Management Discussion & Analysis for the Year Ended December 31, 2015

The following discussion and analysis of the financial position and results of operations for PASINEX RESOURCES LIMITED should be read in conjunction with the Company's audited consolidated financial statements for the ***year ended December 31, 2015****, and the related notes thereto. All dollar amounts are in Canadian dollars unless otherwise indicated.*

The effective date of this report is April 28, 2016.

Nature of Business

Pasinex Resources Limited ("Pasinex" or the "Company") is a publicly listed company incorporated in British Columbia on February 21, 2006, and on August 4, 2006, it continued out of British Columbia and into the British Virgin Islands. On September 21, 2006, the Company changed its principal business activity and developed its business plan to enter the convention industry principally in Macau. On July 10, 2008, in connection with the change of control, the Company continued into British Columbia as a mineral exploration company in the exploration stage, engaged in the acquisition, exploration and development of mineral properties. On February 1, 2012, the Company purchased all the assets of 0886183 B.C. LTD. ("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".

Joint Venture Investment details

On June 28, 2012, the Company, through its wholly-owned Turkish subsidiary, Pasinex Arama, signed a non-binding Letter of Intent ("LOI") with an arm's length 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 to Tufanbeyli, Adana Province, Turkey. Under the terms of the LOI it was proposed that a joint venture company would be formed and held 50 / 50 by the two parties and would be controlled by a board consisting of equal representatives of both Pasinex and Akmetal. Both partners would equally fund exploration and other general costs associated to the joint venture's course of business.

On October 29, 2012, the new joint venture company, Horzum Arama ve Isletme AS ("Joint Venture" or "Horzum AS"), was formed while the Joint Venture Agreement had not been substantiated. On January 17, 2013, Pasinex Arama and Akmetal signed the Joint Venture Agreement effective the same day. During the year ended December 31, 2013, the Joint Venture acquired, through staking, one property in Turkey called Pinargozu. The property is located within the Turkish Province of Adana, and was acquired for the potential to host zinc / lead and silver.

The initial capital of the new joint venture company was determined to be a total of TRY 500,000 and Pasinex Arama is obligated for 50% of the total, being TRY 250,000. As at December 31, 2015, Pasinex Arama has paid TRY 161,050 in cash toward the total required capital. The investment in the joint venture is accounted for using the equity method.

	TRY ($)	CAD ($)
At December 31, 2013	36,962	18,470
Additional investment in joint venture	98,550	49,738
Loss from equity investees	(11,664)	(5,887)
Foreign exchange difference	-	(347)
At December 31, 2014	123,849	61,974
Gain from equity investees	886,757	417,042
Elimination of intercompany profit (a)	(214,914)	(101,074)
Foreign exchange difference	-	(148)
At December 31, 2015	795,692	377,794

(a) For the year ended December 31, 2015, the Company charged $580,448 (TRY$ 1,234,208) to the Joint Venture for the exploration costs spent on Pinargozu and one of the Horzum JV Properties, including a 5% management fee. A portion of the costs were written off in the prior year. As a result, 50% of the gain amounted to $101,074 was recognized as other income on the consolidated statements of operations for the year ended December 31, 2015. The gain was reduced by other expense of $29,952.

The following is a summary of the financial statements of the Joint Venture:

Balance Sheet at December 31, 2015:

	TRY ($)	CAD ($)
Current assets		
Cash and prepaid expenses	1,027,199	487,714
Accounts receivable	10,356,818	4,917,417
Inventory	808,301	383,781
Non-current assets		
Plant and equipment	397,246	188,612
Property costs	2,210,335	1,049,467
Other non-current assets	410,488	194,900
Total Assets	15,210,187	7,221,892
Current liabilities	8,003,474	3,800,049
Due to JV partners	5,007,801	2,377,704
Share capital	500,000	237,400
Surplus (deficit)	1,699,112	799,092
Foreign exchange difference	-	7,646
	15,210,387	7,221,892

Statement of Operations for the Year Ended December 31, 2015:

	TRY ($)	CAD ($)
Gross sales	9,581,636	4,506,244
Cost of sales	(7,662,202)	(3,603,534)
General and administrative expenses	(145,919)	(71,085)
Net income for the year	1,773,515	831,625

As at December 31, 2015, the property costs for the Joint Venture includes the following expenditures:

Pinargozu Property cost details:	TRY ($)	CAD ($)
Deposits and guarantees	100,278	47,612
Preparation and development	2,110,057	1,001,855
Total	2,210,335	1,049,467

Some comments on the financial statements of the Horzum AS joint venture company:

- During the year ending December 31, 2015, the Joint Venture recorded their maiden sales of high grade direct shipping zinc mineral product. In total, 13,906 tonnes (wet weight) of high grade direct shipping zinc mineral product was sold at a preliminary assay of between 30 - 38% Zn. All this product was produced from the Pinargozu mine.

- In addition, at December 31, 2015, the Joint Venture balance sheet shows 1,123 tonnes (wet weight) stock on hand of high grade zinc mineral product valued at the cost of production of 791,018 TRY ($375,575 CAD).

- The total gross sales for Joint Venture during the year ending December 31, 2015 was 9,581,636 TL ($ 4,506,243), yielding an operating net income for the period of 1,809,128 TRY ($ 850,833 CAD) which is a net profit margin of 18.5%.

- During the year ended December 31, 2015, the funds generated from the Joint Venture operations have been spent on project development and exploration costs on the Pinargozu, Akkaya and other regional properties.

It should be noted that the Pinargozu license is held by the joint venture company. As such, the Pinargozu property exploration expenditures are reported on the balance sheet of the Joint Venture. Any expenditures incurred by the Company on the Pinargozu license are recorded as due from the Joint Venture.

Mineral Properties and Deferred Exploration Expenditures

Properties Held in Turkey

Adana Region Zinc Properties – Pinargozu and Akkaya

In 2015, the Company placed a priority focus on the development of the Pinargozu project. This focus is based on the Company's ongoing belief in the strengthening of the zinc price combined with the geological opportunity being realized at Pinargozu.

Pinargozu is a carbonate replacement type (CRD) zinc mineralization. The Company has been exploring at the oxidized manto "top" of what they conjecture could be a larger CRD mineralization. The manto oxidized cap is predominantly high grade zinc mineralization, which is typically grading 30 – 35% Zn (based on what the company mined through 2015).

The Company, through its joint venture company, Horzum AS, has had both exploration drilling and underground mining operations running throughout 2015 at Pinargozu.

The Company believes the zinc price will strengthen soon due to significant reduction in mine side supply capacity of zinc concentrates from global zinc mines. This supply side weakness should drive the zinc price up. There are very few zinc projects close to production – so Pasinex believe that, by bringing on zinc production now they will be well positioned / well leveraged as the zinc price moves up. Given this, Pasinex, together with their Turkish partner Akmetal AS have been focused on increasing the production from the Pinargozu mine.

Throughout most of 2015, Horzum AS has been running underground mining at about 25 tonnes per day of high grade mineral from Pinargozu mine. By December 2015, the mine production output was increased to 60 tonnes per day of high grade mineral from the Pinargozu mine. The high grade mineral has been averaging 30 – 35% Zn throughout 2015. At this grade, the mineral production is direct shipping. The joint venture company mine this material, ship it to a warehouse in Adana, Turkey, where it is crushed and stored awaiting lot sale. The lots have then been periodically sold with lot sales varying from 1000 to 2000 tonnes per lot. The joint venture company has had many interested parties offering to buy the product. The product ultimately sells into the global zinc market.

Currently the mine has about 125 people working underground and on top of that a surface staff covering management, technical and drilling consisting of nearly 40 people. Overall, the joint venture company is managed by a Board consisting of three representatives from Pasinex and three representatives from their Turkish partner Akmetal AS. The Joint Venture Board meets quarterly and sets strategic direction for the Joint Venture.

Given this on-going production of high grade material at Pinargozu the Company has recognized the geological opportunity at Pinargozu. As indicated, the company believes they are at the “top” end of a possible much larger CRD mineralization. Given this, the Company is actively engaged in drilling and exploration at Pinargozu. Through most of 2015 and into 2016 the Company has been running two and three drills continuously on site. As of April, 2016 there are two drills running at Pinargozu. One drill is operating underground and is targeted to look for deeper sulphide extensions of the mineralization. The second drill is from surface and is looking for step out oxide mineralization higher up in the “manto” of the CRD mineralization. The Company expects to be announcing drill results in 2016.

The Company has set an internal target of 1,000,000 tonnes of 30% Zn at Pinargozu, and has focused its exploration on achieving this target mark by 2017. Drilling continues at Pinargozu specifically to build resource there.

In 2015, due to this mine production, Horzum AS has turned a profit from the Pinargozu operations (see financial numbers above). The profit margin was about 18.5% for this period. The cash being generated by these sales is being used to offset the exploration costs for the on-going exploration program.

Property Updates:

On October 16, 2015 the Company announced their latest sale of high grade zinc material from Pinargozu mine which was 1,215 tonnes (wet weight) at +30% Zn grade.

On August 28, 2015 the Company announced provisional acquisition of new zinc exploration properties in Southern Turkey. All these properties were acquired on a north / south trend of the Horzum / Pinargozu mine area in Adana, province, Turkey.

On August 6, 2015, the Company announced that the Joint Venture has completed a sale of approximately 2.9 million pounds of high grade zinc material from its Pinargozu zinc mine in the Adana Province.

On May 26, 2015 the Company released updated drilling results from their Pinargozu drilling campaign with several holes intercepting mineralization from 19.5% Zn to 36.5% Zn.

On March 25, 2015, the Company released further drilling results for the Pinargozu Property with a very good intercept reported of 35.5 meters of 37% Zn. This intercept was from Pinargozu and showed (together with some other intercepts) the emergence of and important mineralization trend to the north east of the current mining area.

On February 19, 2015, the Company released drilling results for the Pinargozu Property.

On February 18, 2015, the Company announced they have been working with a structural geologist to optimize new drill targets, with the goal to double the production capacity at Pinargozu by the end of June 2015. The company highlighted the short term strategy being to somewhat increase output at the Pinargozu mine and to use the cash generated from sale of the zinc production to fund some of the on-going exploration required to build a resource at first Pinargozu and later at Akkaya. The company also announced the commencement of drilling at the Akkaya property – with three drills now engaged between Pinargozu and Akkaya.

On November 12, 2014, the Company announced an update on ore production, exploration through underground drifting, and exploration drilling at the Pinargozu Property

On September 9, 2014, the Company announced assay of a 570 bulk sample from Pinargozu at 34% Zn and 50 g/t silver.

On June 19, 2014, the Company announced 16.8 meters of 39.0% Zinc and 85.5 grams per ton of Silver at its Pinargozu zinc-lead project in Adana Province, Turkey.

On May 21, 2014, the Company announced the commencement of drilling on the Pinargozu property.

On April 22, 2014, the Company announced that it had received drill permits for both the Akkaya and Pinargozu properties.

On three news releases dated February 13, 2014, March 3, 2014 and April 7, 2014, the Company announced ground penetrating radar work on Akkaya and Pinargozu. This work aimed at identifying cave structures in the limestone host rocks that may contain the zinc bearing mineralization.

Golcuk Property, Sivas Province, Turkey

On July 19, 2012 the Company signed an option agreement (collectively the "Agreement") with Eurasian Minerals Inc. (TSX-V: EMX; NYSE: EMXX) ("Eurasian") and its wholly owned Turkish subsidiary, Eurasia Madencilik Ltd. STI, whereby Pasinex, through its wholly owned Turkish subsidiary, Pasinex Arama, 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 mining 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 issued common shares to Eurasian as follows:

- (i) 500,000 shares within five days after the granting of the extension (the "Initial Issuance Date") (issued and fair valued at $50,000);
- (ii) 500,000 common shares on the first anniversary of the Initial Issuance Date (issued and fair valued at $25,000);
- (iii) 1,000,000 common shares on the second anniversary of the Initial Issuance Date (issued and fair valued at $120,000); and
- (iv) 1,000,000 common shares on the third anniversary of the Initial Issuance Date (issued subsequent to December 31, 2015), 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 annual work commitments on the project as follows:

- (i) $200,000 before the first anniversary of the date of the transfer of Golcuk to Pasinex Turkey (the "Completion Date");
- (ii) $250,000 before the second anniversary of the Completion Date; and
- (iii) $250,000 before the end of the fourth 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 filed 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 was for the Company to determine the most efficient and economical small-scale mining plan for Golcuk.

A finder's fee of 300,000 common shares over a three years will be paid to Zimtu Capital Corp. ("Zimtu") in connection with the transaction (50,000 shares issued and fair valued at $5,000 in February 2013, 50,000 shares issued and fair valued at $2,500 in February 2014, 100,000 shares issued and fair valued at $12,000 in February 2015, and 100,000 shares in February 2016).

During 2015, the Company carried out minimal geological field work with no drilling at the Golcuk Cu project in Sivas province, Turkey. This decision was taken given the Company's focus on their zinc project and limited capital resources available. The Company is looking at their exploration plans for 2016 for the Golcuk project. In the meantime, the Company has focused on keeping the license in good standing.

Property Updates:

On February 26, 2015, the Company announced an update on exploration drilling on the Golcuk Copper Project. This update covered 5 holes that were drilled on the Golcuk property in late 2014. Three of these holes showed Cu mineralization intercepts of varying widths.

On October 28, 2014, the Company announced the commencement of their second drilling campaign on the Golcuk project, Sivas province, Turkey in the Golcuk Main zone.

Throughout fiscal 2014, the Company continued with geological field work (mapping, soil and rock sampling) on their Golcuk Cu property. In March 2014, the Company received drill site forestry permits for two mineralization zones at Golcuk (being the Golcuk Main and Golcuk West zones). These drill sites have been prepared and as of the end of 2014 drilling commenced. Unfortunately, only the holes planned for Golcuk Main zone were drilled (not the planned Golcuk West zone holes) because of early heavy snow in the Golcuk region. Pasinex will look at another drilling campaign for Golcuk in 2015.

On July 30, 2013, the Company published a NI 43-101 compliant technical report on its Golcuk Copper project located in the Sivas Province, Turkey. The report is available on SEDAR and the Company's website.

Selected Annual Information

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

	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013
Total Revenues	Nil	Nil	Nil
Net income (loss)	(680,809)	(1,498,423)	(1,103,805)

	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013
Net income (loss) (per share, basic and diluted)	(0.01)	(0.02)	(0.02)
Total assets	2,368,863	1,781,455	1,106,081
Total long term financial liabilities	Nil	Nil	Nil
Cash dividend declared per share	Nil	Nil	Nil

Results of Operations

Year Ended December 31, 2015

The Company incurred a net loss of $680,809 during the year ended December 31, 2015, compared to a net loss of $1,498,423 during the year ended December 31, 2014, for a difference of $817,614. The significant differences from the prior year include:

- A decrease in advertising and promotions to $93,003 (2014 - $178,245) due to cost-saving initiatives and an increase in investor relations to $56,867 (2014 - $54,573) to promote the Company's recent exploration discoveries,
- An increase in consulting and management fees to $479,469 (2014 - $336,961) due to use of a number of key geological consultants and geophysics investigations to enhance the exploration work at Horzum AS,
- A decrease in professional fees to $75,760 (2014 - $87,623) due to reduced legal and accounting fees during the current year,
- An increase in property investigation costs to $92,435 (2014 - $nil) as the Company explored new property opportunities,
- A decrease in share-based payments to $15,068 (2014 - $233,632) due to few stock options granted in the current year,
- A decrease in transfer agent and regulatory authorities fees to $20,665 (2014 - $23,181) due to reduced share issuances,
- A decrease in travel and meals to $95,672 (2014 - $110,541) for decreased travel in the current year,
- A decrease in the unrealized loss on marketable securities to $nil (2014 – $1,318) due to the difference in market value of the shares compared to the prior year,
- A decrease in the gain on disposition of marketable securities to $1,427 (2014 - $17,350) due to the sale of investments in the prior year,
- An increase in other income to $71,122 (2014 - $14,080 expense) for the recovery of joint venture exploration costs.
- An increase in the equity gain of affiliates to $417,042 (2014 - $5,887 loss) due to the joint venture's income from the sale of goods during the current year,

- A decrease in impairment of exploration and evaluation assets to $5,585 (2014 - $239,645), and

- An increase in the foreign exchange losses to $19,387 (2014 - $8,980) due to the significant drop in the foreign exchange rate of the Turkish Lira in the current year's period.

Summary of Quarterly Results

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

	December 31, 2015	**September 30, 2015**	**June 30, 2015**	**March 31, 2015**
Revenues	$ -	$ -	$ -	$ -
Net income (loss) and comprehensive income (loss)	$(69,340)	$(241,912)	$(21,177)	$(348,380)
Basic and diluted net gain (loss) (per share)	$(0.00)	$(0.00)	$(0.00)	$(0.00)

	December 31, 2014	**September 30, 2014**	**June 30, 2014**	**March 31, 2014**
Revenues	$ -	$ -	$ -	$ -
Net income (loss) and comprehensive income (loss)	$(625,458)	$(320,447)	$(289,548)	$(262,970)
Basic and diluted net gain (loss) (per share)	$(0.01)	$(0.00)	$(0.00)	$(0.00)

The Company's expenses have remained consistent over the last eight quarters, as the Company was actively exploring properties in Turkey. The decreased loss for the quarters ended in December are due to impairment of mineral properties (2015 - $5,585 and 2014 - $239,645) and other income of $101,704 (refer to Joint Venture investment details). The significant reduction in loss for the period ended June 30, 2015 was due to the gain on the equity investment of the Joint Venture project, which sold a significant amount of product.

Three Months Ended December 31, 2015

The Company incurred a net loss of $69,340 during the three months ended December 31, 2015, compared to a net loss of $625,458 during the three months ended December 31, 2014, for a difference of $556,118. The significant differences from the prior period include:

- A decrease in advertising and promotions to $36,517 (2014 - $61,233) and investor relations to $1,760 (2014 - $16,348) due to cost-saving initiatives,

- An increase in consulting and management fees to $144,355 (2014 - $86,373) due to use of a number of key geological consultants and geophysics investigations to enhance the exploration work at the Horzum AS JV,

- A decrease in professional fees to $5,155 (2014 - $20,674) due to reduced legal and accounting fees during the current year's period,

- A decrease in share-based payments to $nil (2014 - $131,008) as no stock options granted in the current year's period,

- A decrease in transfer agent and regulatory authorities fees to $1,532 (2014 - $9,324) due to reduced share issuances,

- A decrease in travel and meals to $13,224 (2014 - $36,689) due to cost-saving initiatives,

- An increase in other income to $244,613 (2014 - $10,289 expense) for 50% of gain related to the amount charged to the Joint Venture in the current year's period,

- A decrease in the unrealized loss on marketable securities to $nil (2014 – $37,318) due to the difference in market value of the shares compared to the prior year,

- An increase in the loss on disposition of marketable securities to $1,427 (2014 - $36,000 loss) due to the sale of investments in the prior year,

- A decrease in the equity gain of affiliates to $ 33,923 loss (2014 - $34,369 gain) due to the joint venture's income from the sale of goods during the current period,

- A decrease in impairment of exploration and evaluation assets to $4,675 (2014 - $239,645), and

- An increase in the foreign exchange losses to $181,664 (2014 - $4,039) due to the significant drop in the foreign exchange rate of the Turkish Lira in the current year's period.

Capital Resources and Liquidity

The Company has total assets of $2,368,863 (2014 - $1,781,455). The primary assets of the Company are cash and cash equivalents of $25,749 (2014 - $151,045), taxes receivable of $4,035 (2014 - $6,852), other receivables of $2,238 (2014 - $30,461), prepaid expenses and deposits of $43,894 (2014 - $42,558), marketable securities of $17,160 (2014 - $16,567), due from Akmetal and the Joint Venture of $547,828 (2014 - $372,679), investment in joint venture of $377,794 (2014 - $61,974), equipment of $31,439 (2014 - $48,072), and exploration and evaluation assets of $1,226,226 (2014 - $1,051,247). The Company has accounts payable and accrued liabilities of $289,595 (2014 - $160,090) and due to related parties of $92,306 (2014 - $24,492). The Company has working capital deficiency of $196,325 (2014 – working capital of $62,901).

The Company is actively investigating financing alternative in order to continue as a going concern. The company has reduced expenses wherever possible and will continue to do so moving forward. Some funds have been raised in 2015, through the issuance of shares. Funds have been received through the Joint Venture project in Turkey, and it is expected that these funds will increase during 2016 as more product is sold.

During the year ended December 31, 2015, cash flows were as follows:

- Financing activities generated $528,326 (2014 - $1,687,664) from share issuance and share subscription received.

- Investing activities consisted of cash outflows on exploration and evaluation assets of $88,127 (2014 - $437,950), equipment acquisition costs of $1,189 (2014 - $7,208), investment in joint venture of $nil (2014 - $49,738), and cash inflows on proceeds of disposition of marketable securities of $nil (2014 - $98,350).

- Cash outflows on operating activities were $563,115 (2014 – $1,194,774).

On February 12, 2014, the Company issued 500,000 common shares to Eurasian, valued at $25,000, in accordance with the Golcuk Property agreement. The Company also issued 50,000 common shares to Zimtu Capital Corp., valued at $2,500, for finder's fees in accordance with the Golcuk Property agreement.

On April 7, 2014, the Company completed tranche 1 of a non-brokered private placement of 5,947,142 units (the "Units") at a subscription price of $0.07 per Unit for gross proceeds of $416,300. Each Unit consists of one common share and one-half of a share purchase warrant (the "Warrant"). Each whole Warrant is exercisable into one additional common share (the "Warrant Share") of the Company at $0.12 per Warrant Share for a period of three years from closing. The Company paid $18,304 in cash, and issued 27,200 broker warrants and 60,000 common shares to finders in connection with this private placement.

On April 22 2014, the Company completed tranche 2 of a non-brokered private placement of 1,449,460 units (the "Units") at a subscription price of $0.07 per Unit for gross proceeds of $101,462. Each Unit consists of one common share and one-half of a share purchase warrant (the "Warrant"). Each whole Warrant is exercisable into one additional common share (the "Warrant Share") of the Company at $0.12 per Warrant Share for a period of three years from closing.

On May 30, 2014, the Company issued 2,877,718 shares at a deemed value of $0.10 to Zimtu Capital Corp. ("Zimtu") for the settlement of debt valued at $287,772.

On June 30, 2014, 500,000 warrants were exercised at $0.15 per warrant, and 384,615 warrants were exercised at $0.10 per warrant, for total proceeds of $113,462. As a result, the Company allocated $61,538 from reserves.

On August 18, 2014, the Company closed a non-brokered private placement of 5,210,538 units (the "Units") at a price of $0.13 per Unit for gross proceeds of $677,370. Each Unit consists of one common share and one half of a share purchase warrant (the "Warrant"). Each whole Warrant will be exercisable into one additional common share (the "Warrant Share") of the Company at $0.20 per Warrant Share for a period of three years from closing. Finder's fees are payable in connection with this private placement of $18,356 and 141,200 share purchase warrants. Each of the finder's warrants are exercisable into a common share of the Company at $0.20 per share for a period of three years.

On December 17, 2014, 500,000 warrants were exercised at $0.15 per warrant, for total proceeds of $75,000. As a result, the Company allocated $50,000 from reserves.

On December 19, 2014, the Company closed a non-brokered private placement of 3,365,000 units (the "Units") at a price of $0.11 per Unit for gross proceeds of $370,150. Each Unit consists of one common share and one half of a share purchase warrant (the "Warrant"). Each whole Warrant will be exercisable into one additional common share (the "Warrant Share") of the Company at $0.18 per Warrant Share for a period of two years from closing. Finder's fees are payable in connection with this private placement of $3,520 and 32,000 share purchase warrants. Each of the finder's warrants are exercisable into a common share of the Company at $0.18 per share for a period of two years.

On February 6, 2015, the Company closed a non-brokered private placement of 910,000 units (the "Units") at a price of $0.11 per Unit for gross proceeds of $100,100. Each Unit consists of one common share and one half of a share purchase warrant (the "Warrant"). Each whole Warrant will be exercisable into one additional common share (the "Warrant Share") of the Company at $0.18 per Warrant Share for a period of two years from closing.

On February 12, 2015, the Company issued 1,000,000 common shares to Eurasian, valued at $120,000, in accordance with the Golcuk Property agreement. The Company also issued 100,000 common shares to Zimtu Capital Corp., valued at $12,000, for finder's fees in accordance with the Golcuk Property agreement.

On December 31, 2015, the Company closed a non-brokered private placement of 10,277,315 units (the "Units") at a price of $0.05 per Unit for gross proceeds of $513,866. Each Unit consists of one common share and one half of a share purchase warrant (the "Warrant"). Each whole Warrant will be exercisable into one additional common share (the "Warrant Share") of the Company at $0.10 per Warrant Share for a period of one year from closing.

On December 31, 2015, the Company issued 7,820,685 shares at a deemed value of $0.05 to various creditors for the settlement of debt valued at $391,034.

Proposed Transactions and Subsequent Events

a) On February 11, 2016, the Company issued 1,000,000 common shares to Eurasian, valued at $60,000, in accordance with the Golcuk Property agreement. The Company also issued 100,000 common shares to Zimtu Capital Corp., valued at $6,000, for finder's fees in accordance with the Golcuk Property agreement.

b) A claim was initiated by CFT Muh Ltd Sti against the Company for consulting fee payment for a total amount of 261,214 TRY on March 17, 2016. Objection of the Company was filed on March 25, 2016. The parties signed a Statement of Compromise and Release on March 29, 2016. CFT Muh Ltd Sti agreed to waive its claim in return of a payment of $37,600 (80,000 TRY) by the Company, which has been accrued in accounts payable and accrued liabilities as of December 31, 2015.

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:

	December 31, 2015	December 31,2014
Non-current assets by geographic segment		
Canada	$ -	$ -
Turkey	2,183,287	1,533,972
	$ 2,183,287	$ 1,533,972

Transactions with Related Parties

Related parties and related party transactions impacting the accompanying consolidated financial statements are summarized below and include transactions with key management personnel, which includes 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, or 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:

Related Party Transactions	**2015** **$**	**2014** **$**
Management and consulting fees	204,050	257,072
Geological fees	10,300	66,150
Total	**214,350**	**323,222**

Amounts Due to Related Parties	**2015** **$**	**2014** **$**
Clinton Smyth	50,890	10,237
John Barry	-	5,087
Larry Seeley	2,872	-
Jody Bellefleur	12,600	-
Steven Williams	25,944	9,168
Total Amount Payable	**92,306**	**24,492**

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.

Pasinex Arama provides project management and technical management services to Akmetal for Akmetal's 100%-owned license, numbered IR-1179, located in the Adana area. The balance of receivable from Akmetal is $128,007 as of December 31, 2015 (2014 - $134,388).

Pasinex Arama provides project management and technical management services to the Joint Venture for Pinargozu property and Horzum JV Properties which will be transferred to the Joint Venture. The balance of receivable from the Joint Venture is $419,821 as of December 31, 2015 (2014 -$238,291).

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 fiscal years, the following is a breakdown of the material accumulated transactions incurred in the year disclosed below:

	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013
Capitalized Exploration and Evaluation Costs	$1,226,226	$1,051,247	$826,003
Capitalized Property held for Sale	Nil	Nil	Nil
General and Administration Expenses	$1,145,595	$1,248,652	$834,954
Gain (loss) on sale of marketable securities	Nil	$54,668	$(126,632)
Gain on sale of mineral properties	Nil	Nil	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:

	April 28, 2016	December 31, 2015	December 31, 2014
Common shares	101,892,309	100,792,309	80,684,309
Warrants	15,129,729	15,129,729	11,484,821
Stock Options	3,290,000	3,290,000	3,100,000
Agent Warrants	217,200	217,200	258,800
Fully Diluted Shares	120,529,238	119,429,238	95,527,930

For additional details of outstanding share capital, refer to the audited annual consolidated financial statements for the year ended December 31, 2015.

Critical Accounting Judgments, Estimates and Assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and related disclosure. Judgement is used mainly in determining how a balance or transaction should be recognized in the consolidated financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. Actual results may differ from these estimates.

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

- Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs – Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic information, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.
- Functional currency – The functional currency for the Company's subsidiary and investment in joint venture, is the currency of the primary economic environment in which the entity operates. The Company has determined the functional currency of each entity in Turkey is the New Turkish Lira (TRY). Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.
- Joint Venture – Pursuant to the Joint Venture Agreement between Pasinex Arama ve Madencilik AS ("Pasinex Arama") and Akmetal Madencilik Sanayi ve Ticaret A.S. ("Akmetal") dated January 17, 2013, the Company has determined the Joint Venture is a form of joint venture and the Company is required to account for its shares in the joint venture company by using the equity method.
- Going concern – Significant judgments used in the preparation of these consolidated financial statements include, but are not limited to those relating to the assessment of the Company's ability to continue as a going concern.

- Deferred taxes - deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that probable that future taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax assets and unused tax losses can be utilized. In addition, the valuation of tax credits receivable requires management to make judgements on the amount and timing of recovery. As of December 31, 2015, the Company has not recognized any deferred income tax assets.

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

- The inputs used in assessing the recoverability of deferred tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income;
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the year; 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 3 and 4 of its audited consolidated financial statements for the year ended December 31, 2015.

Future Accounting Standards

For details of the Company's Future Accounting Standards, including accounting standards not yet adopted, new accounting standards adopted, and accounting standards amended but not yet effective, please refer to Note 4 of the Company's audited consolidated financial statements for the year ended December 31, 2015.

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 currently has no intention 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 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 consolidated financial statements. As of December 31, 2015 and 2014, the fair values of the financial assets and liabilities approximate their carrying amounts due to the short-term maturities of these instruments, except for cash and cash equivalents and marketable securities. 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 December 31, 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
At fair value through profit or loss				
Cash and cash equivalents	25,749	-	-	25,749
Marketable securities	17,160	-	-	17,160
	42,909	-	-	42,909

	Assets measured at fair value as at December 31, 2014			
	Level 1	**Level 2**	**Level 3**	**Total**
At fair value through profit or loss				
Cash and cash equivalents	151,045	-	-	151,045
Marketable securities	16,567	-	-	16,567
	167,612	-	-	167,612

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 and in Turkey. 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.

The maximum credit risk exposure relating to financial assets is represented by their respective carrying values as at the statement of financial position date.

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 December 31, 2015, the Company had a cash balance of $25,749 (2014 - $151,045) and current liabilities of $381,901 (2014 - $184,582). 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 may manage its short term liquidity shortfall by obtaining additional loans from directors or by equity financing.

c) Market Risk

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

i) Currency Risk - Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the exploration stage and is in the early stages of development of 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 does not have significant exposure to currency risk with regards to its TRY denominated financial assets and financial liabilities.

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 April 28, 2016, the Company had the following directors and officers:

Steven Williams – Chairman, Director, President and CEO
Cindy Davis, CFO (replaced Jody Bellefleur who resigned on December 31, 2015)
Jo-Anne Archibald, Corporate Secretary (replaced Frances Petryshen who resigned on December 31, 2015)
Victor Wells – Director *
Sven Olsson – Director *
John Barry – Director
Jonathan Challis – Director *
Larry Seeley – Lead Director
Joachim Rainer – Director

On February 9, 2016, Clinton Smyth resigned as VP – Exploration. At the date of reporting no replacement has yet been made to this position for the Company

* 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.