineralization occurs over an interval of 27 feet from 288 to 315 feet (88 to 96 metres; not true width\*). Significant zinc grades are expected based on visual inspection and portable XRF readings and samples are currently being analyzed.

Previous explorers tried to delineate zinc oxide mineralization almost exclusively by vertical Reverse Circulation (RC) drilling and for this reason the controls on mineralization are not well understood and the potential for shale hosted mineralization unrecognized and poorly tested.

Detailed mapping by Pasinex indicated that host rocks were dipping steeply to the west. All four drill-holes were consequently inclined to the west for the first time to get a better estimate of the true-width of the mineralized zone.

All the objectives of the drill program have been successfully achieved. Drill core has been logged and the mineralized core has been cut and submitted to the ALS Minerals laboratory in Reno, Nevada. Assays are expected during the third week in August with publication reporting by the end of the month.

Pasinex can earn up to an 80 per cent interest in the Spur Zinc Project from Cypress Development Corp. (TSX.V: CYP) and private company Caliber Minerals Inc. (formerly Silcom Systems Inc.). The total consideration of US\$675,000 in cash and the issuance of 4.8 million Pasinex Common Shares to be paid over a four-year period. In addition, the Company must incur minimum exploration expenditures totalling US\$2,950,000 also to be spent over four years commencing from the start of the agreement, December 5, 2017.

\* True widths will be estimated once orientation of host lithologies has been determined from oriented core.

### **Pasinex ready to drill first ever drill-targets at the Akkaya Zinc Property in Turkey by early September**

Pasinex, through its joint venture interest in Horzum AS, will commence diamond drill-testing at the Akkaya Zinc Property in early September. Three holes will be drilled from each of three drill-pads for a total of 2,000 metres. Compelling drill targets have been generated over the last few months through a combination of detailed re-mapping in the rugged hill country between 500 metres and one kilometre north of the Company's Pinargozu zinc mine. Generation of high priority prospect zones involved expert analysis of satellite image interpretation (Sentinel) to identify favourable structural settings coincident with the "White Marble" host-rock. Much greater resolution on specific drill targets within selected prospective zones came from lithochemical

sampling of outcropping marble combined with ionic leach surveys. This process has generated compelling drill targets.

### **Pasinex Announces Related Party Loans**

Pasinex has arranged to receive funds from certain shareholders and directors of the Company (the "lenders") in the form of promissory notes. The promissory notes, which the Company expects to be in the amount of up to \$400,000, will assist the Company's immediate working capital requirements and facilitate payments required to complete the drilling program at its Spur Zinc Project in Nevada.

The promissory notes are payable on demand by the lenders and bear interest at 6% per annum, payable quarterly in arrears commencing September 15, 2018. The Company can pre-pay the promissory notes ratably to the lenders, which it plans to do as dividends are received from Horzum AS. The promissory notes are secured by all the property and assets of the Company.

The promissory notes involve shareholders and directors and as a result constitutes 'related party transactions' within the meaning of Multilateral Instrument 61-101 Protection of Minority Security holders in Special Transactions. The promissory notes have been determined to be exempt from the requirements to obtain a formal valuation or minority shareholder approval on the basis that the loan is made on reasonable commercial terms which are not convertible into voting or equity securities of the Company. The Company did not file a material change report 21 days prior to the closing of the loan as the Company considered it in the best interests of the Company to close the loan in order to use the funds prior to that time period.

### **About Pasinex**

Pasinex Resources Limited is a Toronto-based mining company which owns 50% of the producing Pinargozu high grade zinc mine and, under a Direct Shipping Program, sells to zinc smelters / refiners from its mine site in Turkey. The Company also holds an option to acquire 80% of the Spur high-grade zinc exploration project in Nevada. Pasinex 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 its mining and exploration projects in Turkey and Nevada.

### **Qualified Person**

EurGeol, P.Geol. John Barry, a Qualified Person as defined by NI 43-101, is responsible for the preparation of the scientific and technical information in this news release. Mr. Barry is VP Exploration for Pasinex and is a director of the Company.

On Behalf of the Board of Directors  
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