



## Pasinex Reports Second Quarter 2019 Results

TORONTO, Ontario, Aug. 30, 2019 -- Pasinex Resources Limited (CSE: PSE) (FSE: PNX) (The "Company" or "Pasinex") today reported financial results for the second quarter of 2019. As expected, production from Horzum AS was lower than the prior year and combined with lower realized zinc prices in 2019, consolidated net income was lower than it was in 2018. Adjusted consolidated net income<sup>(1)</sup> for the six months ended June 30, 2019 was approximately \$1.5 million. Consolidated net loss for the six months ended was approximately \$0.3 million.

### Financial and Operational Highlights

Financial:	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Equity gain from Horzum AS	\$ 286,383	\$ 1,805,685	\$ 536,438	\$ 4,789,871
Adjusted equity gain from Horzum AS <sup>(1)</sup>	\$ 333,363	\$ 1,805,685	\$ 1,253,493	\$ 4,789,871
Dividend received from investment in Horzum AS	\$ 286,383	\$ 377,370	\$ 536,438	\$ 765,963
Consolidated net income	\$ (108,609)	\$ 930,193	\$ (323,459)	\$ 1,656,214
Basic net income per share	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.01
Diluted net income per share	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.01
Cash used in operating activities	\$ 90,369	\$ 142,789	\$ 81,305	\$ 160,648
Weighted average shares outstanding	144,354,370	142,154,370	144,354,370	142,154,370

Operational:	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
<b>Horzum AS operational data (100% basis):</b>				
Zinc produced (wet) tonnes	4,293	13,080	11,080	26,117
Zinc sold (wet) tonnes	2,397	9,951	10,056	22,672
Zinc sold grade	46%	32%	33%	33%
Gross margin <sup>(1)</sup>	69%	69%	61%	73%
C\$ cost per tonne mined <sup>(1)</sup>	\$ 403	\$ 173	\$ 318	\$ 180
US\$ cash cost per pound of zinc produced <sup>(1)</sup>	\$ 0.32	\$ 0.20	\$ 0.34	\$ 0.20

<sup>(1)</sup> Refer to Note 1

Steve Williams, CEO of Pasinex commented, "Horzum AS produced as expected for the first six months of 2019, with an operating gross margin of 61%. However, the first six months of 2019 ended with a net loss of \$495,104 after recognition of an impairment of the Akmetal receivable of approximately \$3,000,000. We continue to stand by the original production guidance for 2019 which indicated 14,000 – 17,000 tonnes (wet) for the year."

### Pasinex Highlights

- For the three and six months ended June 30, 2019 Pasinex incurred an approximately \$0.1 million and \$0.3 million loss, respectively, compared to net income of approximately \$0.9 million for the three months ended June 30, 2018 and approximately \$1.7 million for the six months ended June 30, 2018. The decrease in net income is largely due to lower equity gains from Horzum AS.
- The equity gains from Horzum AS for the three and six months ended June 30, 2019 were approximately \$0.3 million and \$0.5 million, respectively, compared with approximately \$1.8 million and \$4.8 million for the same periods in 2018, respectively.
- In May 2019, the Company entered into a Debt Agreement with Akmetal to resolve the collectability of the trade receivable owing from them to Horzum AS. The terms of the Debt Agreement include a minimum amount of repayments on a monthly basis plus the chance for additional repayments from proceeds Akmetal would receive from the sale of its other assets. Akmetal has not honoured the terms of the Debt Agreement and has not been able to complete the sale of its other assets as it had planned. As a result, the financial positions of Horzum AS and the Company have weakened further.
- In May 2019, the Company received \$100,000 from a shareholder of the Company. Subsequent to the end of the quarter the Company received an additional \$30,000 from a shareholder of the Company.

- Subsequent to the quarter ended June 30, 2019, the Company appointed a new Chief Financial Officer to its management team.

#### **Note 1**

*Please note that all dollar amounts in this news release are expressed in Canadian dollars unless otherwise indicated. Refer also to the year-end 2019 Management's Discussion and Analysis (MD&A) and Audited Financial Statements found on SEDAR.com for more information. This news release includes non-GAAP measures, including adjusted equity gain from Horzum AS, adjusted consolidated net income, gross margin, cost per tonne mined and US\$ cash cost per pound of zinc produced. A reconciliation of these non-GAAP measures to the GAAP financial statements is included in the MD&A.*

#### **About Pasinex**

Pasinex Resources Limited is a Toronto-based mining company which owns 50% of the producing Pinargozu high grade zinc mine and, under a Direct Shipping Program, sells to zinc smelters / refiners from its mine site in Turkey. The Company also holds an option to acquire 80% of the Spur high-grade zinc exploration project in Nevada. Pasinex 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 its mining and exploration projects in Turkey and Nevada.

Visit our web site at: [www.pasinex.com](http://www.pasinex.com)

On Behalf of the Board of Directors

**PASINEX RESOURCES LIMITED**

#### **"Steve Williams"**

Steve Williams  
President/CEO  
Phone: +1 416.861.9659  
Email: [info@pasinex.com](mailto:info@pasinex.com)

Evan White  
Manager of Corporate Communications  
Phone: +1 416.906.3498  
Email: [evan.white@pasinex.com](mailto:evan.white@pasinex.com)

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*All statements within, other than statements of historical fact, are to be considered forward looking. Although Pasinex believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, exploration results, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. We do not assume any obligation to update any forward-looking statements.*