

**Pasinex Resources Limited**  
**Interim Management's Discussion & Analysis – Quarterly Highlights**  
**For the Three Months Ended March 31, 2017**  
**Discussion dated: May 25, 2017**

---

## **Introduction**

The following interim Management Discussion & Analysis ("Interim MD&A") of Pasinex Resources Limited (the "Company" or "Pasinex") for the three months ended March 31, 2017 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2016. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2016 and 2015, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three months ended March 31, 2017, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of May 25, 2017, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the Secretary of the Company or on SEDAR at [www.sedar.com](http://www.sedar.com).

## **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

**Pasinex Resources Limited**  
**Interim Management's Discussion & Analysis – Quarterly Highlights**  
**For the Three Months Ended March 31, 2017**  
**Discussion dated: May 25, 2017**

---

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) the supply and demand for, deliveries of, and the level and volatility of prices of zinc and gold and other precious metals; (iii) the timing of the receipt of any outstanding regulatory and governmental approvals for the Company's projects; (iv) the ability to meet social and environmental standards and expectations; (v) the availability of financing for the Company's development of its properties on reasonable terms; (vi) the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; (vii) the ability to attract and retain skilled staff; (viii) exploration and development timetables; and (ix) capital expenditure and operating cost estimates.

These forward-looking statements involve risks and uncertainties relating to, among other things, exploration and development risks, changes in commodity and, particularly the zinc and gold prices, 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 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 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 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. ("0886183 B.C.", 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. On May 31, 2013, 0886183 B.C. was voluntarily dissolved, and as a result, the Company deconsolidated all assets and liabilities associated with 0886183 B.C.

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".

## **Operational Highlights**

### **Corporate**

During the three months ended March 31, 2017, 4,875,502 warrants were exercised for gross proceeds of \$490,060.

On February 6, 2017, 455,000 warrants with an exercise price of \$0.18 expired unexercised.

Subsequent to March 31, 2017, 8,265,000 warrants were exercised for gross proceeds of \$616,050.

### **Operations of Horzum AS Joint Venture (“Horzum AS JV”)**

The major activity for Pasinex is the 50% owned Horzum AS JV. The remaining 50% is owned by Akmetal AS. The key focus within this Horzum AS JV is the Pinargozu zinc mine and exploration in Adana province, southern Turkey. There was exploration and drilling activity at the Pinargozu mine during the first quarter of 2017 and continued as at the date of this MD&A.

Production statistics for the first quarter of 2017 and 2016 are presented in Table 1. Highlights are summarized:

- Production in the first quarter of 2017 was 12,379 tonnes (wet) of Direct Shipping ore from the Pinargozu mine representing an average of approximately 140 tonnes per day for the period.
- The average grade of the Zinc product produced and sold in Q1 2017 was 32.4%Zn. This resulted in a total of approximately 8.3 million lbs of contained Zn metal.
- In fiscal 2016, the Pinargozu mine produced approximately 26,462 tonnes (wet weight) of direct shipping mineralization at an average daily mining rate of about 76 tonnes per day. The level of production in Q1 2017 was approximately double the rate achieved in 2016.
- For the fourth quarter of 2016 production was 9,416 tonnes (wet weight) at an average rate of about 105 tonnes / day. The increased daily production realized in the fourth quarter of 2016 and first quarter of 2017 was due to the addition of a new larger adit in August 2016.
- In fiscal 2016, the total revenue per tonne was approximately \$441 per tonne mined and costs (including all mine development and drilling costs) were approximately \$304 per tonne mined. For the first quarter 2017 the revenue per tonne was approximately \$472 per tonne mined and costs were approximately \$236 per tonne mined. The lower cost per tonne for first quarter of 2017 versus 2016 reflects the improved productivity in the current quarter.

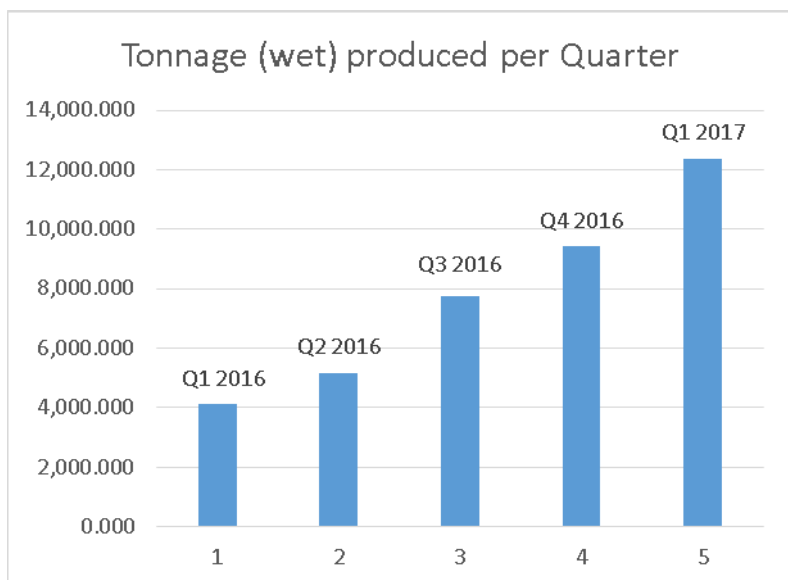
**Pasinex Resources Limited**  
**Interim Management's Discussion & Analysis – Quarterly Highlights**  
**For the Three Months Ended March 31, 2017**  
**Discussion dated: May 25, 2017**

Table 1 : Details of Q1 2017 and 2016 production from Pinargozu mine are given below :

Horzum AS - Pinargozu mine Production Sale summary 2016 and 2017							
Lot number for year	Date of sale	Type Oxide or Sulphide or Lead	Wet weight	Moisture %	Dry Weight	Initial Assay % Zn	Final Assay % Zn
<b>First Half 2016</b>							
<b>Subtotal</b>		<b>Oxide and Sulphide</b>	<b>9,298.780</b>	<b>7.06%</b>	<b>8,641.827</b>		<b>35.1%</b>
		<b>Q1 2016</b>	<b>4,115.260</b>				
		<b>Q2 2016</b>	<b>5,183.520</b>				
<b>Q3 2016</b>							
<b>Subtotal Q3</b>		<b>Oxide</b>	<b>7,746.540</b>	<b>6.97%</b>	<b>7,206.304</b>		<b>32.0%</b>
<b>Q4 2016</b>							
<b>Subtotal Q4</b>		<b>Oxide and Lead</b>	<b>9,416.615</b>	<b>7.20%</b>	<b>8,738.926</b>		<b>30.3%</b>
<b>Total 2016</b>		<b><u>Oxide, Sulphide and Lead</u></b>	<b>26,461.935</b>	<b>7.09%</b>	<b>24,587.057</b>		<b>32.5%</b>
<b>Q1 2017</b>							
1	1/5/2017	Oxide	509.000	6.00000	478.460	34.81	33.78
2	1/6/2017	Oxide	267.640	6.00000	251.582	35.25	33.71
3	1/11/2017	Oxide	333.840	6.50000	312.140	31.60	32.03
4	1/18/2017	Oxide	503.375	7.50000	465.622	27.72	
5	1/21/2017	Oxide	507.290	7.50000	469.243	27.72	27.44
6	1/24/2017	Oxide	216.700	7.50000	200.447	27.62	28.24
7	1/27/2017	Oxide	498.020	8.50000	455.688	28.21	29.66
8	1/31/2017	Oxide	987.280	5.98635	928.178	31.00	30.43
9	2/4/2017	Sulphide	1,359.330	1.60000	1,337.580	46.14	
10	2/8/2017	Oxide	1,497.140	7.54225	1,384.222	30.00	28.90
11	2/21/2017	Oxide	1,497.230	9.96253	1,348.068	29.00	31.94
12	3/10/2017	Oxide	849.350	8.16154	780.030	28.00	
13	3/10/2017	Oxide	490.950	8.00000	451.674	26.33	
14	3/15/2017	Oxide	509.865	5.50000	481.822	23.30	Pb 22.00
15	3/16/2017	Oxide	504.725	8.00000	464.347	29.80	
16	3/20/2017	Oxide	215.100	5.60000	203.054	23.40	Pb 21.87
17	3/22/2017	Oxide	508.195	8.00000	467.539	33.96	
18	3/24/2017	Sulphide	492.495	5.00000	467.870	43.50	
19	3/29/2017	Sulphide	129.970	5.40000	122.952	43.00	
20	3/31/2017	Oxide	501.060	7.80000	461.977	33.20	
<b>Subtotal Q1</b>			<b>12,378.555</b>	<b>6.83%</b>	<b>11,532.495</b>		<b>32.35%</b>

**Pasinex Resources Limited**  
**Interim Management's Discussion & Analysis – Quarterly Highlights**  
**For the Three Months Ended March 31, 2017**  
**Discussion dated: May 25, 2017**

---



The production from the Pinargozu mine continued to improve significantly in the first quarter of 2017 as a result of the addition of the new third adit in August 2016. The quarterly production rate went from approximately 105 tonnes per day in the fourth quarter of 2016 to 140 tonnes per day in the first quarter of 2017. This increase in production rate has led to a strong improvement of the financial performance of the Horzum AS JV which is expected to continue throughout fiscal 2017.

Drilling continued at Pinargozu throughout the first quarter of 2017. For most of the period two drills were operating. One drill operated from an underground drill site, looking for deeper sulphide mineralization associated with the oxide mineralization currently being mined. A second drill operated from various drill sites near Pinargozu mine, looking for step out manifestations of the mineralization. Drilling, to look for extensions of the Pinargozu orebody, is a top priority and will continue in fiscal 2017.

Throughout the summer of 2016 Pasinex reported many drill results from 2015 and 2016. These results were reported in press releases on June 23, July 7, August 9 and September 7, 2016. All these news releases are available on the Pasinex website [www.pasinex.com](http://www.pasinex.com). Highlights included the announcement of drill intercepts of extremely high grade zinc sulphide (sphalerite) mineralization, reported on September 7, 2016. The recognition of this deeper sulphide mineralization was crucial to the decision taken by Horzum AS JV to drive a third adit into the Pinargozu mineralization. Work began on this third adit in the second quarter of 2016 and was completed in late August 2016. This was announced to the market on September 20, 2016.

**Pasinex Resources Limited**  
**Interim Management's Discussion & Analysis – Quarterly Highlights**  
**For the Three Months Ended March 31, 2017**  
**Discussion dated: May 25, 2017**

**Horzum Arama ve Isletme**  
**Statement of Financial Position**

	<b>As at March 31, 2017 TRY</b>	<b>As at March 31, 2017 CAD</b>
<b>Assets</b>		
<b><u>Current assets</u></b>		
Cash and prepaid expenses	93,945	\$ 34,375
Trade receivables <sup>(1)</sup>	14,811,462	5,419,514
Other receivables	833,557	304,999
Amounts due from JV partners and related parties <sup>(2)</sup>	26,609,582	9,736,446
Inventory	1,860,400	680,720
	<u>44,208,946</u>	<u>16,176,054</u>
<b><u>Non-current assets</u></b>		
Property and equipment	808,703	295,904
Other non-current assets	832,435	304,588
	<u>1,641,138</u>	<u>600,492</u>
<b>Total assets</b>	<b><u>45,850,084</u></b>	<b><u>\$ 16,776,546</u></b>
<b>Current liabilities</b>		
Accounts payable and other current liabilities	13,723,678	5,021,494
Amounts due to JV partners and related parties <sup>(2)</sup>	15,368,044	5,623,167
<b>Total liabilities</b>	<u>29,091,722</u>	<u>10,644,661</u>
<b>Equity</b>		
Share capital	500,000	237,400
Surplus	16,258,362	6,649,832
Foreign exchange difference	(755,347)	(755,347)
	<u>16,758,362</u>	<u>6,131,885</u>
<b>Total equity and liabilities</b>	<b><u>45,850,084</u></b>	<b><u>\$ 16,776,546</u></b>

<sup>(1)</sup> Included in trade receivables was \$5,141,780 (TRY 14,052,418) receivable from a company related to Akmetal.

<sup>(2)</sup> JV partners and related parties include Pasinex Arama, Akmetal and two companies related to Akmetal.

**Pasinex Resources Limited**  
**Interim Management's Discussion & Analysis – Quarterly Highlights**  
**For the Three Months Ended March 31, 2017**  
**Discussion dated: May 25, 2017**

---

**Horzum Arama ve Isletme**  
**Statement of Income**

	<b>Three months ended March 31, 2017 TRY</b>	<b>Three months ended March 31, 2017 CAD</b>
Revenues	16,327,728	\$ 5,846,959
Cost of revenues	<u>(7,426,295)</u>	<u>(2,659,356)</u>
Gross profit	8,901,433	3,187,603
General and administrative expenses	(742,677)	(265,953)
Income tax expense	<u>(1,633,823)</u>	<u>(585,072)</u>
<b>Profit for the period</b>	<b><u>6,524,933</u></b>	<b><u>\$ 2,336,578</u></b>

Comments on the financial results of Horzum AS JV:

- The Horzum AS JV recorded gross sales of \$5,846,959 for the first quarter 2017 with a net income after tax of \$2,336,578 and a profit margin of 40%. The net income before tax was \$2,921,650 with a pre-tax profit margin of 50%. This result particularly reflects the increased production in the quarter.
- The Horzum AS JV balance sheets show total assets of \$16,776,546 share capital of \$237,400 and a surplus of \$6,649,832 with a foreign exchange adjustment of (\$755,347). The significant increase in Equity reflects the increased profitability of Horzum AS JV.
- The current assets of \$16,176,054 include inventory of \$680,720 which is direct shipping mineralization stock held at the Adana, Turkey warehouse. This inventory is recorded at the cost of production. The current assets also include a significant receivable from the related party trading company Akmetal Dis Ticaret Madencilik Sanayi ve Ticaret AS and Akmetal AS (the mining company partner in the Horzum AS joint venture). The Company views the financial results of Horzum AS JV for the first quarter of 2017 as very positively. Mine production at Pinargozu was increased to approximately 140 tonnes per day of direct shipping ore for the first quarter of 2017 versus approximately 105 tonnes per day for the last quarter of 2016. This increased production resulted in a positive profit margin of 50% for the quarter. Management continues to believe that the exploration opportunity for further zinc resource at Pinargozu is very good.

An exploration drilling campaign began on the Golcuk copper property, Sivas province, Turkey during April of 2017. A small scale mining was also undertaken. This small drilling campaign at Golcuk is pursuant to the amended agreement on the Golcuk option with Eurasian Minerals (news release December 6, 2016).

## **Trends**

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. During the quarter, equity markets in Canada showed signs of improvement, with equities increasing significantly during this period. Strong equity markets are favourable conditions for completing a public merger, financing or acquisition transaction. Apart from these and the discussion below on zinc prices, 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. See "Risks and Uncertainties" below.

Management believes that Pasinex is strongly leveraged to the zinc price and so management continuously monitors the global zinc market. The zinc price has moved up approximately 75% in 2016 from a low of around 65 c US / lb to a current price (May 2017) of 117 c US / lb. Pasinex believes that the major driver in this price increase has been an on going medium term mine supply side shortage of zinc stock. This has been due to several large zinc mine closures over the last few years. As the Horzum AS JV is now producing and selling zinc product there is a direct benefit being received for the higher zinc prices this year.

Horzum AS JV sells their product in US dollars which are then converted to Turkish Lira. As such, Horzum AS JV's financial performance also depends on the Turkish Lira (TL) to US Dollar (USD) exchange rate. This rate has changed favourably for the JV company in 2016, from about 2.92 in January 2016, to about 3.52 by the end December 2016 (a 21% change over 2016) and to 3.58 by May 20, 2017.

## **Financial Highlights**

### **Financial Performance**

The Company's net income totaled \$863,030 for the three months ended March 31, 2017, with basic and diluted income per share of \$0.01. This compares with a net loss of \$124,318 with basic and diluted loss per share of \$0.00 for the three months ended March 31, 2016. The increase in net income of \$987,348 resulted mainly from:

- An increase in the equity gain from joint venture to \$1,168,289 from \$16,244 in the comparative period is due to the joint venture's company profit increasing from the increase in the sales of zinc material together with an increased zinc price.
- An increase in consulting and management fees to \$157,370 from \$60,817 in the comparative period due to more consulting services required during the current period.
- An increase in professional fees to \$31,956 from \$17,054 resulted from an increase in the need for legal and accounting support during the current period.
- An increase in travel and meals to \$61,465 from \$15,632 in the comparative period due to increased travel to Turkey in the current period.



**Pasinex Resources Limited**  
**Interim Management's Discussion & Analysis – Quarterly Highlights**  
**For the Three Months Ended March 31, 2017**  
**Discussion dated: May 25, 2017**

---

The Company's total assets at March 31, 2017 were \$5,275,763 (December 31, 2016 - \$4,065,789) and total liabilities were \$224,958 (December 31, 2016 - \$282,818). The increase in total assets of \$1,209,974 resulted mainly from the cash proceeds from the exercise of warrants and the equity gain from the joint venture offset by cash spent on operating costs. The Company has sufficient cash to pay its existing liabilities of \$224,958 at March 31, 2017.

## **Liquidity and Financial Position**

### **Cash Flows**

At March 31, 2017, the Company had cash of \$386,513 compared to \$311,958 at December 31, 2016. The increase in cash of \$74,555 resulted from cash outflow in operating activities and investing activities of \$373,901 and \$41,191, respectively offset by cash inflow from financing activities of \$490,060.

Operating activities were affected by non-cash items of amortization of \$1,178 and equity gain from joint venture of \$1,168,289. The net change in non-cash working capital balances of \$69,820 reflects an increase in goods and services tax receivable of \$26,326, a decrease in prepaid expenses and deposits of \$10,887, a decrease in accounts payable and accrued liabilities of \$27,004 and a decrease in due to related parties of \$27,377.

Cash outflow for investing activities of \$41,191 resulted from \$41,191 for expenditure on exploration and evaluation assets.

Financing activities generated cash inflow of \$490,060 which consisted of cash proceeds from the issuance of shares.

### **Liquidity and Financial Position**

The Company is actively investigating financing alternatives in order to continue funding the Canadian corporate entity and exploration associated with the Golcuk project in Turkey. Most of the funding has been raised through the issuance of shares. Funds have been received by the Joint Venture project in Turkey, and it is expected that these funds will increase during fiscal 2017 as more product is sold. These funds meet all the JV company development and capital requirements including on-going exploration by Horzum AS, mine development costs and capital equipment for the JV company. The availability of financing, as and when needed, to fund the Company's activities cannot be assured. See "Risks and Uncertainties" below. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

The Company's cash at March 31, 2017 is not anticipated to be sufficient to fund its current liabilities of \$224,958 and the estimated operating expenses of \$600,000 for the remainder of fiscal 2017. However, subsequent to the March 31, 2017, the Company raised approximately \$616,000 from the exercise of warrants. The Company may need to raise equity capital in amounts sufficient to fund working capital requirements. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or under terms favourable to the Company. See "Risks and Uncertainties" below and "Caution Note Regarding Forward-Looking Statements" above.

**Pasinex Resources Limited**  
**Interim Management's Discussion & Analysis – Quarterly Highlights**  
**For the Three Months Ended March 31, 2017**  
**Discussion dated: May 25, 2017**

**Transactions with Related Parties**

**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 include 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 executive and 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 transacted with the Company during the period. 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, for 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:

	<b>Three Months Ended March 31, 2017 (\$)</b>	<b>Three Months Ended March 31, 2016 (\$)</b>
<b>Management and consulting fees</b>		
Steven Williams <sup>(1)</sup>	24,000	24,000
Irus Consulting Ltd. <sup>(2)</sup>	10,650	nil
Marrelli Support Services Inc. <sup>(3)</sup>	7,500	10,000
DSA Corporate Services <sup>(4)</sup>	4,325	4,223
Sven Olsson <sup>(5)</sup>	15,312	nil
Victor Wells <sup>(5)</sup>	3,000	nil
<b>Total</b>	<b>64,787</b>	<b>38,223</b>

	<b>March 31, 2017 (\$)</b>	<b>December 31, 2016 (\$)</b>
<b>Amounts payable</b>		
Steven Williams	11,945	50,522
Marrelli Support Services Inc.	2,410	2,222
DSA Corporate Services	1,465	2,549
Sven Olsson	5,390	4,959
Irus Consulting Ltd.	8,665	nil
Victor Wells	3,000	nil
<b>Total</b>	<b>32,875</b>	<b>60,252</b>

- (1) Steven Williams is Chief Executive Office of the Company.  
(2) Irus Consulting Ltd. is controlled by John Barry, a director of the Company.  
(3) Mrs. Cindy Davis, the Chief Financial Officer ("CFO") of the Company, is also a senior employee of Marrelli Support Services Inc. ("Marrelli Support"). Marrelli Support also provides accounting services to the Company.  
(4) DSA Corporate Services ("DSA") is affiliated with Marrelli Support through a common officer. DSA provides corporate and secretarial services for the Company.  
(5) Director of the Company.

**Pasinex Resources Limited**  
**Interim Management's Discussion & Analysis – Quarterly Highlights**  
**For the Three Months Ended March 31, 2017**  
**Discussion dated: May 25, 2017**

---

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.

To the knowledge of the directors and officers of the Company, as at March 31, 2017, 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:

	<b>Number of Common Shares</b>	<b>Percentage of Outstanding Common Shares</b>
<b>Larry Seeley</b>	<b>28,728,191</b>	<b>22.78%</b>

### **Risks and Uncertainties**

The Company is in the project exploration and development stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and base mineral price volatility. There is no assurance that the Company's funding initiatives will continue to be successful to fund its planned projects, which are now focused on the joint venture in Turkey.

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 that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risks and Uncertainties" in the Company's Annual MD&A for the fiscal year ended December 31, 2016, available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **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 unaudited condensed interim 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 unaudited condensed interim 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).

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.

### **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).