



PASINEX RESOURCES LIMITED

**(Formerly Triple Dragon Resources Inc.)
(An Exploration Stage Company)**

Condensed Interim Consolidated Financial Statements

Six Months Ended September 30, 2012

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

(Unaudited - Expressed in Canadian Dollars)

Pasinex Resources Limited

(Formerly Triple Dragon Resources Inc.)

(An exploration stage company)

Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian dollars)

	September 30, 2012	March 31 2012
Assets		
Current		
Cash and cash equivalents	\$ 761,368	\$ 1,372,530
HST/VAT receivable	58,201	24,093
Other receivables (Note 7)	98	150,843
Prepaid expenses and deposits	28,182	159,622
Marketable securities (Note 6)	140,250	216,750
	988,099	1,923,838
Marketable Securities (Note 6)	24,750	38,250
Equipment (Note 9)	111,218	92,803
Exploration and evaluation assets (Note 10)	592,424	326,491
	\$ 1,716,491	\$ 2,381,382
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 46,032	\$ 67,831
Due to related parties (Note 14)	219,106	228,372
	265,138	296,203
Shareholders' Equity		
Share capital (Note 11)	4,830,156	4,829,608
Contributed surplus (Note 11)	831,220	831,220
Deficit	(4,208,297)	(3,573,923)
Accumulated other comprehensive (loss)	(1,726)	(1,726)
	1,451,353	2,085,179
	\$ 1,716,491	\$ 2,381,382

Nature and continuance of operations (Note 1)

Commitments (Note 13)

Subsequent events (Note 17)

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

(Formerly Triple Dragon Resources Inc.)

(An exploration stage company)

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Unaudited - Expressed in Canadian dollars)

	For the three months ended		For the six months ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Expenses				
Administration fees (Note 14)	37,500	15,000	75,000	30,000
Advertising and promotion	20,918	160	30,119	380
Amortization	7,075	-	14,863	-
Consulting and management fees (Note 14)	83,422	-	202,978	-
Office, rent, and general expense (recovery)	(1,538)	61	15,465	140
Project investigation costs	351	-	4,611	-
Professional fees	58,461	2,795	68,847	3,194
Salaries and wages	29,957	-	29,957	-
Supplies and equipment	6,456	-	6,456	-
Transfer agent & regulatory authorities fees	8,125	4,882	11,889	7,609
Travel and meals	40,904	-	70,821	-
	291,631	22,898	531,006	41,323
Other income (expenses)				
Interest income	5,050	-	7,842	-
Gain on disposal of marketable securities	2,136	-	2,136	-
Impairment of mineral property	(10,430)	-	(10,430)	-
Other income	(306)	-	155	-
Unrealized gain(loss) on marketable securities	30,000	60,000	(90,000)	(30,000)
Foreign exchange gain (loss)	(10,575)	-	(13,071)	-
Net gain (loss) and comprehensive loss for the period	(275,756)	37,102	(634,374)	(71,323)
Basic and diluted gain (loss) per share	\$ 0.01	\$ 0.00	\$ 0.02	\$ 0.00
Weighted average number of common shares outstanding – basic and diluted	48,147,105	24,611,956	37,830,327	24,550,312

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

Pasinex Resources Limited

(Formerly Triple Dragon Resources Inc.)

(An exploration stage company)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited - Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Accumulated other comprehensive (loss)	Total
Balance, April 1, 2011	24,511,956	\$ 2,648,250	\$ 751,465	\$ (2,838,882)	\$ -	\$ 570,833
Shares issued for properties (Note 10)	100,000	15,000	-	-	-	15,000
Net income for the period	-	-	-	(71,323)	-	(71,323)
Balance, September 30, 2011	24,611,956	2,673,250	751,465	(2,910,205)	-	514,510
Balance, April 1, 2012	48,147,105	\$ 4,829,608	\$ 831,220	\$ (3,573,923)	\$ (1,726)	\$ 2,085,179
Share issue costs recovery (Note 11)	-	548	-	-	-	548
Net loss for the period	-	-	-	(634,374)	-	(634,374)
Balance, September 30, 2012	48,147,105	\$ 4,830,156	\$ 831,220	\$ (4,208,297)	\$ (1,726)	\$ 1,451,353

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

Pasinex Resources Limited

(Formerly Triple Dragon Resources Inc.)

(An exploration stage company)

Condensed Interim Consolidated Statements of Cash Flows

For the Six Months Ended September 30,

(Unaudited - Expressed in Canadian dollars)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) for the year	\$ (634,374)	\$ (71,323)
Adjustment for items not involving cash:		
Impairment of mineral property	10,430	-
Unrealized gains on marketable securities	90,000	30,000
Amortization	14,863	-
Changes in non-cash operating working capital:		
HST/VAT receivable	(34,108)	(1,570)
Other receivables	150,745	-
Prepaid expenses and deposits	131,440	-
Accounts payable and accrued liabilities	(21,799)	9,726
Due to related parties	(9,266)	32,555
Net cash flows from (used in) operating activities	(302,069)	(612)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Exploration and evaluation assets	(278,118)	(1,383)
Equipment acquisitions	(31,523)	-
Net cash flows from (used in) investing activities	(309,641)	(1,383)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Share issue cost recovery	548	-
Net cash flows from (used in) financing activities	548	-
Increase (decrease) in cash and cash equivalents	(611,162)	(1,995)
Cash and cash equivalents, beginning of year	1,372,530	4,855
Cash and cash equivalents, end of period	\$ 761,368	\$ 2,860

Supplemental disclosure with respect to cash flows (Note 18)

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

Pasinex Resources Limited

(Formerly Triple Dragon Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2012

(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 March 2, 2012, the Company’s major shareholder sold 19% of the Company’s issued and outstanding share capital to a total of 3 individuals, effectively changing control of the Company. 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”). The Company’s shares are listed on the Canadian National Stock Exchange (“CNSX”) under the symbol “PSE”.

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.

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 September 30, 2012 of \$4,208,297 (March 31, 2012 - \$3,573,923). 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

(Formerly Triple Dragon Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2012

(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 5 of the financial statements for the year ended March 31, 2012. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2012.

b) Basis of Measurement

These condensed interim 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) Approval of the financial statements

These condensed interim consolidated financial statements were authorized for issue by the Audit Committee and Board of Directors on November 16, 2012.

d) Standards, Amendments and Interpretations Not Yet Effective

The following standards and interpretations have not been in effect as they will only be applied for the first time in future periods. They may result in consequential changes to the accounting policies and other note disclosures. The Company has not yet assessed the impacts of the standards or determined whether it will adopt the standards early.

IFRS 9 – Financial Instruments

IFRS 9 establishes the requirements for recognizing and measuring financial assets and financial liabilities. This new standard is effective January 1, 2015 with earlier application permitted.

IFRS 10 - Consolidated Financial Statements

IFRS 10 replaces SIC-12: Consolidation – Special Purpose Entities and parts of IAS 27: Consolidated and Separate Financial Statements and establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This new standard is effective January 1, 2013 with earlier application permitted.

IFRS 11 - Joint Arrangements

IFRS 11 establishes principles for financial reporting by parties to a joint arrangement and supersedes IAS 31: Interests in Joint Ventures and SIC 13: Jointly Controlled Entities - Non-Monetary Contributions by Venturers. This new standard is effective January 1, 2013 with earlier application permitted.

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. This new standard is effective January 1, 2013 with earlier application permitted.

IAS 12 - Income Taxes

IAS 12 addresses the recovery of underlying assets. This amendment is effective for annual periods beginning on or after January 1, 2012 with earlier application permitted.

IAS 28 - Investments in Associates and Joint Ventures

IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This amendment is effective January 1, 2013 with earlier application permitted.

Pasinex Resources Limited

(Formerly Triple Dragon Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2012

(Unaudited - Expressed in Canadian Dollars)

3. BASIS OF PRESENTATION (continued)

e) Use of Estimates

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- 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 income 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; and
- 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;

4. ASSETS 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 ve Madencilik AS, 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 are charged to the Company's operating expenses during the year.

PasineX Resources Limited

(Formerly Triple Dragon Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2012

(Unaudited - Expressed in Canadian Dollars)

5. 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 June 30, 2012 and March 31, 2012, the fair values of the financial assets and liabilities approximate their carrying amounts.

- Cash and cash equivalents and other receivables 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 September 30, 2012			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
At fair value through profit or loss				
Cash and cash equivalents	761,368	-	-	761,368
Marketable securities	165,000	-	-	165,000
	926,368	-	-	926,368

	Assets measured at fair value as at March 31, 2012			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
At fair value through profit or loss				
Cash and cash equivalents	1,372,530	-	-	1,372,530
Marketable securities	255,000	-	-	255,000
	1,627,530	-	-	1,627,530

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

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Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2012

(Unaudited - Expressed in Canadian Dollars)

5. 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 September 30, 2012, the Company had a cash balance of \$761,368 (March 31, 2012 - \$1,372,530) and current liabilities of \$265,138 (March 31, 2012 - \$296,203). 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 development 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 \$2,435 increase in accumulated other comprehensive income, based on amounts held at March 31, 2012 and September 30, 2012.

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

(Formerly Triple Dragon Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2012

(Unaudited - Expressed in Canadian Dollars)

6. MARKETABLE SECURITIES

	Number Of Shares	Cost	Unrealized Gain (loss)	Fair Value September 30, 2012	Fair Value March 31, 2012
Lakeland Resources Inc.	3,000,000	\$ 300,000	\$ (135,000)	\$ 165,000	\$ 255,000
Less current portion	2,550,000	255,000	(114,750)	140,250	216,750
Long-term portion	450,000	\$ 45,000	\$ (20,250)	\$ 24,750	\$ 38,250

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 fair value of the common shares is measured using the closing market price of \$0.055 as at September 30, 2012 (March 31, 2012 - \$0.085). 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 on February 19, 2011, August 19, 2011, and February 19, 2012. As at September 30, 2012, 900,000 (March 31, 2012 - 1,350,000) common shares remained in escrow, of which 450,000 are classified as long-term given the above-mentioned release terms.

7. OTHER RECEIVABLES

The Company's current other receivable consists of:

	September 30, 2012	March 31, 2012
Share subscription receivable (Note 11)	\$ -	\$ 150,000
Other receivables	98	843
	\$ 98	\$ 150,843

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:

	September 30, 2012	March 31, 2012
Accounts payable	\$ 73,264	\$ 40,915
Accrued audit fee	-	20,000
Mining license fee payable	-	6,284
Other payables	-	632
	\$ 73,264	\$ 67,831

Pasinex Resources Limited

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Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2012

(Unaudited - Expressed in Canadian Dollars)

9. EQUIPMENT

Cost	Fixtures and Equipments	Vehicles	Computer Software	Total
March 31, 2011	\$ -	\$ -	\$ -	\$ -
Additions	59,518	30,856	5,746	96,120
March 31, 2012	\$ 59,518	\$ 30,856	\$ 5,746	\$ 96,120
Additions	3,994	27,529	-	31,523
September 30, 2012	\$ 63,512	\$ 58,385	\$ 5,746	\$ 127,643
Accumulated depreciation				
March 31, 2011	\$ -	\$ -	\$ -	\$ -
Additions	133	311	2,873	3,317
March 31, 2012	\$ 133	\$ 311	\$ 2,873	\$ 3,317
Additions	7,594	2,641	2,873	13,108
September 30, 2012	\$ 7,727	\$ 2,952	\$ 5,746	\$ 16,425
Net book value				
March 31, 2011	\$ -	\$ -	\$ -	\$ -
March 31, 2012	\$ 59,385	\$ 30,545	\$ 2,873	\$ 92,803
September 30, 2012	\$ 55,785	\$ 55,433	\$ -	\$ 111,218

Pasinex Resources Limited

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Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2012

(Unaudited - Expressed in Canadian Dollars)

10. EXPLORATION AND EVALUATION ASSETS

The following schedule shows the property spending for the six months ended September 30, 2012 and the year ended March 31, 2012:

	Murray Property	May Property	Burnt Island	Staircase Claims	Horzum JV Properties	Dadak Property	Golcuk Property	Turkey Other Properties	Total
Balance, March 31, 2011	\$174,297	\$35,501	\$56,100	\$157,860	\$56,100	\$157,860	\$ -	\$ -	\$423,758
Additions during the year –									
Property Acquisition costs									
Cash	-	-	10,000	-	-	-	-	-	10,000
Shares issued for property	-	15,000	-	-	-	-	-	-	15,000
Property exploration costs									
Assays	-	-	-	141	-	-	-	-	141
Field supplies and rentals	-	-	-	64	-	-	-	-	64
Geological and field personnel	69	-	130	454	-	-	-	-	653
Maps and reports	-	-	-	10,078	-	-	-	-	10,078
Travel and accommodation	-	-	-	863	-	-	-	-	863
Total additions during the year	69	15,000	10,130	11,600	-	-	-	-	-
Impairment of mineral properties	-	-	-	(169,460)	-	-	-	-	(169,460)
Prepayment and deposits for mining claims	-	-	-	-	-	-	-	35,394	35,394
Balance, March 31, 2012	\$174,366	\$50,501	\$66,230	\$ -	\$ -	\$ -	\$ -	\$ 35,394	\$326,491
Prepayment and deposits for mining claims	-	-	-	-	67,705	288	90,780	14,380	173,153
Property exploration costs									
Assays	-	-	-	-	-	42,484	-	-	42,484
Field supplies and rentals	-	-	-	-	1,045	815	1,970	50	3,880
Geological and field personnel	-	-	-	-	20,228	3,045	1,574	575	25,422
Maps and reports	-	-	-	10,430	-	-	-	-	10,430
Miscellaneous	-	-	-	-	8,283	1,703	130	1,374	11,490
Travel and accommodation	-	-	-	-	4,120	2,504	426	2,454	9,504
Total additions during the year	-	-	-	10,430	33,676	50,551	4,100	4,453	103,210
Impairment of mineral properties	-	-	-	(10,430)	-	-	-	-	(10,430)
Balance, September 30, 2012	\$174,366	\$50,501	\$66,230	\$ -	\$ 101,381	\$ 50,839	\$ 94,880	\$ 54,227	\$ 592,424

Pasinex Resources Limited

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Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2012

(Unaudited - Expressed in Canadian Dollars)

10. 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.

On June 28, 2012, the Company announced that its wholly-owned Turkish subsidiary, Pasinex Arama, has 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 June 28, 2012, the Company acquired 5 properties in the vicinity of Horzum, Adana province, Turkey as part of the “Horzum generative” zinc exploration program. These properties were acquired to be included in the 50 / 50 joint venture with Akmetal. On September 7, the Company announced that it acquired three additional properties to be included in the joint venture: Gokceviz, Kayrak-Kisacikli and Kayadibi. These properties cover approximately 2,601 hectares and are located within the Horzum area of Adana Province. With the new acquisitions, Pasinex has a total of eight claims totaling approximately 8,650 hectares within this area that are under a joint venture agreement with Akmetal AS.

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”);
- (ii) (ii) 500,000 common shares on the one year anniversary of the Initial Issuance Date;
- (iii) (iii) 1,000,000 common shares on the two year anniversary of the Initial Issuance Date; and
- (iv) (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) (ii) \$250,000 before the two year anniversary of the Completion Date; and
- (iii) (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. Each year, the project must process approximately 900 tonnes of ore. On the completion and acceptance of the Agreement, Pasinex will file a request for a one-year extension in regard to the Company’s small-scale mining obligation to the Turkish government. The purpose of this request is for the Company to determine the most efficient and economical small-scale mining plan for Golcuk. The granting of this extension is a condition precedent to the Agreement with Eurasian and if not granted for any reason, the Agreement will terminate.

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10. EXPLORATION AND EVALUATION ASSETS (continued)

As at September 30, 2012 and March 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.

Staircase Claims

On November 9, 2009, the Company acquired a 100% interest in 83 mineral claims located north of Prince George, B.C. comprising approximately 36,600 hectares. The Company purchased the claims from Radius Gold Inc. for \$30,000 (paid) and paid \$830 to have the claims transferred to their name. During the year ended March 31, 2011, the Company renewed 31 of the 83 Staircase mineral claims. The Company allowed 52 mineral claims to lapse. During the year ended March 31, 2012, the Company decided to let the remaining claims lapse and wrote off the property.

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11. SHARE CAPITAL

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

b) Issued:

During the year ended March 31, 2012

On May 13, 2011, the Company issued 100,000 common shares, valued at \$15,000, in accordance with the May Property agreement.

On March 9, 2012, the Company completed a non-brokered private placement of 20,765,149 common shares at a price of \$0.10 per share for gross proceeds to the Company of \$2,076,515. The Company paid finder's fees of \$117,402 in connection with the private placement and issued 1,186,011 agent options, priced at \$0.10 and expiring on March 9, 2013 (see Note 11 e).

On March 9, 2012, the Company issued 2,770,000 common shares in relation to the asset acquisition of 0886183 B.C. Ltd. These common shares carry a fair value of \$277,000 (also see Note 4).

c) Shares held in escrow:

The release of the common shares owned by management that are held in escrow is scheduled as follows:

		To be Released	Released	In Escrow
Opening balance				4,275,000
March 27, 2012	10%	-	427,500	
September 27, 2012	15%	-	641,250	
March 27, 2013	15%	641,250	-	
September 27, 2013	15%	641,250	-	
March 27, 2014	15%	641,250	-	
September 27, 2014	15%	641,250	-	
March 27, 2015	15%	641,250	-	
Total		3,206,250	1,068,750	4,275,000
Less: shares released				1,068,750
Balance, September 30, 2012				3,206,250

d) Warrants:

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

	September 30, 2012		March 31, 2012	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	-	-	2,000,000	\$ 0.25
Expired	-	-	(2,000,000)	\$ 0.25
Balance, end of period	-	-	-	-

There were nil warrants outstanding and exercisable as at September 30, 2012 and March 31, 2012.

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11. SHARE CAPITAL (continued)

e) Agent Warrants:

The following agent warrants were outstanding and exercisable at September 30, 2012 and March 31, 2012:

Expiry Date	Exercise Price	Number of Agent's Warrants	
		September 30, 2012	March 31, 2012
March 9, 2013	\$0.10	1,186,011	1,186,011
Weighted average outstanding life of warrants		0.44 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 six months ended September 30, 2012.

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

	September 30, 2012	March 31, 2012
Expected life (years)	N/A	1.00
Interest rate	N/A	1.17%
Volatility	N/A	75%
Dividend yield	N/A	N/A
Weighted average grant date fair value	N/A	\$0.07

12. 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 six months ended September 30, 2012 and the year ended March 31, 2012:

	September 30, 2012		March 31, 2012	
	Number of Options	Weighted Average Exercise Price	Number Options	Weighted Average Exercise Price
Balance, beginning of year	1,371,250	\$ 0.21	2,442,500	\$ 0.21
Cancelled	-	-	(1,071,250)	\$ 0.20
Balance, end of period	1,371,250	\$ 0.21	1,371,250	\$ 0.21

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12. SHARE-BASED PAYMENTS (continued)

The following stock options were outstanding and exercisable as at September 30, 2012:

Expiry Date	Exercise Price	Number of Shares	Weighted Average Remaining Contractual Life (Years)
June 11, 2013	\$ 0.20	1,121,250	0.70
February 3, 2014	\$ 0.25	250,000	1.35
	\$ 0.21	1,371,250	0.81

The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model. During the six months ended September 30, 2012, the Company recorded \$nil (September 30, 2011 - \$nil) in share-based payments expense.

13. COMMITMENTS

On May 15, 2008, the Company signed a management services agreement with Zimtu Capital Corp. ("Zimtu") for the provision of administrative and managerial services to the Company for a period of 12 months. On November 30, 2008, the Company revised the agreement to reduce the fee from \$25,000 per month to \$12,500 per month commencing December 1, 2008, for the duration of the agreement. During the year ended March 31, 2011, the agreement was extended for a further 12 month term, until May 15, 2011 and the monthly remuneration to be paid to Zimtu for these services was at the rate of \$5,000 per month. During the year ended March 31, 2012, this agreement continued on a month to month basis at a rate of \$5,000 per month. On May 1, 2012, the Company signed an agreement for one year, at a rate of \$12,500 per month, expiring on April 30, 2013.

14. RELATED PARTY TRANSACTIONS

The Company incurred the following fees and expenses in the normal course of operations and are measured at the exchange amount.

Related Party Transactions	Six months ended September 30,	
	2012	2011
Administration fees	75,000	30,000
Management and consulting fees	180,066	-
Total	255,066	30,000

Amounts Due to (from) Related Parties	September 30, 2012	March 31, 2012
Zimtu Capital Corp.	191,451	222,983
Clinton Smyth	13,913	5,389
Steven Williams	13,742	-
Total Amount Payable	219,106	228,372
Baris Yildirim	2,994	157,476
Prepaid insurance expenses	-	2,146
Total Prepaid Expenses and Deposits	2,994	159,622

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14. RELATED PARTY TRANSACTIONS (continued)

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 \$2,994 (March 31, 2012 - \$157,476) held by Baris Yildirim as of September 30, 2012 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.

See also Note 13.

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	September 30, 2012	September 30, 2011
Income tax paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Shares issued for property	\$ -	\$ 15,000

16. 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:

	September 30, 2012	March 31, 2012
Non-current assets by geographic segment		
Canada	\$ 356,177	\$ 375,821
Turkey	372,215	81,723
	\$ 728,392	\$ 457,544

17. SUBSEQUENT EVENTS

- On October 29, 2012, the Company announced the new joint venture company, Horzum Arama ve Isletme AS ("Joint Venture") has been formed. Under the terms of the transaction, the Joint Venture will be 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 with the Joint Venture's course of business. Project and technical management to direct the exploration for zinc in the selected areas will be provided by Pasinex Arama to the Joint Venture