

**PASINEX RESOURCES LIMITED**

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**

**THREE AND SIX MONTHS ENDED  
JUNE 30, 2024**

**(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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**Notice to Reader**

The accompanying unaudited condensed interim consolidated financial statements of Pasinex Resources Limited (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

**Pasinex Resources Limited****Condensed Interim Consolidated Statements of Financial Position****(Expressed in Canadian Dollars)****Unaudited**

	As at June 30, 2024	As at December 31, 2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 57,304	\$ 177,278
Receivables	44,071	11,589
Prepaid expenses and deposits	48,417	142,601
<b>Total current assets</b>	<b>149,792</b>	<b>331,468</b>
<b>Non-current assets</b>		
Equipment	3,256	2,529
Value added tax receivable	-	6,932
Exploration and evaluation assets (note 4)	1,908,178	1,859,311
Equity investment in Horzum AS (note 3)	1,682,447	824,420
<b>Total non-current assets</b>	<b>3,593,881</b>	<b>2,693,192</b>
<b>Total assets</b>	<b>\$ 3,743,673</b>	<b>\$ 3,024,660</b>
<b>Shareholders' equity and liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 5)	\$ 402,050	\$ 364,467
Due to related parties (notes 3 and 11)	257,931	49,682
Shareholder loans (notes 6 and 11)	2,992,795	2,491,365
Loan payable (note 7)	28,407	40,000
Income taxes payable	-	31,175
<b>Total current liabilities</b>	<b>3,681,183</b>	<b>2,976,689</b>
<b>Total liabilities</b>	<b>3,681,183</b>	<b>2,976,689</b>
<b>Shareholders' equity</b>		
Share capital (note 9)	12,888,506	12,888,506
Reserves	2,157,117	2,157,117
Deficit	(10,622,868)	(10,612,090)
Accumulated other comprehensive loss	(4,360,265)	(4,385,562)
<b>Total shareholders' equity</b>	<b>62,490</b>	<b>47,971</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 3,743,673</b>	<b>\$ 3,024,660</b>

Basis of measurement and going concern (note 2(c))

Subsequent events (note 13)

**Approved on behalf of the Board:**"Larry Seeley" Director"Victor Wells" Director

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

**Pasinex Resources Limited****Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income  
(Expressed in Canadian Dollars)****Unaudited**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
<b>Equity gain from Horzum AS (note 3)</b>	\$ 309,802	\$ 821,044	\$ 943,280	\$ 1,596,806
<b>Expenses</b>				
Exploration costs	(101,747)	(46,995)	(105,027)	(539,726)
General and administrative costs (note 10)	(405,641)	(379,530)	(723,304)	(695,602)
<b>Total expenses</b>	<b>(507,388)</b>	<b>(426,525)</b>	<b>(828,331)</b>	<b>(1,235,328)</b>
<b>Other (loss) income</b>				
Other income	9,527	1,536	20,125	2,380
Interest expense (note 6)	(39,730)	(34,105)	(76,430)	(68,548)
Foreign exchange gain	28,198	37,186	183,203	37,206
Dividend income	-	779,128	-	779,128
Loss on net monetary position	(96,959)	(71,147)	(252,625)	(200,110)
<b>Total other (loss) income</b>	<b>(98,964)</b>	<b>712,598</b>	<b>(125,727)</b>	<b>550,056</b>
<b>Net (loss) income for the period</b>	<b>(296,550)</b>	<b>1,107,117</b>	<b>(10,778)</b>	<b>911,534</b>
<b>Other comprehensive (loss) income</b>				
Item that will be reclassified subsequently to profit and loss:				
Currency translation adjustment	69,192	(430,997)	25,297	(338,524)
<b>Total comprehensive (loss) income for the period</b>	<b>\$ (227,358)</b>	<b>\$ 676,120</b>	<b>\$ 14,519</b>	<b>\$ 573,010</b>
<b>Net income (loss) per share</b>				
- basic and diluted	\$ 0.00	\$ 0.01	\$ 0.00	\$ 0.01
<b>Weighted average number of shares outstanding</b>				
- basic and diluted (note 8)	144,554,371	144,554,371	144,554,371	144,554,371

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

**Pasinex Resources Limited****Condensed Interim Consolidated Statements of Cash Flows****(Expressed in Canadian Dollars)****Unaudited**

	<b>Six Months Ended</b>	
	<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating activities</b>		
Net (loss) income for the period	\$ (10,778)	\$ 911,534
Net equity gain from Horzum AS	(943,280)	(1,596,806)
Dividend and other receivables received	-	1,539,434
Adjustments for items not involving cash:		
Interest accrual (note 6)	76,430	68,548
Foreign exchange	(190,085)	(94,240)
Loss on net monetary position	252,625	200,110
Depreciation	-	917
Changes in non-cash working capital items:		
Prepaid expenses and deposits	95,960	83,342
Accounts payable and accrued liabilities	10,481	(313,822)
Due to related parties	208,249	(31,338)
Due from related parties	-	(625,661)
Other	(37,529)	29,799
<b>Net cash (used) provided by operating activities</b>	<b>(537,927)</b>	<b>171,817</b>
<b>Investing activities</b>		
Equipment acquisition	(908)	(1,823)
<b>Net cash used in investing activities</b>	<b>(908)</b>	<b>(1,823)</b>
<b>Financing activities</b>		
Cash received (paid) on shareholders loans (note 6)	425,000	(50,000)
<b>Net cash used in financing activities</b>	<b>425,000</b>	<b>(50,000)</b>
<b>Net change in cash</b>	<b>(113,835)</b>	<b>119,994</b>
<b>Effect of foreign currencies on cash</b>	<b>(6,139)</b>	<b>(155,695)</b>
<b>Cash, beginning of period</b>	<b>177,278</b>	<b>855,567</b>
<b>Cash, end of period</b>	<b>\$ 57,304</b>	<b>\$ 819,866</b>

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

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**Pasinex Resources Limited****Condensed Interim Consolidated Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****Unaudited**

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	<b>Number of Shares (note 8)</b>	<b>Share Capital (note 8)</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Total</b>
<b>Balance as at December 31, 2022</b>	<b>144,554,371</b>	<b>\$ 12,888,506</b>	<b>\$ 2,157,117</b>	<b>\$ (10,302,322)</b>	<b>\$ (4,226,128)</b>	<b>\$ 517,173</b>
Currency translation adjustment	-	-	-	-	(338,524)	(338,524)
Net income for the period	-	-	-	911,534	-	911,534
<b>Balance as at June 30, 2023</b>	<b>144,554,371</b>	<b>\$ 12,888,506</b>	<b>\$ 2,157,117</b>	<b>\$ (9,390,788)</b>	<b>\$ (4,564,652)</b>	<b>\$ 1,090,183</b>
<b>Balance as at December 31, 2023</b>	<b>144,554,371</b>	<b>\$ 12,888,506</b>	<b>\$ 2,157,117</b>	<b>\$ (10,612,090)</b>	<b>\$ (4,385,562)</b>	<b>\$ 47,971</b>
Currency translation adjustment	-	-	-	-	25,297	25,297
Net loss for the period	-	-	-	(10,778)	-	(10,778)
<b>Balance as at June 30, 2024</b>	<b>144,554,371</b>	<b>\$ 12,888,506</b>	<b>\$ 2,157,117</b>	<b>\$ (10,622,868)</b>	<b>\$ (4,360,265)</b>	<b>\$ 62,490</b>

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

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# Pasinex Resources Limited

## Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

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### 1. Corporate information and nature of operations

Pasinex Resources Limited (“Pasinex” or the “Company”) is a publicly listed company incorporated in British Columbia. The Company’s shares are listed on the Canadian Securities Exchange (“CSE”) under the symbol “PSE” and on the Frankfurt Stock Exchange (“FSE”) under the symbol “PNX”. The head office, principal address and registered and records office of the Company are located at 82 Richmond Street East, Toronto, Ontario, Canada, M5C 1P1.

Pasinex Resources Limited 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”). The other 50% owner is Akmetal Madencilik Sanayi ve Ticaret A.S. (“Akmetal”), a private Turkish company. 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.

These unaudited condensed interim consolidated financial statements were approved and authorized for issuance by the Audit Committee and Board of Directors on August 29, 2024.

The Company has not been materially impacted by the ongoing conflict in the Ukraine, but uncertainty remains surrounding the conflict and the extent and duration of the impacts that it may have on the Company’s ability to operate, on prices for zinc, on logistics and supply chains, on the Company’s employees and on global financial markets.

### 2. Basis of presentation and accounting policies

#### (a) Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) in effect for the fiscal period beginning January 1, 2024.

These unaudited condensed interim consolidated financial statements have been prepared on a historical basis and compliance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. These unaudited condensed interim consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Company’s December 31, 2023, audited annual consolidated financial statements.

#### (b) Principles of consolidation

The consolidated financial statements include the financial statements of Pasinex and its subsidiaries from their respective dates of control, as listed below:

	Location	Nature of Operation	Interest	
			2024	2023
Pasinex Arama	Türkiye	Mineral exploration	100%	100%
Pasinex Nevada	United States	Mineral exploration	100%	100%

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# Pasinex Resources Limited

## Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

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### 2. Basis of presentation and accounting policies (continued)

#### (b) Principles of consolidation (continued)

Pasinex and its subsidiaries are collectively referred to as the "Company". All intercompany transactions, balances and unrealized gains and losses from intercompany transactions have been eliminated upon consolidation.

In addition, the Company, through Pasinex Arama, holds a joint venture interest which is equity accounted in the consolidated financial statements, as follows:

	Location	Nature of Operation	Interest	
			2024	2023
Horzum AS	Türkiye	Mining	50%	50%

#### (c) Basis of measurement and going concern

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, under the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss and fair value of stock-based compensations which, are measured at their fair value. These unaudited condensed interim consolidated financial statements are presented in Canadian dollars except where otherwise indicated. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting.

The application of the going concern concept assumes that the Company will continue in operation for at least the next twelve months and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at June 30, 2024, the Company has a deficit of \$10,622,868 (December 31, 2023 – \$10,612,090) and has a working capital deficiency position of \$3,531,391 (December 31, 2023 – working capital deficiency position of \$2,645,221). The Company had net losses of \$296,550 and \$10,778 for the three and six months ended June 30, 2024, respectively compared with net incomes of \$1,107,117 and \$911,534 for the three and six months ended June 30, 2023, respectively and negative cash flows from operations of \$537,927 for the six months ended June 30, 2024, compared with positive cash flows from operations of \$171,817 for the six months ended June 30, 2023.

Horzum AS had net incomes of \$603,856 and \$1,846,284 for the three and six months ended June 30, 2024, respectively compared with net incomes of \$1,634,085 and \$3,163,046 for the three and six months ended June 30, 2023, respectively. Pasinex Arama received approximately TRY 5.3 million (approximately \$0.23 million using the exchange rates on the dates of the various transfers from Horzum AS) in advances and other receivable collections from Horzum AS in the six months ended June 30, 2024, compared with TRY 22.4 million (approximately \$1.5 million using the exchange rates on the dates of the various transfers from Horzum AS) in advanced dividend payments from Horzum AS in the six months ended June 30, 2023.

Pasinex Arama transferred USD \$110,000 (approximately \$148,000 using the exchange rates on the dates of the transfers) to Pasinex Canada in the six months ended June 30, 2024. Approximately TRY 15.5 million (approximately \$1.1 million using the exchange rates on the dates of the transfers) was transferred to Pasinex Canada by Pasinex Arama in the six months ended June 30, 2023. With the reduction of cash inflows to Canada, partially caused by the decrease in the value of the Turkish Lira against the Canadian Dollar, the Company does not have sufficient cash on hand to fund its ongoing activities for the next 12 months nor does the Company have enough cash on hand to repay all of its outstanding obligations. As at June 30, 2024, Horzum AS has a receivable owing from Akmetal of approximately \$35.8 million (see note 3(a)).

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# Pasinex Resources Limited

## Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

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### 2. Basis of presentation and accounting policies (continued)

#### (c) Basis of measurement and going concern (continued)

##### Legal Actions

During the Quarter, Horzum AS initiated two separate legal actions with the objective of settling the receivable owed by Akmetal to Horzum AS and to provide an interim committee and an authorized trustee to provide oversight of the management of the Joint Venture. In addition, a legal action is on-going by Horzum AS for the recovery of the debt owed by Akmetal.

The first application was before the Republic of Turkiye Adana 3rd Commercial court (the "3rd Court") seeking the appointment of an interim management trustee committee (the "Interim Committee") as the term for Horzum AS board of directors (the "Horzum Board") expired on April 30, 2024. Consequently, Horzum AS became unmanaged due to its inability to appoint the new Horzum Board. The 3rd Court accepted the application and appointed the following persons to the interim Committee, Prof. Dr. Omer Korkut (Chairman of the Horzum Board), Ahmet Ferit Savasci and Ahmet Yuksel.

The 3rd Court further ordered that, inter alia, (a) the Interim Committee is authorized to act solely for the purpose of making the due payments of Horzum AS and the necessary and mandatory payments for Horzum AS activities; and (b) the validity of all legal transactions (borrowing, promissory note commitment, disposal, etc.) on behalf of Horzum AS and requires the signatures of at least two Interim Committee members. The appointment of the Interim Committee is an interim measure until a final decision is made for the appointment of a fully authorized trustee.

The second application was before the Republic of Turkiye Adana 2nd Commercial Court (the "2nd Court") seeking the appointment of a trustee to Horzum AS; (a) with sole signing authority to use all powers of Horzum AS executives; (b) determine the agenda for subsequent meeting of Horzum AS shareholders (the "Shareholders"); and (c) convene a meeting of Shareholders to ensure continuation of Horzum AS activities. The 2nd Court approved the appointment of HALLIL ALUMERT (30529131992) on June 4, 2024.

Subsequent to the quarter end, the Interim Committee called a General Assembly Meeting at the request of Pasinex AS of the shareholders on July 16, 2024, with an Agenda prepared by Pasinex AS. This meeting was attended by the Interim Committee, representatives of Pasinex AS and Akmetal Shareholders. No agreement was achieved, and the Interim Committee suggested that Akmetal and Pasinex AS should try to resolve their issues. Subsequently, two proposals were put forward by Akmetal which were not acceptable by Pasinex, and further negotiations are expected to resume in September if at all. In addition, a Court Recess for vacation is in place in August until September 1, 2024, in Turkiye.

Further, Pasinex AS filed a lawsuit regarding the appointment of a special auditor of the Debt owed by Akmetal to Horzum AS. The court requested that a response by Horzum AS be submitted by the Interim Committee with a deadline of September 5, 2024.

In addition, with Kurmel Holding A.S. (formerly known as SEM Gayrimenkul Yatirim Danismanligi Tic. A.S.) ("Kurmel") is selling their shares in Gumastas Madencilik ve Tic. A.S ("Gumastas") to Dogan Sirketler Grubu Holding A.S. ("Dogan"), a lawsuit was filed against Kurmel, Gumastas, and Dogan at the Istanbul Anadolu 8th Commercial Court (Nr. 2024/973) which seeks to prevent the transfer of company shares and to block the payment of US\$32,000,000 of the transfer amount. However, the court rejected the request until further documentation on the amounts transferred from Horzum A.S. to Gumastas is presented. The decision will be appealed to a higher court with the support of a special auditor that is to be appointed.



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# **Pasinex Resources Limited**

## **Notes to Condensed Interim Consolidated Financial Statements**

**Three and Six Months Ended June 30, 2024**

**(Expressed in Canadian Dollars, unless otherwise indicated)**

**Unaudited**

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### **2. Basis of presentation and accounting policies (continued)**

#### **(c) Basis of measurement and going concern (continued)**

Further, in the on-going court case in Adana to recover the debt owed by Akmetal, Pasinex AS was allowed by the court to join the current lawsuit by Horzum AS against Akmetal. In the Interim, Horzum AS continues to operate. The objective of the legal action by Pasinex and Horzum AS is to recover the debt owed by Akmetal in either assets or cash and to restructure or eliminate the Joint Venture with Pasinex assuming control of the management of the Joint Venture.

In addition, Soner Koldas, Country Manager, of Pasinex AS resigned from the company, subsequent to the end of the quarter, and was replaced, on an interim basis, by Jonathan Challis with Power of Attorney having been given to Aydin Sen to act as General Manager. Aydin Sen is also the Exploration Manager of Pasinex AS.

Pasinex has engaged the legal services of Denton's Canada LLP in Toronto, Canada and two Canadian Partners. Pasinex has also engaged the legal services of HBB Hukuk Burosu in Istanbul, Turkiye and two senior Turkish partners as well as a university legal professor who is the Chair of the Legal Department and founder of Ozata Law & Partners. This legal team has further legal and accounting resources available in both Canada and Turkiye. The legal process is underway and Pasinex remains optimistic that a resolution will result from these legal actions, but assurance of success is not certain.

Horzum AS's operations have generated positive operating income in the first six months of 2024, however in the absence of the receipt of additional dividends from Horzum AS, the Company would need to secure funding from either equity financing or additional related party loans to fund its ongoing activities. There can be no assurance that the Company will be able to generate either sufficient dividends from Horzum AS or be able to generate funds from other sources.

Accordingly, until Akmetal makes significant payments, these conditions represent a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These unaudited condensed interim consolidated financial statements do not include adjustments to the carrying values of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

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## Pasinex Resources Limited

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

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#### 3. Investment in Horzum AS

On January 17, 2013, the Company, through its wholly owned Turkish subsidiary, Pasinex Arama, entered into a joint venture agreement with Türkiye based miner, Akmetal, to explore for zinc and other associated commodities in the region between and around Horzum and Tufanbeyli, Adana Province, Türkiye. A joint venture company was formed, Horzum AS, held 50% by each joint venture partner. Horzum AS is controlled by a board consisting of equal representatives of both Pasinex and Akmetal.

In 2013, Horzum AS acquired the Pinargozu mine in Türkiye. The property is located within the Turkish Provinces of Adana and has been in operation since 2016 producing high grade zinc. The investment in Horzum AS is considered a joint venture for accounting purposes and accordingly is accounted for using the equity method. Horzum AS can distribute its profits based on terms under the joint venture agreement, which requires approval from Horzum AS's Board of Directors.

The following table shows the change in the value of the Company's 50% investment in Horzum AS.

	<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Opening balance</b>	<b>\$ 824,420</b>	<b>\$ 1,016,855</b>
Equity gain from Horzum AS	<b>943,280</b>	1,596,806
Dividend declared by Horzum AS	-	(1,947,820)
Foreign exchange loss	<b>(85,253)</b>	(216,103)
<b>Closing balance</b>	<b>\$ 1,682,447</b>	<b>\$ 449,738</b>

# Pasinex Resources Limited

## Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

### 3. Investment in Horzum AS (continued)

#### Summarized Financial Statements for Horzum AS

Statements of Financial Position (100% basis - Canadian dollars)	As at June 30, 2024	As at December 31, 2023
<b>Current assets</b>		
Cash and prepaid expenses	\$ 613,577	\$ 381,510
Akmetal receivable (note 3(a))	35,846,441	34,639,070
Less - allowance on Akmetal receivable (note 3(a))	(35,846,441)	(34,639,070)
Trade receivables	57,144	3,077
Other receivables	36,768	320,556
Due from shareholders and related parties (note 3(b))	104,500	-
Inventories	600,120	1,345,344
<b>Total current assets</b>	<b>1,412,109</b>	<b>2,050,487</b>
<b>Non-current assets</b>		
Lease asset	1,567,755	1,368,055
Plant and equipment	1,691,670	1,480,338
Other non-current assets	15,555	169,282
<b>Total non-current assets</b>	<b>3,274,980</b>	<b>3,017,675</b>
<b>Total assets</b>	<b>\$ 4,687,089</b>	<b>\$ 5,068,162</b>
<b>Current Liabilities</b>		
Trade payable and other current liabilities	\$ 210,491	\$ 260,085
Amounts due to shareholders and related parties (note 3)	256,177	518,316
Lease liabilities	278,012	318,000
Deferred revenue	-	1,565,517
Taxes payable	-	293,803
<b>Total current liabilities</b>	<b>744,680</b>	<b>2,955,721</b>
<b>Non-current liabilities</b>		
Employee benefits and other liabilities	184,967	198,242
Deferred tax liability	392,548	265,359
<b>Total liabilities</b>	<b>1,322,195</b>	<b>3,419,322</b>
<b>Shareholders' equity</b>		
Share capital	868,290	828,014
Equity (deficit)	1,249,681	(596,603)
Foreign exchange difference	1,246,923	1,417,429
<b>Total shareholders' equity</b>	<b>3,364,894</b>	<b>1,648,840</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 4,687,089</b>	<b>\$ 5,068,162</b>
<b>Pasinex ownership interest</b>	<b>50%</b>	<b>50%</b>
<b>Net equity above</b>	<b>\$ 3,364,894</b>	<b>\$ 1,648,840</b>
<b>Pasinex investment in Horzum AS</b>	<b>\$ 1,682,447</b>	<b>\$ 824,420</b>

# Pasinex Resources Limited

## Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

### 3. Investment in Horzum AS (continued)

#### Statement of Operations

(100% basis - Canadian dollars)	Three Months Ended		Six Months Ended	
	2024	June 30, 2023	2024	June 30, 2023
Revenue	\$ 1,639,335	\$ 2,952,147	\$ 5,249,475	\$ 6,556,664
Cost of sales	(905,147)	(1,302,394)	(3,017,433)	(2,731,821)
Selling, marketing and other distribution	(32,601)	(88,261)	(129,812)	(177,843)
Operating income	701,587	1,561,492	2,102,230	3,647,000
Impairment of Akmetal receivable (note 3(a))	(449,168)	(15,668,186)	(3,665,810)	(17,249,396)
General and administrative expenses	(123,621)	(80,696)	(185,930)	(130,587)
Foreign exchange gain	470,066	16,274,499	3,626,155	17,549,711
Finance expense	(15,679)	(44,408)	(32,339)	(95,403)
Deferred tax (expense) income	(64,955)	6,354	(149,204)	(78,370)
Gain on net monetary position	244,541	211,506	639,848	589,259
Current income tax expense	(158,915)	(626,476)	(488,666)	(1,069,168)
<b>Net income</b>	<b>\$ 603,856</b>	<b>\$ 1,634,085</b>	<b>\$ 1,846,284</b>	<b>\$ 3,163,046</b>
Pasinex ownership interest	50%	50%	50%	50%
Share of net income	\$ 301,928	\$ 817,042	\$ 923,142	\$ 1,581,523
Hyperinflationary adjustments to share capital	7,874	4,002	20,138	15,283
<b>Equity gain for Horzum AS</b>	<b>\$ 309,802</b>	<b>\$ 821,044</b>	<b>\$ 943,280</b>	<b>\$ 1,596,806</b>

(a) Akmetal has been facing liquidity issues since 2018. This combined with nonpayment of the Akmetal receivable led management to assess the probability of credit losses to be high. As a result, as required under IFRS 9, the Company took a full impairment charge of the receivables at December 31, 2018.

The total receivable from Akmetal is approximately \$35.8 million as at the end of June 30, 2024, compared with \$34.6 million at the end of December 31, 2023. The receivable consists of a number of items including joint venture sales proceeds received and withheld by Akmetal, the value of zinc product mined at the joint venture used by Akmetal, foreign currency gains on USD denominated amounts and the value of certain loan payments made to a customer on behalf of Akmetal.

As a result of not having collected the Akmetal receivable, Horzum AS has not been able to pay its liabilities in the normal course of operations. Horzum AS currently has approximately \$0.7 million in current liabilities (approximately \$3.0 million at December 31, 2023) and has working capital of approximately \$0.7 million (working capital deficiency of approximately \$0.9 million at December 31, 2023). Included within the total current liabilities are approximately \$0.2 million owed in trade payables (\$0.3 million at December 31, 2023), lease liabilities of \$0.3 million, (0.3 million at December 31, 2023), deferred revenue of nil (\$1.6 million at December 31, 2023) and taxes payable of nil (\$0.3 million at December 31, 2023).

Due to Akmetal's continued liquidity issues and continued nonpayment of the receivable, management has continued to assess the probability of credit losses to be high. As a result, the Akmetal receivable remains written down to zero. See note 2(c) - Basis of Measurement and Going Concern for additional discussion on the collectability of the Akmetal receivable.

# Pasinex Resources Limited

## Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

### 3. Investment in Horzum AS (continued)

- (b) Amounts due from shareholders and related parties as at June 30, 2024, include amounts advanced to Pasinex Arama. There were no amounts due from shareholders and related parties as at December 31, 2023.
- (c) Amounts due to shareholders and related parties as at June 30, 2024 and December 31, 2023, include amounts owed to Akmetal for services and supplies provided to Horzum AS.
- (d) In the first six months of 2024 there was an equity gain of approximately \$0.9 million compared with an equity gain of approximately \$1.6 million in the first six months of 2023.

### 4. Exploration and evaluation assets

	Horzum Properties	Gunman Project	Total
<b>Balance as at December 31, 2022</b>	\$ 457,321	\$ 1,435,699	\$ 1,893,020
Foreign exchange adjustment	-	(33,709)	(33,709)
<b>Balance as at December 31, 2023</b>	\$ 457,321	\$ 1,401,990	\$ 1,859,311
Foreign exchange adjustment	-	48,867	48,867
<b>Balance as at June 30, 2024</b>	\$ 457,321	\$ 1,450,857	\$ 1,908,178

#### (a) Horzum Properties

See discussion in note 3 regarding Horzum AS.

#### (b) Gunman Project

Pasinex through its wholly-owned subsidiary Pasinex Nevada, entered into an option agreement with Century Lithium Corp. ("Century") (formally Cypress Development Corp) and Caliber Minerals Inc. ("Caliber") (formerly named Silcom Systems Inc.) to earn up to an 80% interest in the Gunman Project (formerly the "Spur Zinc Project") located in White Pine County, Nevada ("Option Agreement"). The Option Agreement's total consideration to acquire an 80% interest is a combination of cash and Pasinex common shares. The Company must incur minimum exploration expenditures totalling US\$2,950,000.

On September 12, 2019, the Company announced they reached an agreement with Century and Caliber to change the terms relating to the earn in option agreement by changing the date of the US\$100,000 option payment to December 11, 2019 (paid) and deferred the 2019 exploration obligations to 2020.

On November 27, 2020, the Company entered into an additional amending agreement with Century and Caliber to extend the deadline for completion of the minimum exploration expenditures to December 31, 2022. Also, the deadline to acquire the additional 29% interest, as outlined below, has been extended to December 31, 2024. As part of the amending agreement the Company changed the name of the project to Gunman Project, agreed to pay US\$15,000 to Century and was required to spend a minimum of US\$200,000 by December 31, 2021, as a condition precedent for the effectiveness of the amending agreement.

On December 14, 2021, the Company entered into an additional amending agreement with Century and Caliber to extend the deadline to complete the minimum of US \$200,000 of qualified exploration expenditures to on or before June 30, 2022.

On December 29, 2022, The Company entered into an additional amending agreement with Century and Caliber to extend the deadline for completing the First Option Conditions of Exercise to March 31, 2023.

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# Pasinex Resources Limited

## Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars, unless otherwise indicated)

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### 4. Exploration and evaluation assets (continued)

#### (b) Gunman Project (continued)

The spending and associated ownership is as follows:

The Company has completed the following to earn its initial 51% of the Gunman Project:

- In December 2017, a cash payment was made to Caliber of US\$125,000 (\$158,897) and 2.2 million Pasinex Common Shares (value of \$484,000) were issued to Caliber and Century.
- In September 2018, a cash payment of US\$200,000 (\$258,960) and issuance of 2.2 million Pasinex Common Shares (value of \$264,000) were made to Caliber and Century.
- In December 2019, a payment of US\$100,000 cash and issuance of 200,000 Pasinex Common Shares (valued at \$6,000) to Century.
- In addition, minimum exploration expenditures as defined in the Option Agreement must be spent as follows:
  - US\$250,000 prior to December 5, 2018 (spent);
  - US\$800,000 prior to December 5, 2019 (spent);
  - US\$800,000 prior to December 5, 2020 (spent).

The Option Agreement calls for Pasinex and Century to enter into a joint venture agreement now that the Company has exercised the first option and earned the 51% interest. Pasinex is currently discussing with Century whether this is necessary and may continue with phase 2, to earn an additional 29% interest, without the joint venture agreement. Total consideration to acquire the 51% interest included US\$425,000 in cash payments, the issuance of 4.6 million Pasinex Common Shares and exploration expenditures of US\$1,850,000.

To acquire an additional 29% of the Gunman Project:

- Prior to December 5, 2021 (deferred to December 31, 2024):
  - a payment of US\$250,000 cash and issuance of 200,000 Pasinex Common Shares to Century; and
  - spend an additional US\$1.1 million (spent approximately US\$504,000 to June 30, 2024) in exploration expenditures as defined in the Option Agreement.

The underlying licenses are in good standing until September 2024.

### 5. Accounts payable and accrued liabilities

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		As at June 30, 2024		As at December 31, 2023
Trade payables	\$	232,450	\$	202,022
Accrued liabilities		169,600		162,445
<b>Total accounts payable and accrued liabilities</b>	<b>\$</b>	<b>402,050</b>	<b>\$</b>	<b>364,467</b>

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# Pasinex Resources Limited

## Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

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### 6. Shareholder loans

On August 1, 2018, the Company entered into loans with certain shareholders and directors of the Company (the "lenders") in the form of promissory notes. 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 promissory notes are secured by all the property and assets of the Company.

The Company recorded interest expense of \$39,730 and \$76,430 in the three and six months ended June 30, 2024, compared with \$34,105 and \$68,548 for the same periods in 2023. The Company received \$425,000 during the six months ended June 30, 2024, from shareholders of the Company. In the same period in 2023 \$50,000 was repaid on a shareholder loan. As at June 30, 2024, the outstanding shareholder loans and accrued interest thereon totalled \$2,992,795 (December 31, 2023 - \$2,491,365).

### 7. Loan payable

		As at June 30, 2024		As at December 31, 2023
Loan Payable	\$	28,407	\$	40,000
Total loan payable	\$	28,407	\$	40,000

On April 24, 2020, the Company applied for the Canada Emergency Business Account ("CEBA") interest-free loan. The Company entered into a loan agreement with its principal banker in the first quarter of 2024 from which the proceeds were used to repay the CEBA loan balance outstanding at the end of December 31, 2023, less \$10,000, which was forgiven. The term of the loan is five years, at an interest rate of prime + 2.34%, with monthly payments of \$631. The loan can be prepaid at any time without fee or premium.

### 8. Share capital

(a) Authorized: Unlimited common shares with no par value.

(b) Issued and outstanding common shares:

	Number of Shares		Amount
Balance as at December 31, 2022 and June 30, 2023	144,554,371	\$	12,888,506
Balance as at December 31, 2023 and June 30, 2024	144,554,371	\$	12,888,506

# Pasinex Resources Limited

## Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars, unless otherwise indicated)

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### 9. Stock options

The Company has a stock option plan (the "Plan") in place under which it is authorized to grant options of up to 10% of its outstanding shares to officers, directors, employees and consultants. The exercise price of each option is to be determined by the Board of Directors but shall not be less than the discounted market price as defined by the CSE. The expiry date for each option should be for a maximum term of five years. The Plan was most recently approved at the Company's 2015 Annual General Meeting.

The following table reflects the continuity of stock options for the periods presented:

	Number of Options	Weighted Average Exercise Price
<b>Balance as at December 31, 2022</b>	10,550,000	\$ 0.04
Expired	(50,000)	\$ 0.20
<b>Balance as at June 30, 2023</b>	10,500,000	\$ 0.04
<b>Balance as at December 31, 2023</b>	10,500,000	\$ 0.04
Expired	-	\$ -
<b>Balance as at June 30, 2024</b>	10,500,000	\$ 0.04

The Company had the following stock options outstanding as of June 30, 2024:

Expiry Date	Number of Options		Exercise Price	Weighted Average Remaining Contractual Life (Years)
	Outstanding	Exercisable		
July 25, 2024	500,000	500,000	\$ 0.09	0.07
April 30, 2026	8,500,000	8,500,000	\$ 0.04	1.83
March 24, 2027	1,500,000	1,500,000	\$ 0.04	2.70
<b>Total</b>	<b>10,500,000</b>	<b>10,500,000</b>	<b>\$ 0.04</b>	<b>1.88</b>



# Pasinex Resources Limited

## Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars, unless otherwise indicated)

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### 10. General and administrative costs

General and administration costs are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Consulting fees (note 13)	\$ 47,785	\$ 160,629	\$ 107,541	\$ 231,619
Investor relations	8,002	5,809	8,002	11,382
Management fees and salaries (note 13)	57,825	53,850	120,600	119,550
Director fees	24,000	24,000	48,000	48,000
Office and general	-	26,138	-	26,801
Professional fees	239,022	71,820	339,284	136,517
Transfer agent and regulatory fees	11,042	7,813	20,154	11,679
Travel and meals	17,232	29,016	78,990	109,096
Other	733	455	733	958
<b>Total general and administrative costs</b>	<b>\$ 405,641</b>	<b>\$ 379,530</b>	<b>\$ 723,304</b>	<b>\$ 695,602</b>

### 11. Related party balances and transactions

Related parties and related party transactions impacting the accompanying consolidated financial statements are summarized below and include transactions with key management personnel, which includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of non-executive members of the Company's Board of Directors and corporate officers. A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. A number of these entities had transactions with the Company during the year. The terms and conditions of these transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, or similar transactions to non-key management personnel related entities on an arm's length basis.

A summary of the related party transactions and balances is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Management fees and salaries	\$ 57,825	\$ 53,850	\$ 120,600	\$ 119,550
Consulting fees	40,365	48,678	83,901	92,561
Director fees	24,000	24,000	48,000	48,000
Interest expense on shareholder loans	39,730	34,105	76,430	68,548
	<b>\$ 161,920</b>	<b>\$ 160,633</b>	<b>\$ 328,931</b>	<b>\$ 328,659</b>

# Pasinex Resources Limited

## Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

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### 11. Related party balances and transactions (continued)

Amounts payable to related parties were as follows:

	Due to Related Parties		Shareholder Loans	
	As at	As at	As at	As at
	June 30, 2024	December 2023	June 30, 2024	December 2023
1514341 Ontario Inc. <sup>(1)</sup>	\$ -	\$ -	\$ 2,316,439	\$ 2,030,457
Seeley Holdings Ltd. <sup>(2)</sup>	-	-	585,119	372,175
Rainer Beteiligungsgesellschaft <sup>(3)</sup>	-	-	91,237	88,733
Larry Seeley <sup>(4)</sup>	12,000	-	-	-
Joachim Rainer <sup>(4)</sup>	12,000	-	-	-
Jonathan Challis <sup>(4)</sup>	12,000	-	-	-
Victor Wells <sup>(4)</sup>	12,000	-	-	-
2192640 Ontario Inc. <sup>(5)</sup>	43,840	30,504	-	-
Soner Koldas <sup>(6)</sup>	61,591	19,178	-	-
Horzum AS	104,500	-	-	-
	<b>\$ 257,931</b>	<b>\$ 49,682</b>	<b>\$ 2,992,795</b>	<b>\$ 2,491,365</b>

<sup>(1)</sup> 1514341 Ontario Inc. is a company controlled by Larry Seeley, a director of the Company.

<sup>(2)</sup> Seeley Holdings Ltd. is a company controlled by a family member of Larry Seeley, a director of the Company.

<sup>(3)</sup> Rainer Beteiligungsgesellschaft is owned by Joachim Rainer a director of the Company.

<sup>(4)</sup> Larry Seeley, Joachim Rainer, Jonathan Challis and Victor Wells were directors of the Company at June 30, 2024 and December 31, 2023.

<sup>(5)</sup> 2192640 Ontario Inc. is a company controlled by Andrew Gottwald, the CFO of the Company.

<sup>(6)</sup> Soner Koldas is the General Manager of Pasinex AS and Managing Director of Horzum AS.

These transactions are in the normal course of operations and have been valued in these consolidated financial statements at the amount of consideration established and agreed to by the related parties. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

To the knowledge of the directors and officers of the Company, as at June 30, 2024, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the common shares of the Company other than set out below:

	Number of Common Shares	Percentage of Outstanding Common Shares
<b>Larry Seeley</b>	<b>30,000,591</b>	<b>20.75%</b>

# Pasinex Resources Limited

## Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

### 12. Segmented information

The Company has one operating segment, acquisition, exploration and development of mineral properties. The table below shows consolidated data by geographic segment based on the location:

	As at June 30, 2024		As at December 31, 2023	
<b>Non-current assets by geographic segment</b>				
Türkiye	\$	2,143,024	\$	1,291,202
United States		1,450,857		1,401,990
	\$	3,593,881	\$	2,693,192
<b>Total assets by geographic segment</b>				
Canada	\$	64,512	\$	110,717
Türkiye		2,228,304		1,412,691
United States		1,450,857		1,501,252
	\$	3,743,673	\$	3,024,660
<b>Equity gain from joint venture</b>				
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024		2024	
Canada	\$	-	\$	-
Türkiye		309,802		943,280
United States		-		-
<b>Total equity gain from joint venture</b>	\$	309,802	\$	943,280
	2023		2023	
Canada	\$	(155,913)	\$	(729,136)
Türkiye		(38,890)		2,180,396
United States		(101,747)		(539,726)
<b>Total net (loss) income</b>	\$	(296,550)	\$	911,534

### 13. Subsequent events

- Subsequent to June 30, 2024, Pasinex received \$145,000 from shareholders of the Company.
- The Company also continued its legal actions against Akmetal subsequent to the quarter ended June 30, 2024 (see note 2(c) *Basis of presentation and accounting policies - Basis of measurement and going concern*).
- Subsequent to the quarter end, Soner Koldas, Country Manager, of Pasinex AS resigned from the company and was replaced, on an interim basis, by Jonathan Challis with Power of Attorney having been given to Aydin Sen to act as General Manager. Aydin Sen is also the Exploration Manager of Pasinex AS.