

Pasinex Announces First Quarter 2023 Financial Results

TORONTO, ON – May 26, 2023 – Pasinex Resources Limited (CSE: PSE) (FSE: PNX) (The “Company” or “Pasinex”) is pleased to provide a company update.

Cautionary Note

The Company has not completed a current technical report that includes a mineral resource estimate as defined by the Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council, and procedures for classifying the reported Mineral Resources were undertaken within the context of the Canadian Securities Administrators National Instrument 43-101 (NI 43-101). The Company has no intention of completing a NI 43-101 compliant technical report. The Joint Venture has not followed accepted quality assurance and quality control procedures with respect to its current drilling program and has not used an independent third-party laboratory for its assay analysis. The Joint Venture uses field handheld X-ray fluorescence analysers (“XRF”) for zinc assays and grade control in exploration and mining. In addition, assays are completed by an independent third-party laboratory for all of the Joint Venture’s sales.

Highlights – First Quarter Ended March 31, 2023

	Three Months Ended March 31,	
	2023	2022
Financial:		
Equity gain from Horzum AS	\$ 775,762	\$ -
Equity investment in Horzum AS	\$ 1,752,908	\$ -
Dividend income from Horzum AS	\$ -	\$ 4,072,320
Consolidated net (loss) income	\$ (195,583)	\$ 3,634,344
Basic and diluted net (loss) income per share	\$ -	\$ 0.03
Net cash provided by operating activities	\$ 220,486	\$ 769,821
Weighted average shares outstanding	144,554,371	144,554,371
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	Three Months Ended March 31,	
	2023	2022
Horzum AS operational data (100% basis):		
Zinc product mined (wet) tonnes	2,811	4,540
Zinc product sold (wet) tonnes	2,997	2,964
Zinc oxide product - average grade sold	NA	37.3%
Zinc sulphide product - average grade sold	49.6%	52.6%
Gross margin ⁽¹⁾	58%	72%
CAD cost per tonne mined ⁽¹⁾	\$ 491	\$ 319
USD cash cost per pound of zinc product mined ⁽¹⁾	\$ 0.34	\$ 0.26

(1) See Non-GAAP Measures

- For the three months ended March 31, 2023, Pasinex recorded a net loss of approximately \$0.2 million, compared with a net income of approximately \$3.6 million for the same period in 2022. The primary reason for the decrease in the net income in 2023 versus 2022 was the inclusion of the dividend in 2022. Also, higher general and administration costs, higher exploration costs and the inclusion of a loss on net monetary position all contributed to the decrease in 2023.
- The operating income in Horzum AS decreased to \$2.1 million in 2023 from \$3.3 million in 2022. This decrease was due to lower revenue as sales prices declined in 2023 compared with 2022.

Gross margin (see *non-GAAP measures*) for the three months ended March 31, 2023, was 58% compared with 72% for the same period in 2022.

- Horzum AS mined 2,811 tonnes of zinc product during the first three months of 2023, at the Pinargozu mine, compared with 4,540 tonnes of zinc product for the same period in 2022. Mine production was negatively impacted by a temporary halt in activity at the Pinargozu mine to ensure the safety and well-being of the Joint Venture's employees, after the tragic earthquakes in Türkiye in the first quarter of 2023.
- Sales volumes were 2,997 tonnes of high-grade zinc sulphide product in the three months ended March 31, 2023, compared with 2,530 tonnes of high-grade zinc sulphide product and 434 tonnes of oxide product for the same period in 2022.
- Sales prices per tonne on a USD basis decreased by approximately 32% for zinc sulphide product for the three months ended March 31, 2023, when compared to prices in the same period in 2022. The average USD sales price for the three months ended March 31, 2023, was US\$892 per tonne for zinc sulphide product versus US\$1,318 per tonne for zinc sulphide product in the same period in 2022.
- The average grade of the high-grade zinc sulphide product sold was 49.6% zinc per tonne for the three months ended March 31, 2023, which was slightly less than the 52.6% zinc per tonne for the same period in 2022.
- The CAD cost per tonne mined (see *non-GAAP measures*) increased in the first three months of 2023, to \$491 per tonne mined, compared with \$319 per tonne mined in the same period in 2022. The USD cash cost per pound of zinc product mined (see *non-GAAP measures*) increased to US\$0.34 per pound in the first quarter of 2023 from US\$0.26 per pound for the same period in 2022.
- Subsequent to March 31, Pasinex Arama transferred TRY 3.0 million (approximately \$0.2 million using the exchange rate on the date of the transfer) to Pasinex Canada.
- Also, subsequent to the quarter ended March 31, 2023, at an Ordinary General Assembly Meeting, Horzum AS declared a dividend and approved advance dividend distributions totalling approximately TRY 70.0 million (approximately \$4.8 million using the exchange rate on the date the dividend and the advanced dividend distributions were declared). Pasinex Arama is entitled to TRY 49.0 million (approximately \$3.3 million using the exchange rate on the date the dividend and the advanced dividend distributions were declared) of this amount. After deducting amounts already received by Pasinex Arama, approximately TRY 26.6 million (approximately \$1.8 million using the exchange rate on the date the dividend and the advanced dividend distributions were declared) remains to be collected.

Non-GAAP Measures

Please note that all dollar amounts in this news release are expressed in Canadian dollars unless otherwise indicated. Refer also to the 2022 Management's Discussion and Analysis (MD&A) and Audited Financial Statements found on SEDAR.com for more information. This news release includes non-GAAP measures, including gross margin, cost per tonne mined and US\$ cash cost per pound of zinc product mined. A reconciliation of these non-GAAP measures to the GAAP financial statements is included in the MD&A.

Qualified Person

Jonathan Challis, a Fellow of the Institute of Materials, Minerals and Mining and a Chartered Engineer, is the qualified person (“QP”) as defined by NI 43-101 for all information in this news release other than the information relating to the Gunman Project. He has inspected the original paid sales invoices issued by the Joint Venture for the shipment of zinc sulphide product specified in this news release and has approved the scientific and technical disclosure herein. Mr. Challis is a director of the Company and Chair of the Joint Venture.

About Pasinex

Pasinex Resources Limited is a Toronto-based mining company that owns 50% of Horzum Maden Arama ve Isletme Anonim Sirketi (“Horzum AS” or “Joint Venture”), through its 100% owned subsidiary Pasinex Arama ve Madencilik Anonim Sirketi (“Pasinex Arama”). Horzum AS holds 100% of the producing Pinargozu high-grade zinc mine. Horzum AS sells directly to zinc smelters and or refiners through commodity brokers from its mine site in Türkiye. The Company also holds a 51% interest, with an option to increase to an 80% interest of a high-grade zinc exploration project, the Gunman Project, located in Nevada. Pasinex has a strong technical management team with many years of mineral exploration and mining project development experience. Pasinex Resources Limited mission is to explore and extract high grade ore to drive growth and wealth for all of its stakeholders including shareholders, employees and the communities of our operations, meeting all requirements in safety, health and the environment.

Visit our website at www.pasinex.com.

On Behalf of the Board of Directors

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