



# **PASINEX RESOURCES LIMITED**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**FOR THE THREE MONTHS ENDED  
MARCH 31, 2025**

**Dated June 25, 2025**

---

# **Pasinex Resources Limited**

## **Management's Discussion & Analysis**

### **For the three months ended March 31, 2025**

## **Introduction**

The following discussion of the results of operations and financial condition of Pasinex Resources Limited (the "Company" or "Pasinex") prepared as of June 25, 2025 summarizes management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2025, and the factors reasonably expected to impact on future operations and results ("Management's Discussion and Analysis of Financial Condition and Results of Operations" or "MD&A").

This MD&A is intended to supplement and complement the Company's unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2025 ("Financial Statements") and the notes thereto, which were prepared in accordance with IFRS Accounting Standards ("IFRS").

Certain information and discussion included in this MD&A constitute forward-looking information, which should be read in consideration of the cautionary notes contained in the section "Forward-Looking Statements" at the end of this MD&A.

Further information about the Company and its operations can be obtained from the offices of the Company, at [www.pasinex.com](http://www.pasinex.com) or from SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **Cautionary Note Regarding Forward-Looking Statements**

Certain statements contained in this MD&A constitute forward-looking statements; as such term is defined under applicable securities laws. These statements relate to future events or future performance and reflect management's expectations and assumptions regarding the growth, results of operations, performances and business prospects and opportunities of the Company. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "intend", "will", "project", "could", "believe", "predict", "potential", "should" or the negative of these terms or other similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance, achievements or events to differ materially from those anticipated, discussed or implied in such forward-looking statements. The Company believes the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should be considered carefully and investors should not place undue reliance on them as the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

These statements speak only as of the date of this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about: (i) general business and economic conditions; (ii) timing and amount of estimated future production (iii) the supply and demand for, deliveries of, and the level and volatility of prices of zinc and other precious metals; (iv) the timing of the receipt of any outstanding regulatory and governmental approvals for the Company's projects; (v) the ability to meet social and environmental standards and expectations; (vi) the availability of financing for the Company's development of its properties on reasonable terms; (vii) the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; (viii) the ability to attract and retain skilled staff; (ix) exploration and development timetables; and (x) capital expenditure and operating cost estimates.

The Company has not been materially impacted by the ongoing conflict in 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.

The Pinargozu zinc mine was placed into production without a feasibility study of mineral reserves demonstrating economic and technical viability, and as such, any forward-looking statements related to the performance of the Pinargozu mine may differ materially from actual results. The decision to operate a mine without a technical report or feasibility study creates increased uncertainty. Economic or technical results of the Pinargozu zinc mine may differ materially from forward-looking statements due to reduced zinc grade, variation in estimated mineral resources,

---

## **Pasinex Resources Limited**

### **Management's Discussion & Analysis**

#### **For the three months ended March 31, 2025**

increased difficulty in mining and other risks associated with the reliability of internal analytical results, geological interpretation and statistical inferences drawn from drilling and sampling.

These forward-looking statements involve risks and uncertainties relating to, among other things, exploration and development risks, changes in commodity prices, particularly the zinc price, expectations regarding currency fluctuations, possible variation in mineral resources or grade, counter party risk associated with sales of zinc material, access to skilled mining personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, changes to government regulation and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors contained in this MD&A. Investors should not place undue reliance on forward-looking statements, as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities law.

### **Description of Business**

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", "Joint Venture" or "JV"), 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 of a high-grade zinc exploration project, the Gunman Project, located in Nevada.

Pasinex is currently focused on advancing high-grade zinc properties, which are already producing through small-scale mining operations at zinc grades between 30% and 50%.

**Pasinex Resources Limited**  
**Management's Discussion & Analysis**  
**For the three months ended March 31, 2025**

**Selected Quarterly Information**

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Financial:</b>		
Share of net equity gain from joint venture	\$ 42,780	\$ 633,478
Consolidated net (loss) income	\$ (888,477)	\$ 285,772
Basic and diluted net (loss) income per share	\$ (0.004)	\$ 0.002
Net cash used in operating activities	\$ (444,127)	\$ (180,196)
Weighted average shares outstanding	144,554,371	144,554,371
<b>As at:</b>		
	<b>March 31,</b>	<b>December 31,</b>
	<b>2025</b>	<b>2024</b>
Total assets	\$ 3,389,197	\$ 3,557,225
Total liabilities	\$ 5,311,699	\$ 4,900,852
Total shareholders' deficit	\$ (1,922,502)	\$ (1,343,627)
	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Horzum AS operational data (100% basis):</b>		
Zinc product mined (wet) tonnes	653	1,503
Zinc product sold (wet) tonnes	-	2,986
Zinc sulphide product - average grade sold	N/A	49.5%

The Company has a 50% joint venture interest in Horzum AS, which is equity accounted. This means in the Pasinex consolidated financial statements:

- Horzum AS net income is shown on one line in the Consolidated Statement of Loss and Comprehensive Loss – Share of net gain from joint venture
- The investment in Horzum AS is shown on one line on the Consolidated Statement of Financial Position - Investment in joint venture

**Recent Developments**

- Subsequent to March 31, 2025, Pasinex Canada received \$350,000 from related party shareholders of the Company, which have been added to existing shareholder loan agreements.
- Effective April 4, 2025, the Company granted an aggregate of 400,000 stock options to directors, officers, key employees and consultants. The options vested immediately, are exercisable at \$0.05 per share and expire five years from the date of grant.

**Outlook**

Pasinex is building a zinc mining company step by step through the acquisition and development of exceptional high-grade zinc deposits, ranging from 25 to 50% zinc in Türkiye and 14 to 24% zinc in Nevada.

These high-grade zinc ore deposits have an exceptionally high intrinsic value, ranging from approximately \$900 to \$1,500 per tonne of ore, surpassing nearly all known copper and gold deposits currently under development or in production. In

---

## **Pasinex Resources Limited**

### **Management's Discussion & Analysis**

#### **For the three months ended March 31, 2025**

fact, these zinc ore grades are economically equivalent to copper grades of approximately 9% to 15%, assuming a copper price of \$5 per pound.

Mining costs range from approximately USD \$200 to \$300 per tonne of ore, resulting in after-tax margins generally between 30% and 50% of sales. The economic risk is low, given the high-grade zinc deposits and substantial margins that provide a buffer against various operational issues. Moreover, profitability can significantly increase when zinc prices rise.

In Türkiye, capital costs remain low due to the nature of the ore deposits, which can be readily accessed through adits and declines for underground mining. Because these carbonate-hosted zinc deposits are located at or near the surface, mining operations can commence quickly, generating immediate cash flow. Additionally, the high-grade nature of the ore ensures profitability from the outset, enabling rapid capital payback within just a few months.

Pasinex is currently focused on advancing high-grade zinc properties, which are already producing through small-scale mining operations at zinc grades between 30% and 50%. Due to our respected exploration team's extensive local knowledge and Pasinex's trusted reputation, we regularly receive opportunities to acquire licenses from family owners who wish to exit for personal reasons or who lack the financial, technical, or managerial resources needed to fully develop their assets. This represents an ideal moment for Pasinex to acquire these licenses, explore and expand their resources, and secure the financing required to execute this strategic opportunity.

The Sarikaya license, which is outside the area of influence of the joint venture with the Kurmel Group of companies, highlights tremendous potential for near-term profitability through direct shipping ore, as well as the significant possibility of discovering a major zinc ore deposit. To date, exploration conducted by family owners has primarily involved small-scale mining operations that follow surface outcrops via adits, without employing modern exploration methods. These large properties have seen minimal geological mapping, geochemistry, geophysics, structural analysis, or drilling, despite abundant outcrops and geological indicators. Pasinex's acquisition of these high-grade zinc licenses represents a valuable opportunity, generating wealth for the families through direct purchase payments and net smelter returns, while significantly enhancing shareholder value through company growth. Furthermore, this development promises substantial economic benefits and employment opportunities for local communities, aligning closely with Türkiye's broader economic vision.

The potential for mutually beneficial economic growth and capability development among all stakeholders is substantial, and stakeholders strongly support Pasinex's leadership in managing this strategy and these opportunities. The exceptional zinc grades have been clearly demonstrated through existing small-scale mining activities as well as visible surface outcrops.

Türkiye is an excellent jurisdiction for mining, featuring progressive mining laws, highly capable government ministries, skilled geologists, mining engineers, strong electrical and mechanical expertise, as well as first-rate legal, accounting, administrative, and commercial professionals. Additionally, Türkiye has a well-educated, hardworking workforce with deep mining and metallurgical knowledge. The country adheres to the best international practices in mining safety and environmental regulations, demonstrating effective implementation and enforcement of these laws.

The mining methods used for these high-grade zinc deposits involve underground operations accessed through adits and declines, resulting in a minimal environmental footprint and limited impact on surrounding communities. Pasinex maintains strong relationships and an excellent reputation with employees, local communities, and government authorities.

Türkiye offers outstanding geological potential due to its unique position at the intersection of the Asian, African, and European tectonic plates, creating numerous faults and geological features that significantly enhance the likelihood of discovering base metals and gold deposits. Additionally, Türkiye benefits from excellent infrastructure, including roads, electricity, and water resources conveniently located near most mining licenses, with easy access to major cities and ports. These factors position Türkiye as one of the best exploration and mining jurisdictions in the world.

## Pasinex Resources Limited

### Management's Discussion & Analysis

#### For the three months ended March 31, 2025

Zinc has been recognized by the U.S. Geological Survey and the World Economic Forum as one of the 31 critical metals essential for the transition to a sustainable future. Primary uses of zinc include galvanizing steel to prevent rust in cars and construction materials, die-casting, and alloying with copper to create brass and with tin to create bronze for applications such as door handles, plumbing fittings, and heat exchange equipment. Zinc oxide is widely utilized in tire manufacturing, paints, and fertilizers. Additionally, zinc is used extensively in skincare, beauty products, health supplements, artwork, and musical instruments. Emerging technologies such as zinc-air batteries are anticipated to experience substantial growth. Zinc also plays a significant role in the electronics, automotive, textile, aerospace, and defense industries.

Global zinc consumption is approximately 12 million tonnes per year, with recycled zinc accounting for only about 34% of this demand. Due to zinc's dispersed applications and long product life cycles, only a portion can be economically recycled, resulting in significant dependence on primary zinc mined from deposits. Zinc is produced by many countries and is a globally traded commodity with prices set by the worldwide market. Unlike critical metals such as gallium or rare earth elements, zinc prices cannot be dominated or controlled by any single country or company.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Apart from these and the discussion below on zinc prices and foreign currency, and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

## Review of Quarterly Results

The following is a summarized consolidated income statement for Pasinex:

	Three Months Ended March 31,	
	2025	2024
Equity gain from Horzum AS	\$ 42,780	\$ 633,478
Exploration costs	(1,532)	(3,280)
General and administration costs	(497,168)	(317,663)
Other (loss) income	860	10,598
Interest expense	(61,603)	(36,700)
Foreign exchange gain	48,548	155,005
Loss on net monetary position	(382,243)	(155,666)
Income tax expense	(38,119)	-
<b>Net income (loss) for the period</b>	<b>\$ (888,477)</b>	<b>\$ 285,772</b>

For the three months ended March 31, 2025, Pasinex recorded a net loss of approximately \$0.9 million (2024 – net income of approximately \$0.3 million). The primary reason for the decrease in net income was the decrease in the equity gain in 2025 compared with 2024. The decrease in net income was also affected by higher general and administration costs, due to additional legal costs, and loss on net monetary position, due to Türkiye being a hyper inflationary country.

### Equity gain from Horzum AS

Horzum AS is considered a joint venture for accounting purposes and as such the Company records its share of net income on one line in the income statement. In the fourth quarter of 2018 an impairment of the Akmetal receivable was recorded. Since the joint venture is equity accounted and because the impairment was so large, the equity loss was capped in the fourth quarter of 2018 so that the investment would not be below zero. The unrecognized loss was applied against equity gains beginning in 2019, and in the fourth quarter of 2022, Pasinex had recognized all of the equity losses recorded in prior years.

**Pasinex Resources Limited**  
**Management's Discussion & Analysis**  
**For the three months ended March 31, 2025**

*Exploration Costs*

Exploration costs represent expenditures incurred at the Gunman Project.

*General and administration costs*

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Consulting fees	\$ 17,200	\$ 59,756
Investor relations	5,997	-
Management fees and salaries	54,000	62,775
Stock option expense	47,500	-
Director fees	24,000	24,000
Office and general	221,495	1,945
Professional fees	104,320	98,317
Transfer agent and regulatory fees	8,869	9,112
Travel and accomodation	11,145	61,758
Other	2,642	-
<b>Total general and adminstrative costs</b>	<b>\$ 497,168</b>	<b>\$ 317,663</b>

General and administrative costs increased year over year due to:

- Higher office and general expenses as a result of increase in legal fees incurred in Türkiye but also included increases in audit and tax services.
- Stock option expense was incurred in Q1, 2025 after options were for granted (2024 - \$Nil).
- These increases were offset by lower travel and accommodation costs and lower consulting fees. The Company wrote off an amount accrued for consulting work that ended up being less than previously estimated. Consulting fees include amounts paid to the Company's general manager and exploration manager located in Türkiye;

*Other (loss) income*

Cash paid by Pasinex Arama to Pasinex Canada is set up as a loan receivable (payable) by Pasinex Arama (Canada). These amounts are eliminated on consolidation. In addition, Pasinex Arama charges Pasinex Canada interest on the loan. The interest expense (income) is also eliminated on consolidation. The amount of the loan can be reduced in the event that Pasinex Arama issues dividends to Pasinex Canada or by repayment of funds from Pasinex Canada to Pasinex Arama.

*Interest expense*

Interest expense increased year over year as the shareholder loan balances increased in 2025.

*Loss on net monetary position*

Türkiye is designated a hyper-inflationary economy for accounting purposes. Accordingly, IAS 29, Financial Reporting in Hyper-Inflationary Economies, was applied to the Company's consolidated financial statements as the Company's Turkish wholly owned subsidiary, Pasinex Arama, uses the Turkish Lira as its functional currency.

As a result, the Company recorded a loss on net monetary position of \$382,243 for the three months ended March 31, 2025 (2024 - loss of \$155,666), which relates to the revaluation of Pasinex Arama's share capital.

---

## Pasinex Resources Limited

### Management's Discussion & Analysis

#### For the three months ended March 31, 2025

##### *Income tax expense*

Pasinex Arama had a small income for income tax purposes after making adjustments for non-taxable dividend income received from Horzum and certain non-deductible expenses. This resulted in a small amount of income taxes being owed.

## Turkish Joint Venture – Horzum AS

### Operating Results

- The average monthly LME zinc price (US\$/lb.) \$ 1.29 for the three months ended March 31, 2025 (2024 - \$ 1.11).
- In Q1, 2025, Türkiye has continued to experience very high inflation. According to the Turkish Statistical Institute, the one-year inflation rate to March 31, 2025, was 38% (2024 – 69%). As a result, Horzum AS continued to experience price pressure on its goods and services, including wages of its labour force.
- The operating performance in Horzum AS decreased in Q1, 2025, compared with 2024, as a result of the no sales in Q1, 2025, and higher costs being incurred, partially offset by higher zinc prices.
- In Q1, 2025, Horzum AS had another zero-fatality quarter at the Pinargozu Mine with a total of fatality free hours having been worked at the Pinargozu Mine of 12,760. Horzum AS reported no serious injuries and three lost-time injuries during the period.
- Horzum AS mined 653 tonnes of zinc product during the first quarter of 2025 (2024 – 1,503), at the Pinargozu mine. The main reason for the decrease in production was a direct result of a decline in the number of working places as a consequence of our JV partner unilaterally stopping underground development to open a new production level where drill results had shown a continuation of anomalous zinc grades at a depth below the existing production level.
- Because of low volumes of ore production, the ore has been stockpiled as inventory, and therefore there were no sales for the quarter ended March 31, 2025. In contrast, in Q1, 2024, 2,986 tonnes of product were sold.
- The following is a reconciliation of the Horzum AS inventory tonnage movements for the three months ended March 31, 2025

---

<b>Three Months Ended March 31, 2025 (Tonnes)</b>	<b>Oxide</b>	<b>Sulphide</b>	<b>Lead</b>	<b>Total</b>
Opening Inventory	213	204		417
Production Net of Waste	-	653	-	653
Sales	-	-	-	-
Ending Inventory	<b>213</b>	<b>857</b>	-	<b>1,070</b>

### Financial Results

Below are the statements of operation for Horzum AS for Q1, 2025 and 2024 with a reconciliation to the Company's equity gain as shown on the Pasinex consolidated financial statements.

**Pasinex Resources Limited**  
**Management's Discussion & Analysis**  
**For the three months ended March 31, 2025**

<b>(100% basis - Canadian dollars)</b>	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Revenue	\$ 170,828	\$ 3,610,140
Cost of sales	-	(2,112,286)
Selling, marketing and other distribution	-	(97,211)
Operating income	170,828	1,400,643
Impairment of Akmetal receivable	-	(3,216,642)
General and administrative expenses	(446,522)	(62,309)
Foreign exchange gain	218,908	3,156,089
Finance expense	-	(16,660)
Deferred tax expense	(4,857)	(84,249)
Gain on net monetary position	173,800	395,307
Other	9,407	-
Current income tax expense	(36,003)	(329,751)
<b>Net income</b>	<b>\$ 85,561</b>	<b>\$ 1,242,428</b>
Pasinex ownership interest	50%	50%
The Company's equity share of net income of joint venture	\$ 42,780	\$ 621,214
Other comprehensive (loss) gain	-	12,264
<b>Pasinex'equity share of other comprehensive gain of joint venture</b>	<b>\$ 42,780</b>	<b>\$ 633,478</b>

*Impairment of Akmetal receivable*

In 2018, the Company performed an assessment resulting in the recording of an impairment of the loan receivable from Akmetal as required by IFRS 9. For further discussion see below – *Akmetal Receivable*. The recording of the impairment does not represent the elimination of the loan receivable and as such the Company continues to expect full repayment of the loan receivable in due course.

Financial condition

*Akmetal receivable*

The total receivable from Akmetal is approximately \$37.7 million as at March 31, 2025 (2024 - \$37.7 million). 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; less the value of ongoing operating expenses paid by Akmetal. The above debt figure does not include certain items like interest on the outstanding debt, interest and penalties, incurred by Horzum AS, on the non-payment of income taxes as a result of not having sufficient cash on hand due to Akmetal not paying its debt to Horzum and certain other debts to Horzum AS.

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 receivable remains written down to zero.

**Liquidity and Financial Position**

As at March 31, 2025, Horzum AS had a receivable owing from Akmetal of approximately \$37.7 million. The above debt figure does not include certain items like interest on the outstanding debt, interest and penalties, incurred by Horzum AS, on the non-payment of income taxes as a result of not having sufficient cash on hand due to Akmetal not paying its debt

---

## Pasinex Resources Limited

### Management's Discussion & Analysis

#### For the three months ended March 31, 2025

to Horzum and certain other debts to Horzum AS.

Pasinex has initiated legal processes to collect the outstanding receivable owed by Akmetal by court action.

Horzum AS's operations continue to generate moderate positive operating income, 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.

### Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

### Commitments and Contingencies

As of the date of this MD&A, the Company has no commitments or contingencies. The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are constantly changing and generally more restrictive. The Company does not believe that there are currently any decommissioning liabilities at its sites, nor subject to known additional environmental liabilities or mitigation measures.

### Share Capital

As of the date of this MD&A, the Company has 144,554,371 issued and outstanding common shares and an aggregate of 9 million stock options outstanding.

### Related Party Transactions

The Company lists its related party transactions in Note 13 of its unaudited condensed interim consolidated financial statements for the quarter ended March 31, 2025.

### Selected Quarterly Financial Information

The following table provides a summary of audited financial data for the last eight quarters:

		Three Months Ended			
		Mar 2025	Dec 2024	Sep 2024	Jun 2024
Equity gain (loss) from joint venture	\$	42,780	(912,565)	112,432	309,802
Consolidated net (loss) income	\$	(888,477)	(2,394,375)	(245,877)	(296,550)
Basic and diluted net (loss) income per share	\$	(0.004)	0.000	0.000	0.000
		Mar 2024	Dec 2023	Sep 2023	Jun 2023
Equity gain (loss) from joint venture	\$	633,478	(328,349)	529,122	821,044
Consolidated net (loss) income	\$	285,772	(797,921)	(270,729)	954,465
Basic and diluted net (loss) income per share	\$	0.002	(0.010)	0.000	0.010

---

## Pasinex Resources Limited

### Management's Discussion & Analysis

#### For the three months ended March 31, 2025

- See *Review of Quarterly Results – Equity Gain* for an explanation of Equity gain. The quarterly equity gains (losses) are calculated by taking 50% of the following calculation. Horzum AS's net income, which includes hyperinflationary adjustments, less dividends issued by Horzum AS.
- Quarterly consolidated net income or loss has varied primarily due to the variability of the equity gain or loss recorded from the joint venture.

## Legal Actions

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 Burosı in Istanbul, Türkiye 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 Türkiye. 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.

As of the date of this MD&A, Pasinex Arama, on behalf of the Joint Venture, has initiated the three following legal actions, with the objective of settling the outstanding receivable owed by Akmetal to Horzum AS.

1. ADANA 3rd COMMERCIAL COURT OF FIRST INSTANCE 2025/273 E.

Subject : Compensation lawsuit filed due to the liability of the defendants.

A lawsuit has been filed requesting the payment of 50,000 USD (reserving the right to claim the remainder) to Horzum A.Ş. for the damages caused by the defendants. The hearing is scheduled for 10 July 2025 at 10:20 AM, and the deadline for submitting a statement of defense has not yet expired.

2. ADANA 3rd COMMERCIAL COURT OF FIRST INSTANCE 2025/158 E.

Subject : Compensation lawsuit based on the liability of board members.

A lawsuit has been filed for the collection of 50,000 USD (reserving the right to claim the remainder), corresponding to the amount exceeding 130,000,000 TRY which is subject to three enforcement proceedings, due to the damages caused by the defendants in their capacity as board members of Horzum A.Ş. In their statement of defense dated 07.04.2025, the defendants argued that: The receivable from Akmetal DT amounts to 130,000,000 TRY, as substantiated by the company's ledgers, balance sheets, all accounting records, and expert reports submitted in the related lawsuits for annulment of objection. All shareholders unanimously decided to initiate three enforcement proceedings to collect the debt, entered into an agreement with an attorney, and signed a legal fee agreement with them. The right of election for the receivable was exercised in Turkish Lira. All board members were discharged in previous general assemblies and therefore cannot be held liable. Even if the case was filed based on board responsibility, the six-month forfeiture period following discharge has lapsed. The statutory limitation periods of 2 to 5 years have also expired as of the date of the final mediation report. Since the claim for 130,000,000 TRY is already the subject of three separate enforcement proceedings, the principle of "Lis pendens" applies. As the claim amount is determinable, a "lawsuit for an unquantified receivable" cannot be filed. They also raised all objections related to interest rate and accrual date. As of now, the exchange of pleadings is still ongoing, and a hearing date has not yet been scheduled.

3. ADANA 3rd COMMERCIAL COURT OF FIRST INSTANCE 2024/284 E.

Subject : Request for appointment of a trustee to the management of Horzum A.Ş.

A lawsuit was filed with a request for interim relief, seeking the appointment of a trustee ("management kayyım") to Horzum A.Ş., of which Pasinex holds a 50% share, with authority limited to making due and necessary payments for Horzum AS's ongoing operations, setting the agenda for the General Assembly, convening the General Assembly meeting, and exercising all executive powers through sole signature to ensure the company's continued functioning during this process. By decision dated 13.11.2024, numbered 2024/284 E. - 2024/711 K., the court accepted the claim and ordered the appointment of a trustee to Horzum A.Ş. This decision has been appealed by the defendant Akmetal Madencilik San. ve Tic. A.Ş. The appointed trustees are Prof. Dr. Ömer Korkut, Ahmet Ferit Savaşçı, and Ahmet Yüksel.

---

## **Pasinex Resources Limited**

### **Management's Discussion & Analysis**

#### **For the three months ended March 31, 2025**

The court ruled that: The company shall be represented by the joint signatures of at least two board members in all transactions. All binding or disposal acts by the company's registered operating managers (as of 09.10.2023) shall require approval by at least two board members to be valid. The trustee board's management and representation authority shall end either when the company appoints new board members via general assembly, or on 31.12.2025, whichever comes first. Regardless of the termination conditions, Ahmet Ferit Savaşçı and Ahmet Yüksel are authorized individually to register the start and end of the trustee board's mandate with the trade registry. Until the judgment becomes final, the court ruled that the trustee board appointed by the interim decision dated 02.05.2024 shall continue to hold management and representation powers. The case is currently under appellate review by the 9th Civil Chamber of the Adana Regional Court of Justice, file no 2025/308 E.

In addition, Pasinex has submitted requests for auxiliary intervention in three pending lawsuits, as follows:

#### **1. ADANA 1st COMMERCIAL COURT OF FIRST INSTANCE 2023/162 E.**

Subject : Lawsuit for annulment of objection regarding enforcement file no. 2021/31558 E.

In relation to Horzum A.Ş.'s receivable from Akmetal Dış Ticaret ("Akmetal DT"), an enforcement proceeding was initiated for the amount of TRY 20,000,000, pertaining to the enforcement file numbered 2021/31558 E. of the Adana General Enforcement Office, with the reservation of rights to claim the remaining amount. Following the objection raised by the debtor, a lawsuit for the annulment of the objection was filed. As a result of the proceedings, a decision was rendered on 03.04.2024, and the court ruled in favor of the plaintiff by annulling the defendant's objection to the enforcement file numbered 2021/31558 E. of the Adana General Enforcement Office, allowing the continuation of the enforcement proceedings, applying variable advance interest rates on the principal amount as of the date of enforcement, and awarding compensation of TRY 4,000,000, which corresponds to 20% of the principal claim, to be paid by the defendant to the plaintiff. This decision has been appealed by the defendant debtor, and the appeal is currently pending before the 9th Civil Chamber of the Adana Regional Court of Appeal under file number 2024/1349 E. With respect to this lawsuit for the annulment of the objection, we submitted a petition for auxiliary intervention on 28.05.2024, stating that the receivable is not in Turkish Lira, that the invoices were issued in foreign currency, that the enforced amount represents only a portion of the actual receivable, and that the total claim amounts to approximately USD 32 million. The case is still under appellate review.

#### **2. ADANA 3rd COMMERCIAL COURT OF FIRST INSTANCE 2023/778 E.**

Subject : Lawsuit for annulment of objection regarding enforcement file no. 2022/23044 E.

Regarding Horzum A.Ş.'s receivable from Akmetal DT, an enforcement proceeding was initiated before the Adana General Enforcement Office, under file no 2022/23044 E., for 50,000,000 TRY, with the note that rights to claim the remaining receivables are reserved. Following the defendant's objection, an action for annulment of objection was filed. In this lawsuit, it was asserted that: the actual receivable is not in TRY, but in foreign currency, the invoices were issued in foreign currency, the amount subject to enforcement represents only a portion of the receivable, the actual total debt is approximately 32 million USD. On 21 May 2024, our client submitted a petition for third-party intervention in support of the plaintiff. Following the trial, a judgment was issued on 26 February 2025, whereby: the court accepted the claim, the defendant's objection in enforcement file no 2022/23044 was overruled, the enforcement proceedings were allowed to continue, The defendant was ordered to pay 10,000,000 TRY as bad faith compensation (icra inkar tazminatı) to the plaintiff. The reasoned judgment has been electronically served on the parties, but the appeal period has not yet expired.

#### **3. ADANA 1st COMMERCIAL COURT OF FIRST INSTANCE 2023/538 E.**

Subject : Lawsuit for annulment of objection regarding enforcement file no. 2021/53239 E.

Regarding Horzum A.Ş.'s receivable from Akmetal DT, an enforcement proceeding was initiated before the Adana General Enforcement Office, under file no 2021/53239 E., for 60,000,000 TRY, with the note that rights to claim the remaining receivables are reserved. Following the defendant's objection, an action for annulment of objection was filed. In this lawsuit, it was asserted that the receivable is not in TRY, that the invoices were issued in foreign currency, that the amount subject to enforcement represents only a portion of the receivable, and that the actual total debt is approximately 32 million USD. On 28 May 2024, our client submitted a petition for third-party intervention in support of the plaintiff. Following the trial, a judgment was issued on 26 February 2025, whereby the court accepted the claim, overruled the defendant's objection in enforcement file no 2021/53239 E., and allowed the enforcement proceedings to

---

## **Pasinex Resources Limited**

### **Management's Discussion & Analysis**

#### **For the three months ended March 31, 2025**

continue. The court also ruled that 12,000,000 TRY, corresponding to 20% of the adjudicated amount, be paid by the defendant to the plaintiff as compensation. The reasoned judgment has been electronically served on the parties, but the appeal period has not yet expired.

### **Risks and Uncertainties**

The Company's business contains significant risk due to the nature of mining, exploration and development activities. In addition to the usual risks associated with an investment in a junior resource company, management and the directors of the Company believe that, in particular, the following risk factors should be considered by prospective investors. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors below that have affected, and which in the future are reasonably expected to affect the Company and its financial position.

Additional risks and uncertainties are discussed in greater detail in the Company's Management Discussion and Analysis for the year ended December 31, 2024, available on [www.sedarplus.ca](http://www.sedarplus.ca).

### **Use of Accounting Judgments and Estimates**

The Company prepares its consolidated financial statements in conformity with IFRS Accounting Standards. The preparation of the Company's consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Material accounting policy information and critical accounting estimates and judgments are described in Notes 3 and 4 of the Company's audited consolidated financial statements for the year ended December 31, 2024.

### **Disclosure of Internal Controls**

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

---

## **Pasinex Resources Limited**

### **Management's Discussion & Analysis**

#### **For the three months ended March 31, 2025**

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

### **Management's Responsibility for Financial Information**

The Company's financial statements are the responsibility of the Company's management and have been approved by the board of directors. The consolidated financial statements were prepared by the Company's management in accordance with IFRS Accounting Standards. The consolidated financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner in order to ensure the financial statements are presented fairly in all material respects.

### **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 MD&A. Mr. Challis is a director of the Company and Chair of the Pasinex Arama.

### **Additional Information**

Additional information about the Company can be found on their Disclosure Hall page at [www.cnsx.ca](http://www.cnsx.ca), the Company's website at [www.pasinex.com](http://www.pasinex.com), or on [www.sedar.com](http://www.sedar.com).

June 25, 2025

"Larry Seeley"

Larry Seeley  
Executive Chairman

"Ian Atacan"

Ian D. Atacan  
Director and Chief Financial Officer