

Pasinex Reports Net Income of \$1.8M in Q3 and Strong Operating Results at Pinargozu Zinc Mine

TORONTO, ON – November 27, 2017 – Pasinex Resources Limited (CSE: PSE) (FSE: PNX) (The “Company” or “Pasinex”) today reported net income of \$1.8M for the third quarter of 2017 compared to \$0.4M in the third quarter of 2016. In addition, considering net income from the first half of 2017 of \$1.3M, Q3 shows a marked improvement in profitability due to a continuing upward trend in production and sales from its 50%-owned Horzum AS Joint Venture company (“JV company”), in Turkey. In Q3 the Pinargozu Mine produced 15,760 tonnes (wet weight) of direct shipping material (DSO) with an average grade of 35% zinc, which is an increase of 10% from Q2 2017 and 34% from Q1 2017. Mine output grew for the seventh consecutive quarter.

The Q3 2017 unaudited financial statements and the corresponding Management Discussion and Analysis (MD&A) are available on SEDAR.com and the Pasinex website where the financial results for both Pasinex and the JV company are provided. The positive financial result of Pasinex is due to the strong financial result from the JV company. Below is a review of the JV company financial results followed by a review of the Pasinex financial results. All dollar amounts are Canadian unless otherwise indicated.

Highlights of the Third Quarter and Nine Months 2017 and 2016 Financial Results

(CDN\$)	Q3 2017	Q3 2016	9 Months 2017	9 Months 2016
<u>Horzum AS (described on a 100% basis)</u>				
Revenues	\$9,327,185	\$3,413,571	\$19,394,413	\$6,931,254
Net Income	\$5,397,392 (72% margin)	\$1,187,340 (35% margin)	\$9,596,680 (62% margin)	\$1,591,785 (23% margin)
<u>Pasinex Resources</u>				
Equity Gain	\$2,698,696	\$593,671	\$4,798,340	\$795,893
Net Income	\$1,838,461	\$417,898	\$3,151,954	\$215,907

(1) Pasinex Financial Highlights

- Pasinex’s consolidated net income for Q3 2017 was \$1.8M, which included a \$2.7M equity gain from the JV company, offset by corporate expenses of \$0.9M.
- Total assets at the end of Q3 2017 were \$9.0M up from \$6.8M at the end of Q2 2017 due to the equity gain. In addition, the remaining warrants were exercised for cash proceeds of \$0.3M during the third quarter of 2017.

- Shareholder equity rose from \$3.8M at the end of 2016 to \$8.7M at September 30, 2017.
- The JV company declared a dividend of US\$2M earlier in the year, of which US\$0.9M is owing to Pasinex as of September 30, 2017. An additional US\$0.2M was received by Pasinex in October. The remaining US\$0.7M is expected prior to the end of the year.

(2) Horzum AS 50%-owned JV company Financial Highlights (described on a 100% basis)

- In Q3 2017, the JV company, which holds the zinc mine in Turkey (Pinargozu), produced 15,760 tonnes (wet weight) of direct shipping material (DSO) with an average grade of 35% zinc. Mine production in the third quarter was over 170 tonnes / day; an increase of 10% from Q2 2017 and 34% from Q1 2017.
- Figure 1 below shows the production chronology over the past seven (7) quarters. Production from the Pinargozu mine has steadily increased through each of these quarters due in large part to the addition of a new third adit at the mine in August 2016 and on-going mine development in 2017 that has opened up many new mining stope areas.
- Sales revenue for the Q3 was \$9.3M representing 13,714 wet tonnes of zinc and 263 wet tonnes of lead sold compared to \$3.4M in Q3 2016. This has been the highest revenue to date recorded in a quarter by the JV company due to higher zinc production, including a greater proportion of higher grade sulphide zinc, which demands a higher sales price. In addition, the JV company finalized invoices which were provisionally issued in 2016 and the first quarter of 2017 resulting in an upward adjustment to revenue of \$2M; all recorded in Q3.
- Approximately 7,000 tonnes of mineralized material was stockpiled through the second and third quarters of 2017 to accommodate a large vessel shipment. Delivery is expected in the fourth quarter and corresponding revenues should be recorded at the same time.
- The total costs for the JV company in the third quarter 2017 were \$134 / tonne mined.
- The net profit (before tax) for Q3 2017 was \$6.7M, which represents a 72% gross margin.

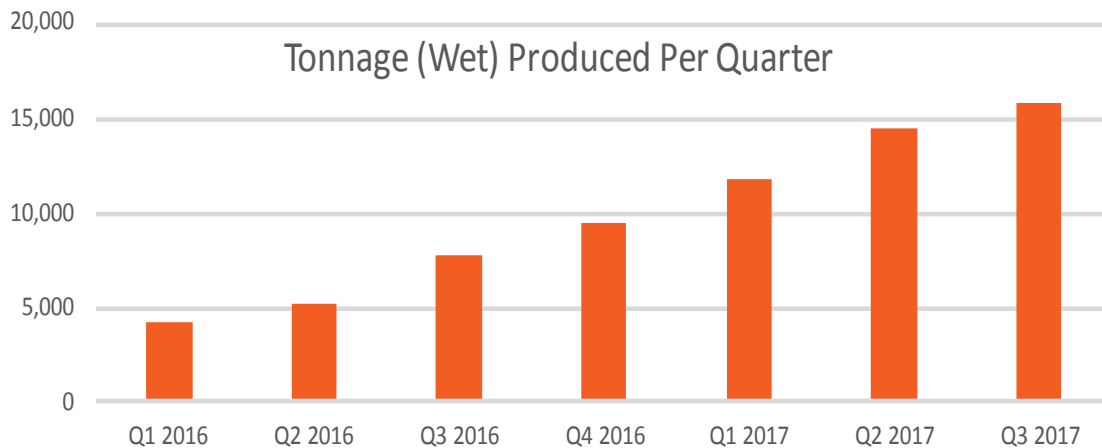


Figure 1: Pinargozu Mine production from Q1 2016 to the end of Q3 2017

Steve Williams, CEO commented, “We are very pleased with our superb operating results this quarter. We continue to show improved productivity at the Pinargozu Mine. We look forward to continued strong performance from the Pinargozu mine in the years ahead.”

About Pasinex

Pasinex Resources Limited (CSE: PSE; FSE: PNX), a metals company, is a 50% owner of the high grade Pinargozu Zinc Mine which is in production. Under its DSO Program, Horzum AS is shipping directly to zinc smelters / refiners from its mine site in Turkey. The Company has a strong technical management team with many years of experience in mineral exploration and mining project development. The mission of Pasinex is to build a mid-tier zinc company based on assembling a large land position within a productive CRD district in Turkey.

The Pinargozu Mine is included in Horzum Arama Isletme AS (Horzum AS), which is a 50-50 corporate joint venture between Pasinex and Turkish mining house Akmetal Madencilik San ve Tic. AS (Akmetal AS). Akmetal AS is one of Turkey’s largest family-owned conglomerates with the nearby past-producing Horzum Zinc Mine.

Visit our web site at: www.pasinex.com

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