

PASINEX RESOURCES LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2024**

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

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)

	As at September 30, 2024 (unaudited)	As at December 31, 2023 (audited)
Assets		
Current Assets		
Cash	\$ 34,562	\$ 177,278
Receivables	22,428	11,589
Due from related parties	19,750	-
Prepaid expenses and deposits	33,727	142,601
Total current assets	110,467	331,468
Non-current assets		
Equipment	3,980	2,529
Value added tax receivable	-	6,932
Exploration and evaluation assets (note 4)	1,888,250	1,859,311
Equity investment in Horzum AS (note 3)	1,699,066	824,420
Total non-current assets	3,591,296	2,693,192
Total assets	\$ 3,701,763	\$ 3,024,660
Shareholders' (deficiency) equity and liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 441,940	\$ 364,467
Due to related parties (notes 3 and 11)	197,401	49,682
Shareholder loans (notes 6 and 11)	3,231,006	2,491,365
Loan payable (note 7)	27,174	40,000
Income taxes payable	-	31,175
Total current liabilities	3,897,521	2,976,689
Total liabilities	3,897,521	2,976,689
Shareholders' (deficiency) equity		
Share capital (note 8)	12,888,506	12,888,506
Reserves	2,157,117	2,157,117
Deficit	(10,868,745)	(10,612,090)
Accumulated other comprehensive loss	(4,372,636)	(4,385,562)
Total shareholders' (deficiency) equity	(195,758)	47,971
Total liabilities and shareholders' (deficiency) equity	\$ 3,701,763	\$ 3,024,660

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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Equity gain from Horzum AS (note 3)	\$ 112,432	\$ 529,122	\$ 1,055,712	\$ 2,017,182
Expenses				
Exploration costs	(11,236)	(18,720)	(116,263)	(558,446)
General and administrative costs (note 10)	(215,652)	(426,804)	(938,956)	(1,119,431)
Total expenses	(226,888)	(445,524)	(1,055,219)	(1,677,877)
Other (loss) income				
Other income (loss)	8,481	(173,751)	28,606	(171,371)
Interest expense (note 6)	(43,211)	(34,835)	(119,641)	(103,383)
Foreign exchange gain	10,897	70,608	194,100	107,814
Dividend income	-	-	-	626,476
Loss on net monetary position	(107,588)	(216,349)	(360,213)	(412,912)
Total other (loss) income	(131,421)	(354,327)	(257,148)	46,624
Net (loss) income for the period	(245,877)	(270,729)	(256,655)	385,929
Other comprehensive (loss) income				
Item that will be reclassified subsequently to profit and loss:				
Currency translation adjustment	(12,371)	604,727	12,926	324,307
Total comprehensive (loss) income for the period	\$ (258,248)	\$ 333,998	\$ (243,729)	\$ 710,236
Net income (loss) per share				
- basic and diluted	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average number of shares outstanding				
- 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

	Nine Months Ended	
	September 30,	
	2024	2023
Operating activities		
Net (loss) income for the period	\$ (256,655)	\$ 385,929
Net equity gain from Horzum AS	(1,055,712)	(2,017,182)
Dividend and other receivables received	-	1,764,385
Adjustments for items not involving cash:		
Interest accrual (note 6)	119,641	103,383
Foreign exchange	(192,488)	(91,890)
Loss on net monetary position	360,213	412,912
Depreciation	-	1,241
Changes in non-cash working capital items:		
Prepaid expenses and deposits	105,849	114,290
Accounts payable and accrued liabilities	55,252	(429,044)
Due to related parties	147,719	8,765
Due from related parties	(19,750)	(626,476)
Other	(17,135)	15,600
Net cash (used) provided by operating activities	(753,066)	(358,087)
Investing activities		
Equipment acquisition	(1,875)	(1,823)
Net cash used in investing activities	(1,875)	(1,823)
Financing activities		
Cash received (paid) on shareholders loans (note 6)	620,000	(50,000)
Net cash used in financing activities	620,000	(50,000)
Net change in cash	(134,941)	(409,910)
Effect of foreign currencies on cash	(7,775)	(105,618)
Cash, beginning of period	177,278	855,567
Cash, end of period	\$ 34,562	\$ 340,039

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 Changes in Shareholders' (Deficiency) Equity****(Expressed in Canadian Dollars)****Unaudited**

	Number of Shares (note 8)	Share Capital (note 8)	Reserves	Deficit	Accumulated Other Comprehensive Loss	Total
Balance as at December 31, 2022	144,554,371	\$ 12,888,506	\$ 2,157,117	\$ (10,302,322)	\$ (4,226,128)	\$ 517,173
Currency translation adjustment	-	-	-	-	324,307	324,307
Net income for the period	-	-	-	385,929	-	385,929
Balance as at September 30, 2023	144,554,371	\$ 12,888,506	\$ 2,157,117	\$ (9,916,393)	\$ (3,901,821)	\$ 1,227,409
Balance as at December 31, 2023	144,554,371	\$ 12,888,506	\$ 2,157,117	\$ (10,612,090)	\$ (4,385,562)	\$ 47,971
Currency translation adjustment	-	-	-	-	12,926	12,926
Net loss for the period	-	-	-	(256,655)	-	(256,655)
Balance as at September 30, 2024	144,554,371	\$ 12,888,506	\$ 2,157,117	\$ (10,868,745)	\$ (4,372,636)	\$ (195,758)

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

Pasinex Resources Limited

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

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 November 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%

Pasinex Resources Limited

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

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 September 30, 2024, the Company has a deficit of \$10,868,745 (December 31, 2023 – \$10,612,090) and has a working capital deficiency position of \$3,787,054 (December 31, 2023 – working capital deficiency position of \$2,645,221). The Company had net losses of \$245,877 and \$256,655 for the three and nine months ended September 30, 2024, respectively, compared with a net loss of \$270,729 for the three months ended September 30, 2023 and a net income of \$385,929 for the nine months ended September 30, 2023, and negative cash flows from operations of \$753,066 for the nine months ended September 30, 2024, compared with negative cash flows from operations of \$358,087 for the nine months ended September 30, 2023.

Horzum AS had net incomes of \$208,622 and \$2,054,906 for the three and nine months ended September 30, 2024, respectively, compared with net incomes of \$1,018,637 and \$3,964,191 for the three and nine months ended September 30, 2023, respectively. Pasinex Arama received approximately TRY 14.4 million (approximately \$0.6 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 nine months ended September 30, 2024, compared with TRY 29.1 million (approximately \$1.8 million using the exchange rates on the dates of the various transfers) in advanced dividend payments from Horzum AS in the nine months ended September 30, 2023.

Pasinex Arama transferred US\$110,000 (approximately \$148,000 using the exchange rates on the dates of the transfers) to Pasinex Canada in the first four months of 2024. From May until the end of September 2024, Pasinex Canada transferred US\$367,000 (approximately \$510,000 using the exchange rates on the dates of the transfers) to Pasinex Arama. Approximately TRY 15.5 million and US\$50,000 (approximately \$1.2 million using the exchange rates on the dates of the transfers) was transferred to Pasinex Canada by Pasinex Arama in the nine months ended September 30, 2023. The reduction of cash inflows to Canada and increase in cash outflows from Pasinex to Pasinex Arama has resulted in the Company not having 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 September 30, 2024, Horzum AS has a receivable owing from Akmetal of approximately \$35.4 million (see note 3(a)).

Pasinex Resources Limited

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

2. Basis of presentation and accounting policies (continued)

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

Legal Actions

Horzum AS continued two separate legal actions during the third quarter of 2024, with the objective of settling the outstanding 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 ongoing by Horzum AS for the recovery of the outstanding receivable owed by Akmetal.

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

Subsequently, the Interim Committee called a general assembly meeting at the request of Pasinex Arama on July 16, 2024, with an agenda prepared by Pasinex Arama. This meeting was attended by the Interim Committee, representatives of Pasinex Arama and Akmetal shareholders. No agreement was achieved, and the Interim Committee suggested that Akmetal and Pasinex Arama should try to resolve their issues. Subsequently, two proposals were put forward by Akmetal, which were not acceptable by Pasinex Arama.

Further, Pasinex Arama filed a lawsuit regarding the appointment of a special auditor of the outstanding receivable owed by Akmetal to Horzum AS. The 3rd Court requested that a response by Horzum AS be submitted by the Interim Committee with a deadline of September 12, 2024, revised from previously set date of September 5, 2024. An extraordinary general assembly meeting of the shareholders and Interim Committee was held on September 12, 2024. No agreement was reached with Akmetal on approving a new Horzum AS Board and no agreement was reached on selection of a Special Financial Auditor.

Pasinex Arama then petitioned to the 3rd Court to appoint a trustee (the trustee of June 4, 2024, was not ratified by the 2nd Court to manage Horzum AS and to appoint a special financial auditor to Horzum AS to finalize the outstanding receivable owed by Akmetal to Horzum AS. The 3rd Court approved the petition for a hearing on November 13, 2024.

The November 13, hearing was held and the following rulings were made:

1. The Interim Committee is to remain in place until December 31, 2025, unless mutually agreed by Pasinex Arama and Akmetal to not continue the Interim Committee in any future agreement.

Pasinex Resources Limited

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

2. Basis of presentation and accounting policies (continued)

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

2. The judge concluded that all of the necessary information, in the form of foreign currency invoices, was properly submitted to support the USD outstanding receivable claim made by Horzum AS and Pasinex Arama and that a special auditor was not needed to confirm this. Therefore, the judge dismissed the request for an appointment of a special auditor but indicated that the right to appoint a special auditor in the future existed to ensure there are no future undisclosed matters. These decisions have opened the process for further legal actions to take place. Pasinex Arama will initiate additional legal actions in the fourth quarter of 2024.

In addition, Kurmel Holding A.S. (formerly known as SEM Gayrimenkul Yatirim Danismanligi Tic. A.S.) ("Kurmel") is in the process of 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), by Pasinex Arama, which seeks to prevent the transfer of Gumastas shares, by Kurmel, 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. The special auditor has not yet been appointed and therefore the appeal is on hold at present.

Further, in the on-going court case in Adana to recover the outstanding receivable owed by Akmetal, Pasinex Arama 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 actions by Pasinex Arama and Horzum AS is to recover the outstanding receivable owed by Akmetal in either assets or cash and to restructure or eliminate the Joint Venture with Pasinex Arama assuming control of the management of the Joint Venture.

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 continuing and Pasinex remains optimistic that a resolution will result from these legal actions, but assurance of success is not certain.

In addition, Soner Koldas, Country Manager, of Pasinex AS resigned from the company in July 2024 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.

Horzum AS's operations have generated positive operating income in the first nine 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.

Pasinex Resources Limited

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

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.

		Nine Months Ended September 30,	
		2024	2023
Opening balance	\$	824,420	\$ 1,016,855
Equity gain from Horzum AS		1,055,712	2,017,182
Dividend declared by Horzum AS		-	(1,566,191)
Foreign exchange loss		(181,066)	78,429
Closing balance	\$	1,699,066	\$ 1,546,275

Pasinex Resources Limited

Notes to Condensed Interim Consolidated Financial Statements
 Three and Nine Months Ended September 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 September 30, 2024	As at December 31, 2023
Current assets		
Cash and prepaid expenses	\$ 518,631	\$ 381,510
Akmetal receivable (note 3(a))	35,354,104	34,639,070
Less - allowance on Akmetal receivable (note 3(a))	(35,354,104)	(34,639,070)
Trade receivables	97,221	3,077
Other receivables	34,745	320,556
Inventories	726,718	1,345,344
Total current assets	1,377,315	2,050,487
Non-current assets		
Lease asset	1,602,680	1,368,055
Plant and equipment	1,742,766	1,480,338
Other non-current assets	50,473	169,282
Total non-current assets	3,395,919	3,017,675
Total assets	\$ 4,773,234	\$ 5,068,162
Current Liabilities		
Trade payable and other current liabilities	\$ 125,052	\$ 260,085
Amounts due to shareholders and related parties (note 3(b))	269,397	518,316
Lease liabilities	253,178	318,000
Deferred revenue	-	1,565,517
Taxes payable	112,239	293,803
Total current liabilities	759,866	2,955,721
Non-current liabilities		
Employee benefits and other liabilities	174,789	198,242
Deferred tax liability	440,446	265,359
Total liabilities	1,375,101	3,419,322
Shareholders' equity		
Share capital	884,532	828,014
Equity (deficit)	1,458,303	(596,603)
Foreign exchange difference	1,055,298	1,417,429
Total shareholders' equity	3,398,133	1,648,840
Total liabilities and shareholders' equity	\$ 4,773,234	\$ 5,068,162
Pasinex ownership interest	50%	50%
Net equity above	\$ 3,398,133	\$ 1,648,840
Pasinex investment in Horzum AS	\$ 1,699,066	\$ 824,420

Pasinex Resources Limited

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

3. Investment in Horzum AS (continued)

Statement of Operations		Three Months Ended		Nine Months Ended	
<i>(100% basis - Canadian dollars)</i>		September 30,		September 30,	
		2024	2023	2024	2023
Revenue	\$	926,835	\$ 2,039,050	\$ 6,176,310	\$ 8,595,714
Cost of sales		(641,567)	(1,137,417)	(3,659,000)	(3,869,160)
Selling, marketing and other distribution		(16,669)	(59,504)	(146,481)	(237,347)
Operating income		268,599	842,129	2,370,829	4,489,207
Impairment of Akmetal receivable (note 3(a))		(1,503,388)	(1,883,967)	(5,169,198)	(19,350,933)
General and administrative expenses		(132,362)	(79,231)	(318,292)	(209,818)
Foreign exchange gain		1,527,530	2,483,311	5,153,685	20,033,022
Finance expense		(14,629)	7,943	(46,968)	(87,460)
Deferred tax expense		(71,785)	(107,575)	(220,989)	(185,945)
Gain on net monetary position		270,186	489,594	910,034	1,078,853
Current income tax expense		(135,529)	(733,567)	(624,195)	(1,802,735)
Net income	\$	208,622	\$ 1,018,637	\$ 2,054,906	\$ 3,964,191
Pasinex ownership interest		50%	50%	50%	50%
Share of net income	\$	104,311	\$ 509,319	\$ 1,027,453	\$ 1,982,096
Hyperinflationary adjustments to share capital		8,121	19,802	28,259	35,086
Equity gain for Horzum AS	\$	112,432	\$ 529,121	\$ 1,055,712	\$ 2,017,182

(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 \$35.4 million as at the end of September 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 \$0.8 million in current liabilities (approximately \$3.0 million at December 31, 2023) and has working capital of approximately \$0.6 million (working capital deficiency of approximately \$0.9 million at December 31, 2023). Included within the total current liabilities are approximately \$0.1 million owed in trade payables (\$0.3 million at December 31, 2023), amounts due to shareholders and related parties of \$0.3 million (\$0.5 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 \$0.1 million (\$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

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

3. Investment in Horzum AS (continued)

- (b) Amounts due to shareholders and related parties as at September 30, 2024 and December 31, 2023, include amounts owed to Akmetal and Pasinex Arama for services and supplies provided to Horzum AS.
- (c) In the first nine months of 2024 there was an equity gain of approximately \$1.1 million compared with an equity gain of approximately \$2.0 million in the first nine months of 2023.

4. Exploration and evaluation assets

	Horzum Properties	Gunman Project	Total
Balance as at December 31, 2022	\$ 457,321	\$ 1,435,699	\$ 1,893,020
Foreign exchange adjustment	-	(33,709)	(33,709)
Balance as at December 31, 2023	\$ 457,321	\$ 1,401,990	\$ 1,859,311
Foreign exchange adjustment	-	28,939	28,939
Balance as at September 30, 2024	\$ 457,321	\$ 1,430,929	\$ 1,888,250

(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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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\$592,000 to September 30, 2024) in exploration expenditures as defined in the Option Agreement.

The underlying licenses are in good standing until September 2025.

5. Accounts payable and accrued liabilities

	As at		As at	
	September 30, 2024		December 31, 2023	
Trade payables	\$	243,340	\$	202,022
Accrued liabilities		198,600		162,445
Total accounts payable and accrued liabilities	\$	441,940	\$	364,467

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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 \$43,211 and \$119,641 in the three and nine months ended September 30, 2024, compared with \$34,835 and \$103,383 for the same periods in 2023. The Company received \$195,000 and \$620,000 during the three and nine months ended September 30, 2024, from shareholders of the Company. In the same period in 2023 nil and \$50,000 were repaid on a shareholder loan. As at September 30, 2024, the outstanding shareholder loans and accrued interest thereon totalled \$3,231,006 (December 31, 2023 - \$2,491,365).

7. Loan payable

	As at		As at	
	September 30, 2024		December 31, 2023	
Loan Payable	\$	27,174	\$	40,000
Total loan payable	\$	27,174	\$	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		Amount	
	Shares			
Balance as at December 31, 2022 and September 30, 2023	144,554,371	\$	12,888,506	
Balance as at December 31, 2023 and September 30, 2024	144,554,371	\$	12,888,506	

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Unaudited

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
Balance as at December 31, 2022	10,550,000	\$ 0.04
Expired	(50,000)	\$ 0.20
Balance as at September 30, 2023	10,500,000	\$ 0.04
Balance as at December 31, 2023	10,500,000	\$ 0.04
Expired	(500,000)	\$ 0.09
Balance as at September 30, 2024	10,000,000	\$ 0.04

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

Expiry Date	Number of Options		Exercise Price	Weighted Average Remaining Contractual Life (Years)
	Outstanding	Exercisable		
April 30, 2026	8,500,000	8,500,000	\$ 0.04	1.58
March 24, 2027	1,500,000	1,500,000	\$ 0.04	2.48
Total	10,000,000	10,000,000	\$ 0.04	1.72

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10. General and administrative costs

General and administration costs are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Consulting fees (note 11)	\$ 19,496	\$ 70,571	\$ 127,037	\$ 302,190
Investor relations	6,027	1,098	14,029	12,480
Management fees and salaries (note 13)	42,825	54,000	163,425	173,550
Director fees	24,000	24,000	72,000	72,000
Office and general	14,755	47,190	14,755	71,016
Professional fees	168,333	183,407	507,617	319,924
Transfer agent and regulatory fees	5,471	6,008	25,625	17,687
Travel and meals	(65,816)	40,253	13,174	149,349
Other	561	277	1,294	1,235
Total general and administrative costs	\$ 215,652	\$ 426,804	\$ 938,956	\$ 1,119,431

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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Management fees and salaries	\$ 42,825	\$ 54,000	\$ 163,425	\$ 173,550
Consulting fees	14,000	44,678	97,901	137,239
Director fees	24,000	24,000	72,000	72,000
Interest expense on shareholder loans	43,211	34,835	119,641	103,383
	\$ 124,036	\$ 157,513	\$ 452,967	\$ 486,172

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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
	September	December	September	December
	2024	2023	2024	2023
1514341 Ontario Inc. ⁽¹⁾	\$ -	\$ -	\$ 2,443,977	\$ 2,030,457
Seeley Holdings Ltd. ⁽²⁾	-	-	644,074	372,175
Rainer Beteiligungsgesellschaft ⁽³⁾	-	-	142,955	88,733
Larry Seeley ⁽⁴⁾	18,000	-	-	-
Joachim Rainer ⁽⁴⁾	18,000	-	-	-
Jonathan Challis ⁽⁴⁾	18,000	-	-	-
Victor Wells ⁽⁴⁾	18,000	-	-	-
2192640 Ontario Inc. ⁽⁵⁾	57,906	30,504	-	-
Soner Koldas ⁽⁶⁾	67,495	19,178	-	-
	\$ 197,401	\$ 49,682	\$ 3,231,006	\$ 2,491,365

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

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

⁽³⁾ Rainer Beteiligungsgesellschaft is owned by Joachim Rainer a director of the Company.

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

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

⁽⁶⁾ Soner Koldas was the General Manager of Pasinex AS and Managing Director of Horzum AS. Mr. Koldas resigned from his position in the third quarter of 2024.

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 September 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
Larry Seeley	30,000,591	20.75%

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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 September 30, 2024		As at December 31, 2023	
Non-current assets by geographic segment				
Türkiye	\$	2,160,368	\$	1,291,202
United States		1,430,928		1,401,990
	\$	3,591,296	\$	2,693,192
Total assets by geographic segment				
Canada	\$	35,874	\$	110,717
Türkiye		2,234,961		1,412,691
United States		1,430,928		1,501,252
	\$	3,701,763	\$	3,024,660

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Equity gain from joint venture				
Canada	\$	-	\$	-
Türkiye		112,432		529,122
United States		-		-
Total equity gain from joint venture	\$	112,432	\$	529,122
			\$	1,055,712
				2,017,182
Net (loss) income				
Canada	\$	(195,227)	\$	2,904,817
Türkiye		(39,414)		(3,155,537)
United States		(11,236)		(20,009)
Total net (loss) income	\$	(245,877)	\$	(270,729)
			\$	(515,999)
				2,175,681
				(1,230,017)
				(559,735)
				385,929

13. Subsequent events

- Subsequent to September 30, 2024, Pasinex received loans of \$715,000 from shareholders of the Company.
- The Company continued its legal actions against Akmetal subsequent to the quarter ended September 30, 2024 (see note 2(c) Basis of presentation and accounting policies - Basis of measurement and going concern).
- Subsequent to the quarter end Pasinex transferred to Pasinex Arama, US\$367,000 (approximately \$510,000 using the exchange rates on the dates of the transfers).
- Subsequent to the quarter end, Pasinex Arama entered into an Option and Purchase Agreement with a local Turkish company, Aydin Teknik, which may lead to the purchase of 100% of a Group IV lead-zinc operating license called Sarikaya, which is located in the Kayseri province.