

Pasinex Announces Second Quarter 2022 Financial Results

TORONTO, ON – August 29, 2022 – Pasinex Resources Limited (CSE: PSE) (FSE: PNX) (The “Company” or “Pasinex”) today reports the Company’s financial and operating results for the three and six months ended June 30, 2022.

Andrew Gottwald, Chief Financial Officer of Pasinex, commented, “We continued to move forward positively on many fronts including exceptional operating results at the Pinargozu mine and advancements on the exploration front at our Gunman Project in Nevada. We have met with MAPEG and the Ministry of Energy and Natural Resources. The meetings have been constructive and both agencies continue to work with Horzum AS and Pasinex Arama to arrive at a negotiated solution for the benefit of all.”

Selected Quarterly Information

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Financial:				
Equity gain from Horzum AS	\$ -	\$ -	\$ -	\$ 32,232
Dividend and other receivables collected from Horzum AS	\$ 1,167,464	\$ -	\$ 3,401,084	\$ 32,232
Dividend income from Horzum AS	\$ -	\$ -	\$ 4,072,320	\$ -
Consolidated net (loss) income	\$ (890,345)	\$ (595,616)	\$ 2,743,999	\$ (805,262)
Basic and diluted net income per share	\$ (0.01)	\$ (0.01)	\$ 0.02	\$ (0.01)
Net cash provided by (used in) operating activities	\$ 1,313,517	\$ (221,457)	\$ 2,083,338	\$ (456,000)
Weighted average shares outstanding	144,554,371	144,554,371	144,554,371	144,554,371
Horzum AS operational data (100% basis):				
Zinc product mined (wet) tonnes	3,264	2,676	7,804	5,256
Zinc product sold (wet) tonnes	3,155	2,287	6,119	4,659
Zinc oxide product average grade sold	42%	34%	38%	32%
Zinc sulphide product average grade sold	50%	40%	51%	40%
Gross margin ⁽¹⁾	82%	50%	78%	35%
CAD cost per tonne mined ⁽¹⁾	\$ 413	\$ 319	\$ 358	\$ 373
USD cash cost per pound of zinc mined ⁽¹⁾	\$ 0.29	\$ 0.35	\$ 0.27	\$ 0.43

⁽¹⁾ Refer to Non-GAAP Measures

Highlights

- Pasinex recorded a net loss of approximately \$0.89 million for the three months ended June 30, 2022, and a net income of approximately \$2.7 million for the six months ended June 30, 2022, compared with net losses of approximately \$0.6 million and \$0.8 million for the same periods in 2021. Pasinex Arama recorded a dividend income of approximately \$4.1 million in the first quarter of 2022. There was no similar amount in 2021.
- The operating income in Horzum AS increased to \$4.8 million and \$8.1 million for the three and six months ended June 30, 2022, versus operating income of \$0.8 million and \$1.1 million for the same periods in 2021. This increase was due to higher revenue generated from higher sales prices. The increased sales prices were the result of higher worldwide zinc prices in 2022 along with selling a greater proportion of

high-grade zinc sulphide product in 2022 compared with 2021. The higher sales prices also resulted in the gross margin (see non-GAAP measures) for the three and six months ended June 30, 2022, increasing to 82% and 78% versus 50% and 35% in the same periods in 2021.

- Horzum AS declared a dividend to be paid to its shareholders of which Pasinex Arama was entitled to TRY 42.2 million. Pasinex Arama has received all of this amount as of the date of this Interim MD&A. Total cash received from Horzum AS was approximately \$3.4 million during the first six months of 2022.
- On July 1, 2022, the Company announced that T.C. Maden ve Petrol Iseri Genel Mudurlugu (“MAPEG”), the mining ministry in Turkey, had not extended the principal mining operational license of Horzum AS beyond April 15, 2023, and the Akkaya operational exploration license of Pasinex Arama at that time. As a result, both Pasinex Arama and Horzum AS each filed a court action in Adana, Turkey challenging the denial of the license extensions. The actions were filed on July 1, 2022, in order to meet the legal statute of limitations in the mining law. Since the filing of the actions, representatives of Horzum AS and Pasinex Arama have met with MAPEG and the Ministry of Energy and Natural Resources. The meetings have been constructive and both agencies continue to work with Horzum AS and Pasinex Arama to arrive at a negotiated solution for the benefit of all.
- Horzum AS sold 3,041 and 5,571 tonnes of zinc sulphide product in the three and six months ended June 30, 2022, at average grades of 50% and 51% zinc and average sale prices of approximately US\$1,353 and US\$1,337 per tonne, respectively.
- Horzum AS mined 7,804 tonnes of zinc product in the first six months of 2022, at the Pinargozu mine.
- The CAD cost per tonne mined (see non-GAAP measures) was \$413 and \$358 for the three and six months ended June 30, 2022, respectively and the USD cash cost per pound of zinc product mined (see non-GAAP measures) was US\$0.29 and US\$0.27 for the three and six months ended June 30, 2022, respectively.
- During 2022, Horzum AS completed a total of 4,870 metres of underground and surface diamond core drilling, in 63 holes. It also completed 851 metres of exploration and development adit development, including 150 metres of adit development towards the Akkaya property.
- Horzum AS had another zero-fatality quarter at the Pinargozu Mine. There was 98,848 fatality free hours worked and no serious injuries were reported.
- The Company completed a helicopter magnetics survey of 218 line-kilometers, a mobile metal ion soil sampling program of 453 samples and a ground gravity program with 2,078 stations during and subsequent to the quarter ended June 30, 2022, at the Gunman Project in Nevada. A drill program of 3,000 to 4,000 meters is to commence in the third quarter of 2022.

Non-GAAP Measures

Please note that all dollar amounts in this news release are expressed in Canadian dollars unless otherwise indicated. Refer also to the 2021 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 gross margin, cost per tonne mined and US\$ cash cost per pound of zinc mined. A reconciliation of these non-GAAP measures to the GAAP financial statements is included in the MD&A.

Qualified Person

Jonathan Challis, a fellow of the Institute of Materials, Minerals and Mining and a Chartered Engineer, is the qualified person (“QP”) as defined by NI 43-101 and has approved the scientific and technical disclosure herein. Mr. Challis is a director of the Company and Chair of Horzum AS.

About Pasinex

Pasinex Resources Limited is a Toronto-based mining company that owns 50% of Horzum Maden Arama ve Isletme Anonim Sirketi (“Horzum AS” or “Joint Venture”), through its 100% owned subsidiary Pasinex Arama ve Madencilik Anonim Sirketi (“Pasinex Arama”). Horzum AS holds 100% of the producing Pinargozu high-grade zinc mine. Horzum AS sells directly to zinc smelters and or refiners through commodity brokers from its mine site in Turkey. The Company also holds an option to acquire 80% of the Gunman high-grade zinc exploration project in Nevada. Pasinex has a strong technical management team with many years of mineral exploration and mining project development experience. 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 website at www.pasinex.com.

On Behalf of the Board of Directors
PASINEX RESOURCES LIMITED

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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 a guarantee 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.