

Management Discussion & Analysis for the Six Months Ended September 30, 2012

*The following discussion and analysis of the financial position and results of operations for PASINEX RESOURCES LIMITED (formerly Triple Dragon Resources Ltd.) (the “Company” Or “Pasinex”) should be read in conjunction with the Company’s condensed interim consolidated financial statements for the **six months ended September 30, 2012**, and the related notes thereto. The condensed interim consolidated financial statements were prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and in accordance with International Accounting Standard 34 (“IAS 34”). All dollars amounts are in Canadian dollars unless otherwise indicated.*

The effective date of this report is November 16, 2012.

Nature of Business

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”.

Mineral Properties and Deferred Exploration Expenditures

Properties Held in Turkey

Dadak Property, Afyon Province, Turkey

The Dadak property is 14.74 km² located in the province of Afyon in Turkey. The property was staked as a potential for Miocene age copper / gold porphyry deposits such as the Eldorado Gold (ELD: TSX) Kisladag porphyry gold property. The property has easy road access that permits work all year round. Pasinex Resources Limited has undertaken mapping, preliminary stream and rock sampling and a geochemical grid matrix sample campaign on this property.

Bursa Project, Turkey

The Company has staked three properties in the province of Bursa, at this stage called Bursa 1, Bursa 2a and Bursa 2b. These properties are (respectively) 11.22, 3.30 and 1.07 km². These properties have been staked targeting porphyry, epithermal and skarn type deposits (Au, Cu mineralization). The properties are about 14km from Empire Mining Corp’s (EPC: TSX-V) Karapinar and Demirtepe porphyry Cu prospects. The Bursa properties have easy road access that enables work all year round. The Company has undertaken mapping and preliminary stream and rock sampling on these properties.

Bereket, Bahceli and Kupluce Properties, Artvin Province, Turkey

The three properties staked in the Province of Artvin are highly prospective for volcanogenic massive sulphides (VMS) and epithermal gold type deposits. Bereket is 19.76 km²; Bahceli is 16.66 km² and Kupluce is 9.65 km².

These Artvin properties lie in the Eastern Pontides Tectonic Belt. The company expects to be in the field on these properties in the third quarter of 2012.

Adana Region Zinc Properties

On June 28, 2012, the Company announced it had acquired, and will transfer into a 50 / 50 joint venture with a Turkish mining company called Akmetal AS, five mineral exploration licenses within and adjoining a target corridor between Horzum and Tufenbeyli in Adana province, Turkey, all of which host limestone units prospective for lead / zinc mineralization probably of the Mississippi Valley Type zinc deposits.

These properties are all early exploration opportunities and the proposed program of exploration will follow a sequence of mapping, stream and rock sampling, geochemical and geophysical mapping. Field work and initial exploration commenced on these properties in July, 2012.

On September 07, 2012, the Company announced that it has expanded its land package in the joint venture to include three additional properties, 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. The Properties were staked for their potential to host lead / zinc mineralization and are all early-stage, exploration opportunities. An initial field work program including soil sampling and geochemical surveys is already underway on the collective group of properties.

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

Golcuk Property, Sivas Province, Turkey

On July 19, 2012 the Company signed an option agreement (collectively the "Agreement") with Eurasian Minerals Inc. (TSX: EMX; NYSE: EMXX) ("Eurasian") and its wholly owned Turkish subsidiary, Eurasia Madencilik Ltd. STI, whereby Pasinex, through its wholly owned Turkish subsidiary, Pasinex Arama Ve Madencilik AS ("Pasinex Turkey"), to acquire a 100%-interest in the Golcuk Property ("Golcuk") located in northeast Turkey.

Golcuk is a mineralized copper-silver project located in the province of Sivas, Turkey which encompasses one exploration license that covers approximately 4,000 hectares. The project is situated within the Eastern Pontides Metallogenic Belt of northeast Turkey and was originally worked on by the Mines Bureau of Turkey and later explored by Eurasian and a Turkish minerals group Turmenka Madencilik Sanavi ve Ticaret A.S. which yielded high-grade copper results.

Pasinex considers Golcuk prospective for copper, possibly of distal porphyry affinity (associated with the nearby Kozedag Pluton) or of a non-porphyry-associated manto-type. Extension of drilling patterns, soil sampling grids and detailed surface mapping are methods to be deployed by Pasinex in its planned search for sizeable volumes of copper mineralization at Golcuk – to be supported by geophysical methods, if deemed appropriate.

Under the Agreement, Golcuk will be forthwith transferred to Pasinex Turkey and 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) 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, for a total of 3,000,000 Pasinex common shares.



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. 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.

Other than the initial 500,000 Pasinex shares to be issued on the Initial Issuance Date and the \$200,000 of expenditures to be incurred in the first year following the Completion Date, Pasinex is not required to proceed with the Acquisition and can terminate the Agreement, subject to a right of transfer and exclusivity right in favour of Eurasian in respect of Golcuk. A finder's fee of 300,000 common shares over a three year period will be paid to Zimtu Capital Corp. in connection with the transaction.

Properties Held in Canada

Murray Property:

The Murray Property consists of one mineral claim encompassing approximately 2,479.2 acres (1,003 ha) directly southeast of Murray Lake, within the south-central part of Northwest Territories. The Murray Property is about 80 km northeast of Yellowknife, NWT, and is accessible during summer months by fixed wing aircraft and in the winter by ski-equipped aircraft or snowmobile.

The Murray Property is subject to a mineral property acquisition agreement dated April 17, 2008 between the Company and Zimtu Capital Corp. ("Zimtu") whereby the Company acquired the property for \$15,509. The property was subject to a 1% NSR and a 1% GORR on diamond production which was relinquished on May 7, 2009. The Technical Report on the Murray Property, prepared for the Company by Jocelyn Klarenbach, P. Geol. and dated November 28, 2008, as revised February 9, 2009, was prepared for the Company and has been posted on the Company's website and has been filed on SEDAR.

May Property:

The Company entered into an agreement to purchase a 100% interest in one mineral claim in the Northwest Territories, known as the May Property. Pursuant to a Mineral Property Acquisition Agreement entered into on May 14, 2009, the Company is required to pay to the Vendor the following:

- \$5,500 cash within 5 days of signing the agreement (paid);
- On the first anniversary of the agreement, issue the Vendor \$10,000 of common shares (86,956 shares issued at \$0.115);
- On the second anniversary of the agreement, issue the Vendor \$15,000 of common shares (100,000 shares issued at \$0.15); and
- A 2% Net Smelter Return royalty on the Property in favour of the vendor.



Burnt Island Property:

The Company entered into an 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. Pursuant to a Mineral Property Acquisition Agreement entered into on August 11, 2009, the Company is required to 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 the Company holds the option (\$10,000 paid August 11, 2010 and \$10,000 paid February 9, 2012); and
- A 3% Net Smelter Return royalty on the Property.

Subsequent to the acquisition of the Burnt Island Property, one of the mineral claims comprising the property was converted into a mining lease.

In October, 2010, a survey was completed on the mineral claim comprising the Burnt Island Property. The survey was conducted by Sub-Arctic Surveys Ltd. and an Application for Lease and the Notice of Survey was filed with the Mining Recorders Office in the Northwest Territories. A copy of the Survey Report was also submitted to the Surveyor General Branch for review.

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.

Most recently there were two prospecting programs completed on the Staircase Claims, one in November, 2009 and the other in June, 2010. The work done on the claims was grass roots prospecting and included soil, stream and rock sampling, with a total of 26 soil, stream and rock samples taken. The purpose of the program was to assess the claims and identify lithologies and anomalous zones with areas of interest being areas of elevated magnetic susceptibility.

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)		277,000
Total consideration	\$	<u>294,000</u>
Allocated to:		
Cash	\$	142,538
Equipment		27,026
Deposit and other receivables		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.

Selected Annual Information

The following is a summary of the financial data of the Company for the last three completed fiscal year ends:

	Fiscal year ended March 31		
	2012*	2011*	2010**
Total Revenues	Nil	Nil	Nil
Net income (loss)	(735,041)	176,172	(493,956)
Net income (loss) (per share, basic and diluted)	(0.03)	0.01	(0.02)
Total assets	2,381,382	880,766	444,138
Total long term financial liabilities	Nil	Nil	Nil
Cash dividend declared per share	Nil	Nil	Nil

*Figures for the years ended March 31, 2011 and 2012 are expressed in accordance with IFRS.

**Figures for the year ended March 31, 2010 are expressed in accordance with Canadian GAAP prior to the Company's transition to IFRS and was not required to be restated.



Results of Operations

General and Administrative

Six Months Ended September 30, 2012

The Company incurred a net loss of \$634,374 for the six months ended September 30, 2012, compared to a net loss of \$71,323 for the comparative period ending September 30, 2011, for a difference of \$563,051. The significant differences from the prior period include:

- An increase in administration fees to \$75,000 (2011 - \$30,000) as the monthly fees were increased effective April 2012 due to the increased business activities,
- An increase in advertising and promotions to \$30,119 (2011 - \$380) as the company incurred advertising and website expenses promoting the Company's new business endeavors,
- An increase in amortization expense to \$14,863 (2011 - \$nil) as the company amortized its newly acquired assets,
- An increase in consulting and management fees to \$202,978 (2011 - \$nil) due to the formation of a new management group,
- An increase in office and general expenses to \$15,465 (2011 - \$140) due to the opening of the office in Turkey,
- An increase in project investigation costs to \$4,611 (2011 - \$nil) as the Company incurs costs exploring new business opportunities in Turkey
- An increase in the professional fees to \$68,847 (2011 - \$3,194) due to legal fees related to changes in the management structure of the consolidated companies and increased audit fees due to increased business transactions,
- An increase in salaries and wages to \$29,957 (2011 - \$nil) as the Company hired employees in Turkey,
- An increase in supplies and equipment to \$6,456 (2011 - \$nil) as the Company acquired tools for new projects.
- An increase in transfer agent and filing fees to \$11,889 (2011 - \$7,609) due to increased business activities,
- An increase in travel expenses to \$70,821 (2011 - \$nil) due to increased business travel between Canada and Turkey,
- An increase in the unrealized loss on marketable securities of \$90,000 (2011 - \$30,000) due to the difference in market value of the shares in the comparable period,
- An increase interest income to \$7,842 (2011 - \$nil) due to increased cash on hand,
- An increase in impairment on mineral properties of \$10,430 (2011 - \$nil) related to the Staircase Claims, and
- An increased foreign exchange loss of \$13,071 (2011 - \$nil) for conversion of funds from Canadian dollars to Turkish Lira.

As at September 30, 2012, the Company has cash and cash equivalents of \$761,368 (2012 - \$1,372,530), HST/VAT receivable of \$58,201 (2012 - \$24,093), other receivables of \$98 (2012 - \$150,843), prepaid expenses and deposits of \$28,182 (2012 - \$159,622), current marketable securities of \$140,250 (2012 - \$216,750), accounts payable and accrued liabilities of \$46,032 (2012 - \$67,831), and due to related parties of \$219,106 (2012 - \$228,372), for total working capital of \$722,961 (2012 - \$1,627,635).

Summary of Quarterly Results

The following is a summary of the results from the eight previously completed financial quarters:

	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011
Revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss) and comprehensive income (loss)	\$(275,756)	\$(358,618)	\$(423,453)	\$(240,265)
Basic and diluted net gain (loss) (per share)	\$(0.01)	\$(0.01)	\$(0.02)	\$(0.01)

	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss) and comprehensive income (loss)	\$37,102	\$(108,425)	\$(62,255)	\$(305,952)
Basic and diluted net gain (loss) (per share)	\$0.00	\$(0.00)	\$(0.00)	\$(0.01)

The information above for all quarters ending after the transition date of March 1, 2010 have been re-stated and are in accordance with IFRS.

Three Months Ended September 30, 2012

The Company incurred a net loss of \$275,756 for the three months ended September 30, 2012, compared to a net income of \$37,102 for the comparative period ending September 30, 2011, for a difference of \$312,858. The significant differences from the prior period include:

- An increase in administration fees to \$37,500 (2011 - \$15,000) as the monthly fees were increased effective April 2012 due to the increased business activities,
- An increase in advertising and promotions to \$20,918 (2011 - \$160) as the company incurred advertising and website expenses promoting the Company's new business endeavors,
- An increase in amortization expense to \$7,075 (2011 - \$nil) as the company amortized its newly acquired assets,
- An increase in consulting and management fees to \$83,422 (2011 - \$nil) due to the formation of a new management group,



- A recovery in office and general expenses of \$1,538 (2011 - \$60 expense) due to the reclassification of expenses from the prior period,
- An increase in the professional fees to \$58,461 (2011 - \$2,795) due to legal fees related to changes in the management structure of the consolidated companies and increased audit fees due to increased business transactions,
- An increase in salaries and wages to \$29,957 (2011 - \$nil) as the Company hired employees in Turkey,
- An increase in supplies and equipment to \$6,456 (2011 - \$nil) as the Company acquired tools for new projects.
- An increase in transfer agent and filing fees to \$8,125 (2011 - \$4,883) due to increased business activities,
- An increase in travel expenses to \$40,904 (2011 - \$nil) due to increased business travel between Canada and Turkey,
- A decrease in the unrealized gain on marketable securities to \$30,000 (2011 - \$60,000) due to the difference in market value of the shares in the comparable period,
- An increase interest income to \$5,050 (2011 - \$nil) due to increased cash on hand,
- An increase in impairment on mineral properties of \$10,430 (2011 - \$nil) related to the Staircase Claims, and
- An increased foreign exchange loss of \$10,575 (2011 - \$nil) for conversion of funds from Canadian dollars to Turkish Lira.

Capital Resources and Liquidity

The Company has total assets of \$1,716,491 (2012 - \$2,381,382). The primary assets of the Company are cash and cash equivalents of \$761,368 (2012 - \$1,372,530), HST/VAT receivable of \$58,201 (2012 - \$24,093), other receivables of \$98 (2012 - \$150,843), prepaid expenses and deposits of \$28,182 (2012 - \$159,622), marketable securities of \$165,000 (2012 - \$255,000), equipment of \$111,218 (2012 - \$92,803), and mineral properties and deferred exploration expenditures of \$592,424 (2012 - \$326,491). The Company has accounts payable and accrued liabilities of \$46,032 (2012 - \$67,831) and due to related parties of \$219,106 (2012 - \$228,372). The Company's working capital is \$722,961 (2011 - \$1,627,635).

During the six months ended September 30, 2012, cash flows were as follows:

- Financing activities generated \$548 (September 30, 2011 - \$nil) from the recovery of share issuance costs previously paid.
- Investing activities consisted of cash outflows on exploration and evaluation assets of \$278,118 (September 30, 2011 - \$1,383) and equipment acquisition costs of \$31,523 (September 30, 2011 - \$nil).
- Cash outflows on operating activities were \$302,069 (September 30, 2011 - \$612).

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 warrants, priced at \$0.10 and expiring on March 9, 2013.

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.

Transactions with Related Parties

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	15,000
Management and consulting fees	180,066	-
Total	255,066	15,000

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

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 - \$157,576) 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 fully returned to the Company subsequently.

These transactions are in the normal course of operations and have been valued in these consolidated financial statements at the amount of consideration established and agreed to by the related parties.

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.



Proposed Transactions and 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

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

Other MD&A Requirements

Additional Disclosure for Venture Issuers without Significant Revenue

As the Company has not had significant revenue from operations in its last three financial years, the following is a breakdown of the material costs incurred:

	Year ended March 31		
	2012	2011	2010
Capitalized Exploration and Development Costs	\$326,491	\$423,758	\$278,603
Capitalized Property held for Sale	Nil	Nil	\$130,571
General and Administration Expenses	\$390,698	\$116,218	\$536,706
Gain (loss) on sale of marketable securities	\$(195,000)	\$150,000	Nil
Gain on sale of mineral properties	Nil	\$160,997	Nil

Disclosure of Outstanding Share Capital

The Company has an authorized share capital of an unlimited number of common shares without par value. The following table describes the issued and outstanding share capital of the Company:

	November 16, 2012	September 30, 2012	March 31, 2012
Common shares	48,147,105	48,147,105	48,147,105
Stock Options	1,371,250	1,371,250	1,371,250
Agent Warrants	1,186,011	1,186,011	1,186,011
Fully Diluted Shares	50,704,366	50,704,366	50,704,366

For additional details of outstanding share capital, refer to the condensed interim consolidated financial statements for the six months ended September 30, 2012.

Critical Accounting Judgments, Estimates and Assumptions

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; and
- The inputs used in accounting for share-based payment expenses.

All of the Company's significant accounting policies and estimates are included in Notes 4 and 5 of its audited financial statements for the year ended March 31, 2012.

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.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

Risks and Uncertainties

The Company, and the securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

The Company has a very limited history of operations, is in the early stage of development and has received no revenues other than insignificant interest revenues. As such, the Company is subject to many risks common to such enterprises. There can be no assurance that the Company will be able to obtain adequate financing in the future or, if available, that the terms of such financing will be favourable. The Company has no intentions of paying any dividends in the future.

Although the Company has taken steps to verify the title to mineral properties in which it has acquired an interest, no assurance whatsoever can be given that the Company's interests may not be challenged by third parties. If challenged, and if the challenge is sustained, it will have an adverse effect on the business of the Company. Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

The exploration of mineral properties involves significant risks which even experience, knowledge and careful evaluation may not be able to avoid. The price of metals has fluctuated widely, particularly in recent years as it is affected by numerous factors which are beyond the Company's control including international economic and political trends, expectations of inflation or deflation, currency exchange fluctuations, interest rate fluctuations, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore the economic viability of the Company's interests in the mineral properties cannot be accurately predicted. Furthermore, changing conditions in the financial markets, and Canadian Income Tax legislation may have a direct impact on the Company's ability to raise funds for exploration expenditures. A drop in the availability of equity financings will likely impede spending. As a result of all these significant risks, it is quite possible that the Company may lose its investments in the Company's mineral property interests.

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 September 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
	<u>926,368</u>	<u>-</u>	<u>-</u>	<u>926,368</u>
	Assets measured at fair value as at March 31, 2012			
	Level 1	Level 2	Level 3	Total
At fair value through profit or				
Cash and cash equivalents	1,372,530	-	-	1,372,530
Marketable securities	255,000	-	-	255,000
	<u>1,627,530</u>	<u>-</u>	<u>-</u>	<u>1,627,530</u>

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:

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 year end.

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.

Forward looking Statements

This Management Discussion & Analysis may contain forward-looking information and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ from those projected in the forward-looking statements.

Readers can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof.

Forward-looking information is based on the opinions and estimates of management and its consultants at the date the information is given. *It is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information.* Factors that could cause actual results to differ materially from those in forward-looking statements include market prices for metals, the conclusions of detailed feasibility and technical analyses, lower than expected grades and quantities of resources, mining rates and recovery rates and the lack of availability of necessary capital, which may not be available to the Company on terms acceptable to it or at all.

Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. There can be no assurance that the plan, intentions or expectations upon which these forward looking statements are based will occur. Forward looking statements are subject to risks, uncertainties and assumptions. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements should not be in any way construed as guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Readers are cautioned not to put undue reliance on forward looking statements. The Company does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.

Directors and Officers

As at November 16, 2012, the Company had the following directors and officers:

Steven Williams – Director, President and CEO
Clinton Smyth – VP Exploration
Baris Yildirim – Manager – Turkey
David Hodge – Director *
Sven Olsson – Director *
Paul Chow – Director *

* Member of the Company's Audit Committee

Approval

The Board of Directors of Pasinex Resources Limited has approved the disclosure contained in this MD&A.

Additional Information

Additional information about the Company can be found on their Disclosure Hall page at www.cnsx.ca, the Company's website at www.pasinex.com, or on www.sedar.com.