



PASINEX RESOURCES LIMITED

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2013

*These condensed interim financial statements have not been
reviewed by the Company's auditors*

(Unaudited - Expressed in Canadian Dollars)

Pasinex Resources Limited

(An exploration stage company)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian dollars)

	March 31, 2013	December 31, 2012
	(Unaudited)	(Audited)
Assets		
Current		
Cash and cash equivalents	\$ 208,980	\$ 496,927
HST/VAT receivable	100,665	102,146
Other receivables (Note 7)	522	15,850
Prepaid expenses and deposits (Note 15)	30,582	14,679
Marketable securities (Note 5)	96,454	187,477
	437,203	817,079
Investment in joint venture (Note 10)	32,758	34,763
Equipment (Note 9)	81,456	81,909
Exploration and evaluation assets (Note 11)	913,729	710,892
	\$ 1,465,147	\$ 1,644,643
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 40,996	\$ 39,051
Due to related parties (Note 15)	192,745	214,141
	233,741	253,192
Shareholders' equity		
Share capital (Note 12)	5,053,392	4,985,681
Reserves (Note 12)	991,424	996,535
Deficit	(4,808,521)	(4,585,875)
Accumulated other comprehensive (loss)	(4,890)	(4,890)
	1,231,405	1,391,451
	\$ 1,465,146	\$ 1,644,643

Approval on behalf of the Board of Directors:

"Steven Williams"

Director

"David Hodge"

Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Pasinex Resources Limited

(An exploration stage company)

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

For the three months ended March 31,

(Unaudited - Expressed in Canadian dollars)

	2013	2012
Expenses		
Administrative fees (Note 15)	\$ 37,500	\$ 15,000
Advertising and promotions	26,455	5,587
Amortization	5,641	3,317
Consulting and management fees (Note 15)	139,875	79,096
Office and general	9,569	19,886
Professional fees	6,959	38,508
Project investigation costs	1,174	143,697
Transfer agent and regulatory authorities fees	3,391	2,174
Travel and meals	26,354	11,846
	(256,918)	(319,111)
Other income (expenses)		
Unrealized gain (loss) on marketable securities	130,000	45,000
Interest income	2,276	-
Other income	215	43
Loss on disposition of marketable securities	(99,804)	-
Equity loss of affiliates (Note 11)	(2,342)	-
Foreign exchange gain (loss)	3,927	1,324
Impairment of mineral properties	-	(169,460)
	34,272	(123,093)
Loss before income tax provision	(222,646)	(442,204)
Income tax recovery (expenses)	-	18,750
Net loss for the period	(222,646)	(423,454)
Other comprehensive loss		
Currency translation adjustment	-	(1,726)
Comprehensive loss for the period	(222,646)	(425,180)
Basic and diluted loss per share	\$ (0.00)	\$ (0.02)
Weighted average number of common shares outstanding		
– basic and diluted	49,133,489	26,014,888

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Pasinex Resources Limited

(An exploration stage company)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited - Expressed in Canadian dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Accumulated Other Comprehensive (Loss)	Total
Balance, January 1, 2012	24,611,956	\$ 2,673,250	\$ 751,465	\$ (3,150,470)	\$ -	\$ 274,245
Private placement (Note 12)	20,765,149	2,076,515	-	-	-	2,076,515
Share issued for asset acquisition (Note 4)	2,770,000	277,000	-	-	-	277,000
Share issue costs (Note 12)	-	(197,157)	79,755	-	-	(117,402)
Currency translation adjustment	-	-	-	-	(1,726)	(1,726)
Net loss for the year	-	-	-	(423,453)	-	(423,453)
Balance, March 31, 2012	48,147,105	4,829,608	831,220	(3,573,923)	(1,726)	2,085,179
	Number of Shares	Share Capital	Reserves	Deficit	Accumulated Other Comprehensive (Loss)	Total
Balance, January 1, 2013	51,447,105	\$ 4,985,681	\$ 996,535	\$ (4,585,875)	\$ (4,890)	\$ 1,391,451
Shares issued for property acquisition (Note 11)	550,000	55,000	-	-	-	55,000
Agent options exercised	76,000	12,711	(5,111)	-	-	7,600
Net loss for the period	-	-	-	(222,646)	-	(222,646)
Balance, March 31, 2013	52,073,105	\$ 5,053,392	\$ 991,424	\$ (4,808,521)	\$ (4,890)	\$ 1,231,405

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Pasinex Resources Limited

(An exploration stage company)

Condensed Interim Consolidated Statements of Cash Flows

For the three months ended March 31,

(Unaudited - Expressed in Canadian dollars)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) for the period	\$ (222,646)	\$ (423,453)
Adjustment for items not involving cash:		
Unrealized gains on marketable securities	(30,000)	(45,000)
Amortization	5,641	3,317
Impairment of mineral property	-	169,460
Equity loss of affiliates	2,341	-
Exchange difference on translation	-	-
Deferred income tax (recovery) expenses	-	(18,750)
Project investigation costs	-	123,923
Changes in non-cash operating working capital:		
HST/VAT receivable	1,971	(16,766)
Other receivables	15,331	(574)
Prepaid expenses and deposits	(22,983)	(173,386)
Accounts payable and accrued liabilities	1,831	(83,872)
Due to related parties	(12,954)	27,265
Net cash flows from (used in) operating activities	(261,438)	(437,836)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Exploration and evaluation assets	(148,576)	(53,814)
Equipment acquisitions	(4,995)	(69,466)
Proceeds from disposal of marketable securities	100,000	-
Disposition of mutual funds	21,483	-
Cash acquired from asset acquisition, net of \$17,000 cash paid	-	125,538
Net cash flows from (used in) investing activities	(32,088)	2,258
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of shares for cash, net of share subscription receivable	7,600	1,926,515
Share issue costs	-	(117,402)
Net cash flows from (used in) financing activities	7,600	1,809,113
Increase (decrease) in cash and cash equivalents	(285,926)	1,373,535
Effect of exchange rate on cash and cash equivalents	(2,404)	(1,031)
Cash and cash equivalents, beginning of period	496,927	26
Cash and cash equivalents, end of period	\$ 208,980	\$ 1,372,530

Supplemental disclosure with respect to cash flows (Note 16)

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Pasinex Resources Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2013

(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Pasinex Resources Limited (formerly Triple Dragon Resources Inc.) (“Pasinex” or the “Company”) is a publicly listed company incorporated in British Columbia on February 21, 2006, and on August 4, 2006, it continued out of British Columbia and into the British Virgin Islands. On September 21, 2006, the Company changed its principal business activity and developed its business plan to enter the convention industry principally in Macau. On July 10, 2008, in connection with the change of control, the Company continued into British Columbia as a mineral exploration company in the exploration stage, engaged in the acquisition, exploration and development of mineral properties. On February 1, 2012, the Company purchased all the assets of 0886183 B.C. LTD. (a private company incorporated in British Columbia) which included a company in Turkey, Pasinex Arama ve Madencilik A.S. (“Pasinex Arama”). On March 2, 2012, the Company’s major shareholder sold 19% of the Company’s issued and outstanding share capital to a total of three individuals, effectively changing control of the Company. The Company’s shares are listed on the Canadian National Stock Exchange (“CNSX”) under the symbol “PSE” and on the Frankfurt Stock Exchange (“FSE”) under the symbol “PNX”. The Company changed the fiscal year end from March 31st to December 31st, effective December 31, 2012.

The head office, principal address and registered and records office of the Company are located at 1450 – 789 West Pender, Vancouver, BC, Canada, V6C 1H2.

These consolidated financial statements were authorized for issue by the Audit Committee and Board of Directors on May 29, 2013.

2. GOING CONCERN

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which 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.

Several adverse conditions cast substantial doubt on the validity of this assumption. The Company is in the exploration stage and, accordingly, has not yet commenced revenue-producing operations. The Company has incurred losses since inception and the Company has an accumulated deficit as at March 31, 2013 of \$4,808,521 (December 31, 2012 - \$4,585,875). The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing required to maintain its operations, and to ultimately attain future profitable operations. Management expects the Company to continue as a going concern and plans to meet any financing requirements through equity financing and seeking other business opportunities to expand the Company’s operations. The outcome of these matters cannot be predicted at this time and there are no assurances that the Company will be successful in achieving its goals. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The application of the going concern concept is dependent upon the Company’s ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management’s plan will be successful.

If the going concern assumption were not appropriate for these consolidated financial statements then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used. Such adjustments could be material.

3. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed interim consolidated statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting.

Pasinex Resources Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2013

(Unaudited - Expressed in Canadian Dollars)

3. BASIS OF PRESENTATION (continued)

a) Statement of Compliance (continued)

The policies applied in these condensed interim consolidated financial statements are consistent with policies disclosed in Note 4 of the financial statements for the nine months ended December 31, 2012. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the nine months ended December 31, 2012.

b) Basis of Measurement

These consolidated financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are measured at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

c) Use of Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and related disclosure.

Judgement is used mainly in determining how a balance or transaction should be recognized in the consolidated financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. Actual results may differ from these estimates.

Significant areas where management's judgement has been applied include:

- Classifying categories of financial assets and financial liabilities in accordance with IAS 39, *Financial instruments: recognition and measurement*; and
- Evaluating if the criteria for recognition of provisions and contingencies are met in accordance with IAS 37, *Provisions, contingent liabilities and contingent assets*.

Significant areas requiring the use of management estimates and assumptions include:

- The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest;
- The inputs used in assessing the recoverability of deferred tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income;
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the year;
- The estimated useful lives of equipment and the related depreciation;
- The inputs used in accounting for share-based payment expenses; and
- The uncertainty of dealing in a foreign country.

Principles of consolidation

The consolidated financial statements include the financial statements of Pasinex and its subsidiaries listed below:

	Jurisdiction	Nature of Operations	Equity Interest	
			March 31, 2013	December 31, 2012
0886183 B.C. Ltd.	BC, Canada	Holding company	100%	100%
Pasinex Arama	Turkey	Mineral exploration	99.9975%	99.9975%

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. 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.

Pasinex Resources Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2013

(Unaudited - Expressed in Canadian Dollars)

4. ASSET PURCHASES

Effective February 1, 2012, the Company acquired all the assets of 0886183 B.C. Ltd. for a total consideration of \$294,000, which comprised \$17,000 in cash and 2,770,000 common shares of the Company at the fair value of \$0.10 per share. The acquisition does not meet the definition of a business in accordance with IFRS 3 *business combinations* and is considered as a reimbursement of cash advanced and expenditures incurred by the owners of 0886183 B.C. Ltd. since its incorporation. The expenditures included equipment, prepaid and deposits, the ownership of Pasinex Arama, a newly incorporated company in Turkey (which consisted of equipment and certain liabilities) and project investigation costs. The total purchase price is allocated to cash acquired and expenditures incurred by the owners of 0886183 B.C. Ltd. as follows:

Purchase price:	
Cash (paid)	17,000
Shares (2,770,000 shares issued at \$0.10 per share)	277,000
Total consideration	<u>\$ 294,000</u>

Allocated to:	
Cash	\$ 142,538
Equipment	27,026
Deposit and other receivable	2,169
Trades payable	(1,656)
Project investigation costs *	123,923
Total cash and expenditures acquired	<u>\$ 294,000</u>

* Project investigation costs were written off and charged to the Company's operating expenses during the year ended March 31, 2012.

5. MARKETABLE SECURITIES

	March 31, 2013		December 31, 2012	
	Cost	Fair Market Value	Cost	Fair Market Value
	\$	\$	\$	\$
Public traded securities (a)	100,000	80,000	300,000	150,000
Mutual Funds	16,454	16,454	37,314	37,477
Total	116,454	96,454	337,314	187,477

(a) During the year ended March 31, 2011, the Company received 3,000,000 common shares of Lakeland Resources Inc. ("Lakeland") pursuant to the sale of the CAM property. Lakeland is a junior mineral exploration company listed on the TSX Venture Exchange ("TSX-V"). The 3,000,000 common shares were issued on August 19, 2010, and are subject to an escrow agreement. 10% of the shares were released from escrow on August 19, 2010, and tranches of 15% were released every six months. As at March 31, 2013, 450,000 (December 31, 2012 - 900,000) common shares remained in escrow.

On March 22, 2013, the Company sold 2,000,000 shares of their investment in Lakeland at \$0.05 per share, in private transactions, to three individuals for proceeds of \$100,000.

The fair value of the common shares is measured using the closing market price of \$0.08 as at March 31, 2013 (December 31, 2012 - \$0.05).

Pasinex Resources Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2013

(Unaudited - Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES

In accordance with IFRS, the Company shall disclose the comparison of carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements. As of March 31, 2013 and December 31, 2012, the fair values of the financial assets and liabilities approximate their carrying amounts.

- Cash and cash equivalents, other receivables, accounts payable and accrued liabilities, and due to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments;
- Marketable securities are measured at fair value based on price quotations at the reporting date.

The Company classifies its financial instruments using a fair value hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company's investments. The hierarchy of inputs and description of inputs is described as follows:

Level 1 – fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – fair values are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or

Level 3 – fair values are based on inputs for the asset or liability that are not based on observable market data, which are unobservable inputs.

	Assets measured at fair value as at March 31, 2013			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
At fair value through profit or loss				
Cash and cash equivalents	208,980	-	-	208,980
Marketable securities	96,454	-	-	96,454
	305,434	-	-	305,434

	Assets measured at fair value as at December 31, 2012			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
At fair value through profit or loss				
Cash and cash equivalents	496,927	-	-	496,927
Marketable securities	187,477	-	-	187,477
	684,404	-	-	684,404

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein. A discussion of the Company's use of financial instruments and their associated risk is provided below:

Pasinex Resources Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2013

(Unaudited - Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

a) Credit Risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. Management believes that the credit risk with respect to receivables is remote. The Company mitigates credit risk on these financial instruments by adhering to its investment policy that outlines credit risk parameters and concentration limits.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Company's holdings of cash that might be raised from equity financings. As at March 31, 2013, the Company had a cash balance of \$208,980 (December 31, 2012- \$496,927) and current liabilities of \$233,741 (December 31, 2012 - \$253,192). All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Company believes that these sources will be sufficient to cover the expected short and long term cash requirements

c) Market Risk

Market risk consists of currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

i) Currency Risk - Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the exploration stage and has not yet developed commercial mineral interests, the underlying commodity price for minerals is impacted by changes in the exchange rate between the Canadian and United States dollar. Foreign currency risk also arises from the fluctuation in currency exchange between the Canadian dollar and TRY. The Company is exposed to currency risk with regards to its TRY denominated financial assets and financial liabilities. The Company has not entered into financial instruments to hedge against this risk. A 1% strengthening in Canadian dollar against TRY would have a before-tax effect of \$500 increase in accumulated other comprehensive income, based on amounts held at March 31, 2013 (December 31, 2012 - \$850).

ii) Interest Rate Risk - Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is currently not exposed to interest rate risk.

The Company manages its common shares, stock options and warrants as capital. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. It is the Company's objective to safeguard its ability to continue as a going concern, so that it can continue to explore and develop its project for the benefit of its stakeholders. The Company is not subject to any externally imposed capital requirement.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the exploration and development of its mineral properties. The Board of Directors has not established quantitative capital structure criteria for management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business. The properties in which the Company currently has interest are in the exploration stage and the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. In order to facilitate the management of capital and maintenance and development of future mining sites, the Company may issue new equity, incur additional debt, option its properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. The Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

Pasinex Resources Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2013

(Unaudited - Expressed in Canadian Dollars)

7. OTHER RECEIVABLES

The Company's current other receivable consists of:

	March 31, 2013	December 31, 2012
Share subscription receivable (Note 12)	\$ -	\$ 15,500
Other receivables	522	350
	\$ 522	\$ 15,850

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities of the Company are due to service providers, mainly including management fees, professional fees and consulting fees.

The Company's accounts payable and accrued liabilities consist of:

	March 31, 2013	December 31, 2012
Accounts payable	\$ 40,996	\$ 39,051
Accrued liabilities	-	-
	\$ 40,996	\$ 39,051

9. EQUIPMENT

Cost	Fixtures and Equipments	Vehicles	Computer Software	Total
March 31, 2012	\$ 59,518	\$ 30,856	\$ 5,746	\$ 96,120
Additions/Disposals	5,477	(2,723)	-	2,754
December 31, 2012	\$ 64,995	\$ 28,133	\$ 5,746	\$ 98,874
Additions	4,995	-	-	4,995
March 31, 2013	\$ 69,990	\$ 28,133	\$ 5,746	\$ 103,869
Accumulated depreciation				
March 31, 2012	\$ 133	\$ 311	\$ 2,873	\$ 3,317
Additions	7,973	2,801	2,873	13,647
December 31, 2012	\$ 8,106	\$ 3,112	\$ 5,746	\$ 16,964
Additions	3,992	1,456	-	5,448
March 31, 2013	\$ 12,098	\$ 4,569	\$ 5,746	\$ 22,413
Net book value				
March 31, 2012	\$ 59,385	\$ 30,545	\$ 2,873	\$ 92,803
December 31, 2012	\$ 56,889	\$ 25,021	\$ -	\$ 81,909
March 31, 2013	\$ 57,892	\$ 23,564	\$ -	\$ 81,456

Pasinex Resources Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2013

(Unaudited - Expressed in Canadian Dollars)

10. JOINT VENTURE WITH AKMETAL

On June 28, 2012, the Company, through its wholly-owned Turkish subsidiary, Pasinex Arama, signed a non-binding Letter of Intent (“LOI”) with a Turkey based miner, Akmetal Madencilik Sanayi ve Ticaret A.S. (“Akmetal”), to form a 50 / 50 joint venture to explore for zinc and other associated commodities in the region between and around Horzum and Tufanbeyli, Adana Province, Turkey. Under the terms of the LOI it is proposed that a new joint venture company will be formed and held 50 / 50 by the two parties and will be controlled by a board consisting of equal representatives of both Pasinex and Akmetal. Both partners will equally fund exploration and other general costs associated to the joint venture’s course of business.

On October 29, 2012, the new joint venture company, Horzum Arama ve Isletme AS (“Joint Venture”), was formed while the Joint Venture Agreement had not been substantiated. On January 17, 2013, Pasinex Arama and Akmetal signed the Joint Venture Agreement effective the same day.

The initial capital of the new joint venture company was determined to be a total of TRY 500,000 and Pasinex Arama is obligated for 50% of the total, being TRY 250,000. As at March 31, 2013, Pasinex Arama has paid TRY 62,500 (December 31, 2012: CAD\$34,763; March 31, 2012: nil) toward the total required capital. The investment in the joint venture is accounted for using the equity method. Accordingly, the investment has been adjusted for \$2,342 of equity loss.

See also Note 11.

Pasinex Resources Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2013

(Unaudited - Expressed in Canadian Dollars)

11. EXPLORATION AND EVALUATION ASSETS

The following schedule shows the property spending for the three months ended March 31, 2013 and the nine months ended December 31, 2012:

	Murray Property	May Property	Burnt Island	Staircase Claims	Horzum JV Properties	Dadak Property	Golcuk Property	Turkey Other Properties	Total
Balance, March 31, 2012	\$174,366	\$50,501	\$66,230	\$ -	\$ -	\$ -	\$ -	\$ 35,394	\$326,491
Prepayment and deposits for mining claims	-	-	-	-	70,019	8,326	92,357	12,113	182,815
Property exploration costs									
Assays	-	-	-	-	12,739	43,408	4,625	2,835	63,607
Drilling	-	-	-	-	-	-	16,686	-	16,686
Fees	-	-	-	-	51,547	3,098	15,675	821	71,141
Field supplies and rentals	-	-	-	-	2,046	836	3,152	153	6,187
Geological and field personnel	-	-	-	-	25,387	-	36,356	585	62,328
Maps and reports	-	-	-	10,430	-	-	-	-	10,430
Miscellaneous	-	-	-	-	10,373	1,708	9,272	2,618	23,971
Travel and accommodation	-	-	-	-	10,592	2,563	6,827	3,914	23,896
Total additions during the period	-	-	-	10,430	112,684	51,613	92,593	10,926	278,246
Impairment of mineral properties	-	-	(66,230)	(10,430)	-	-	-	-	(76,660)
Balance, December 31, 2012	\$174,366	\$50,501	\$ -	\$ -	\$ 182,703	\$ 59,939	\$ 184,950	\$ 58,433	\$ 710,892
Prepayment and deposits for mining claims	-	-	-	-	2,611	435	2,614	2,175	7,835
Additions during the period –									
Acquisition costs – shares issued	-	-	-	-	-	-	55,000	-	55,000
Property exploration costs									
Assays	-	-	-	-	147	1,052	3,144	-	4,343
Drilling	-	-	-	-	57	-	35,101	-	35,158
Fees	-	-	-	-	22,836	3,989	26,820	417	54,062
Field supplies and rentals	-	-	-	-	59	-	355	-	414
Geological and field personnel	-	-	-	-	412	56	9,538	-	10,006
Miscellaneous expenses	-	-	-	-	7,355	713	5,714	-	13,782
Travel and accommodation	-	-	-	-	6,117	1,545	14,575	-	22,237
Total additions during the period	-	-	-	-	36,983	7,355	150,247	417	195,002
Balance, March 31, 2013	\$174,366	\$50,501	\$ -	\$ -	\$ 222,297	\$ 67,729	\$ 337,811	\$ 61,025	\$ 913,729

Pasinex Resources Limited

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For the three months ended March 31, 2013

(Unaudited - Expressed in Canadian Dollars)

11. EXPLORATION AND EVALUATION ASSETS (continued)

Properties Held in Turkey

On May 14, 2012, the Company acquired, through staking, seven properties in Turkey: Dadak, Bereket, Bahceli, Kuplce, Bursa 1, Bursa 2a and Bursa 2b. The properties are located within the Turkish Provinces of Afyon, Artvin, and Bursa, and were acquired for the potential to host base and precious metals.

Horzum JV Properties

During the three months ended March 31, 2013, the Company, through Pasinex Arama, acquired 6 properties in the vicinity of Horzum, Adana province, Turkey as part of the "Horzum generative" zinc exploration program, in addition to the 8 properties acquired during the nine months ended December 31, 2012. These properties were acquired to be included in the 50 / 50 joint venture with Akmetal and cover approximately 8,650 hectares within the Horzum area of Adana Province. During the three months ended March 31, 2013, \$2,611 (2012 - \$70,019) in license fees and \$36,983 (2012 - \$112,684) in exploration costs have been spent on these properties. The transfer of the licenses from Pasinex Arama to the joint venture company is still ongoing. See also Note 10.

Golcuk Property

On July 19, 2012, the Company signed an option agreement with Eurasian Minerals Inc. ("Eurasian") and its wholly owned Turkish subsidiary, Eurasia Madencilik Ltd. STI, whereby Pasinex, through its wholly owned Turkish subsidiary, Pasinex Arama, can acquire a 100%-interest in the Golcuk Property ("Golcuk") located in northeast Turkey. Under the Agreement, Golcuk will be forthwith transferred to Pasinex Turkey.

As consideration, upon granting of the mining obligation extension, Pasinex will issue to Eurasian Pasinex common shares as follows:

- (i) 500,000 shares within five (5) days after the granting of the extension (the "Initial Issuance Date") (issued);
- (ii) 500,000 common shares on the one year anniversary of the Initial Issuance Date;
- (iii) 1,000,000 common shares on the two year anniversary of the Initial Issuance Date; and
- (iv) 1,000,000 common shares on the three year anniversary of the Initial Issuance Date.

Eurasian will retain a 2.9% Net Smelter Royalty on Golcuk which Pasinex has the option of buying down to 2% within six years of the Agreement date for consideration of \$1,000,000.

Additionally, Pasinex will be required to complete minimum work commitments on the project as follows:

- (i) \$200,000 before the one year anniversary of the date of the transfer of Golcuk to Pasinex Turkey (the "Completion Date");
- (ii) \$250,000 before the two year anniversary of the Completion Date; and
- (iii) \$250,000 before the end of the four year anniversary of the Completion Date.

Golcuk is classified as an operational license under the Turkish government mining regulations. As such, the property requires, at a minimum, a small-scale mining operation to be carried out each year in order to satisfy its operational license, and each year, the project must process approximately 900 tonnes of ore. On the completion and acceptance of the Agreement, Pasinex was to file a request for a one-year extension in regard to the Company's small-scale mining obligation to the Turkish government. However, Pasinex applied for and obtained an Open Pit Application and management has determined that the granting of the Open Pit Application would replace the one-year extension requirement of the original option Agreement. The Company entered into an Amending Agreement with Eurasian to waive the holiday requirement and the right to terminate the agreement. The Golcuk property was transferred to Pasinex in September 2012.

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11. EXPLORATION AND EVALUATION ASSETS (continued)

Properties Held in Canada

As at March 31, 2013 and December 31, 2012, the Company continues to hold the following properties in Canada:

Murray Property

The Company acquired a 100% interest in one mineral claim northeast of Yellowknife, Northwest Territories, known as the Murray Property pursuant to a Mineral Property Acquisition Agreement dated April 17, 2008, between the Company and Zimtu Capital Corp. ("Zimtu"). The Company acquired the Property for \$15,509 cash. There was a 1% net smelter return royalty and a 1% gross overriding royalty on the Property, in favour of the original vendor of the property, which was relinquished on May 7, 2009. Zimtu is a related party to the Company by virtue of a common director and officer, as well as by virtue of its controlling share position in the Company.

May Property

On May 14, 2009, the Company acquired a 100% interest in a mineral lease comprising approximately 100.5 acres in the Northwest Territories known as the May Property from a third party. The May Property was acquired for total consideration of \$5,500 cash (paid) and the issuance of \$10,000 of common shares (issued) of the Company on May 14, 2010, and a further \$15,000 of common shares of the Company to be issued by May 14, 2011 (issued). There is a 2% net smelter return royalty on the Property payable to the Vendor upon the commencement of commercial production.

Burnt Island Property

On August 11, 2009, the Company entered into a Mineral Property Option Agreement ("Agreement") to purchase a 100% interest in two mineral claims in the Gordon Lake area of the Northwest Territories, known as the Burnt Island Property. Per the Agreement, the Company shall pay to the Vendor the following:

- \$10,000 cash within 5 days of signing the agreement (paid)
- \$10,000, in either cash or shares, for every year that the Company holds the option (\$10,000 paid August 11, 2010 and \$10,000 paid February 9, 2012).

There is a 3% net smelter return royalty on the Property payable to the Optionor upon commencement of production.

During the nine months ended December 31, 2012, the Company began the process to return the lease to the vendor and wrote off the property. On April 29, 2013, the lease was legally transferred back to the vendor.

12. SHARE CAPITAL

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

b) Issued:

During the three months ended March 31, 2013

On February 4, 2013, 76,000 agent warrants were exercised at \$0.10 per share, for gross proceeds of \$7,600. A total of \$5,111 was reversed out of reserves and credited to share capital in relation to the option exercise.

On February 12, 2013, the Company issued 500,000 common shares to Eurasian, valued at \$50,000, in accordance with the Golcuk Property agreement (see Note 11). The Company also issued 50,000 common shares to Zimtu Capital Corp., valued at \$5,000, for finder's fees in accordance with the Golcuk Property agreement.

Pasinex Resources Limited

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For the three months ended March 31, 2013

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12. SHARE CAPITAL (continued)

b) Issued (continued):

During the nine months ended December 31, 2012

On December 22, 2012, the Company completed a non-brokered private placement of 3,300,000 units at a price of \$0.10 per unit for gross proceeds of \$330,000. Each unit is comprised of one common share and one half of one share purchase warrant. Each whole warrant is exercisable into one common share at an exercise price of \$0.15 per share for a period of two years from closing. The fair value of the shares at the date of issuance is \$0.05, therefore the unit price is greater than the fair value of the shares. The difference between gross proceeds and the estimated fair market value of the shares of \$165,000 was allocated to the share purchase warrants and recorded as reserves. The Company paid finder's fees of \$8,612 in connection with the private placement and issued 9,160 agent warrants, priced at \$0.15 and expiring on December 21, 2014 (see Note 12e). Of the gross proceeds, \$15,500 was received subsequent to December 31, 2012.

c) Shares held in escrow:

As at March 31, 2013, there are 2,850,000 common shares of the Company held in escrow (December 31, 2012: 3,562,500).

d) Warrants:

Warrant transactions and the number of warrants outstanding are summarized as follows:

	March 31, 2013		December 31, 2012	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	1,650,000	\$ 0.15	-	-
Issued	-	-	1,650,000	\$ 0.15
Balance, end of period	1,650,000	\$ 0.15	1,650,000	\$ 0.15

The following warrants were outstanding and exercisable at March 31, 2013:

Expiry Date	Exercise Price	March 31, 2013
December 21, 2014	\$0.15	1,650,000
Weighted average outstanding life of warrants		1.73 years

Pasinex Resources Limited

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12. SHARE CAPITAL (continued)

e) Agent Warrants:

Warrant transactions and the number of warrants outstanding are summarized as follows:

	March 31, 2013		December 31, 2012	
	Number of Agent Warrants	Weighted Average Exercise Price	Number of Agent Warrants	Weighted Average Exercise Price
Balance, beginning of year	1,195,171	\$ 0.10	1,186,011	\$ 0.10
Granted	-	-	9,160	\$ 0.15
Exercised	(76,000)	\$ 0.10	-	-
Expired	(1,110,011)	\$ 0.10	-	-
Balance, end of period	9,160	\$ 0.15	1,195,171	\$ 0.10

The following agent warrants were outstanding and exercisable at March 31, 2013 and December 31, 2012:

Expiry Date	Exercise Price	Number of Agent's Warrants	
		March 31, 2013	December 31, 2012
March 9, 2013	\$0.10	-	1,186,011
December 21, 2014	\$0.15	9,160	9,160
Total		9,160	1,195,171
Weighted average outstanding life of warrants		1.73 years	0.94 years

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its agent warrants granted. Accordingly, share issue costs of \$nil (March 31, 2012 - \$79,755) were recognized during the three months ended March 31, 2013.

The fair value of each agent option grant was calculated using the following weighted average assumptions:

	March 31, 2013	March 31, 2012
Expected life (years)	N/A	2.00
Interest rate	N/A	1.12%
Volatility	N/A	185%
Dividend yield	N/A	N/A
Weighted average grant date fair value	N/A	\$0.03

Pasinex Resources Limited

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13. SHARE-BASED PAYMENTS

The Company has a stock option 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 CNSX. The expiry date for each option should be for a maximum term of five years.

The following is a summary of option transactions under the Company's stock option plan for the three months ended March 31, 2013 and the nine months ended December 31, 2012:

	March 31, 2013		December 31, 2012	
	Number of Options	Weighted Average Exercise Price	Number Options	Weighted Average Exercise Price
Balance, beginning of year	1,371,250	\$ 0.21	1,371,250	\$ 0.21
Cancelled	-	-	-	-
Balance, end of period	1,371,250	\$ 0.21	1,371,250	\$ 0.21

The following stock options were outstanding and exercisable as at March 31, 2013:

Expiry Date	Exercise Price	Number of Shares	Weighted Average Remaining Contractual Life (Years)
June 11, 2013	\$ 0.20	1,121,250	0.20
February 3, 2014	\$ 0.25	250,000	0.85
	\$ 0.21	1,371,250	0.32

The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model.

14. COMMITMENTS

On May 1, 2012, the Company signed a management services agreement with Zimtu Capital Corp. ("Zimtu") for the provision of administrative and managerial services to the Company at a rate of \$12,500 per month, expiring on April 30, 2013. On May 1, 2013, the Company and Zimtu have agreed to continue the agreement on a month-to-month basis.

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15. RELATED PARTY TRANSACTIONS

The Company incurred the following fees and expenses in the normal course of operations and are measured at the exchange amount. A summary of the related party transactions and balances is as follows:

Related Party Transactions	Three months ended March 31, 2013	Three months ended March 31, 2012
Administration fees – Zimtu Capital Corp.	37,500	15,000
Management and consulting fees	106,165	79,096
Total	143,665	94,096

Amounts Due to (from) Related Parties	March 31, 2013	December 31, 2012
Zimtu Capital Corp.	153,945	152,132
Clinton Smyth	9,240	25,850
Paul Chow	5,600	7,447
Baris Yildirim	15,000	15,000
Steven Williams	8,960	13,712
Total Amount Payable	192,745	214,141
Baris Yildirim	-	7,024
Total Prepaid Expenses and Deposits	-	7,024

Zimtu Capital Corp. (“Zimtu”) is related by way of common directorship with a director of the Company and provides monthly administrative and managerial services.

Steven Williams is the President, and a Director of the Company. Clinton Smyth and Baris Yildirim are also Officers of the Company.

Included in prepaid expenses and deposits is \$nil (December 31, 2012 - \$7,024) held by Baris Yildirim as of March 31, 2013 as the financial proof in connection with the Company’s property license applications in Turkey. The deposit was returned to the Company upon completion of the purchase of the property license.

These transactions are in the normal course of operations and have been valued in these 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.

See also Note 14.

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Three months ended March 31, 2013	Three months ended March 31, 2012
Income tax paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Fair market value of agent warrants exercised	\$ 5,111	\$ 79,755
Shares issued for property	\$ 55,000	\$ -

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17. SEGMENT 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:

	March 31,		December 31,
	2013		2012
Non-current assets by geographic segment			
Canada	\$ 325,024	\$	263,562
Turkey	702,920		564,002
	\$ 1,027,944	\$	827,564

18. SUBSEQUENT EVENTS

- a) On February 27, 2013, the Company announced a non-brokered private placement up to 12,500,000 units (the "Units") at a price of \$0.08 per unit for gross proceeds of up to \$1,000,000. Each unit will consist of one common share and one-half of a share purchase warrant (the "Warrant"). Each warrant will be exercisable into one common share of the Company at a price of \$0.16 for a period of 2 years.