

Pasinex Announces Third Quarter 2022 Financial Results

TORONTO, ON – November 21, 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 nine months ended September 30, 2022. The third quarter financial statements and management’s discussion and analysis have been posted on the Company’s website at www.pasinex.com.

Andrew Gottwald, Chief Financial Officer of Pasinex, commented, “Horzum AS continued to deliver solid results throughout the third quarter. We are now well funded for our operations to continue through 2023. Sales of high-grade zinc sulphide product continued at very impressive margins. We look forward to receiving the official license extensions from MAPEG and to completing the drill program in Nevada.”

Selected Quarterly Information

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Financial:				
Equity gain from Horzum AS	\$ -	\$ -	\$ -	\$ 32,232
Dividend and other receivables collected from Horzum AS	\$ 713,974	\$ -	\$ 4,115,058	\$ 32,232
Dividend income from Horzum AS	\$ -	\$ -	\$ 4,072,320	\$ -
Consolidated net (loss) income	\$ (637,956)	\$ (203,818)	\$ 2,106,043	\$ (1,009,080)
Basic and diluted net income per share	\$ 0.00	\$ (0.01)	\$ 0.02	\$ (0.01)
Net cash provided by (used in) operating activities	\$ 22,791	\$ (217,399)	\$ 2,106,129	\$ (558,652)
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	3,001	2,488	10,805	7,744
Zinc product sold (wet) tonnes	4,941	1,999	11,005	6,658
Zinc oxide product average grade sold	NA	29%	38%	31%
Zinc sulphide product average grade sold	50%	47%	51%	43%
Zinc low-grade sulphide product average grade sold	19%	NA	19%	NA
Gross margin ⁽¹⁾	64%	52%	73%	40%
CAD cost per tonne mined ⁽¹⁾	\$ 481	\$ 371	\$ 392	\$ 373
USD cash cost per pound of zinc mined ⁽¹⁾	\$ 0.39	\$ 0.38	\$ 0.30	\$ 0.42

⁽¹⁾ Refer to Non-GAAP Measures

Highlights

- Pasinex recorded a net loss of approximately \$0.64 million for the three months ended September 30, 2022, and a net income of approximately \$2.1 million for the nine months ended September 30, 2022, compared with net losses of approximately \$0.2 million and \$1.0 million for the same periods in 2021. Pasinex Arama recorded a dividend income of approximately \$4.1 million in the first quarter of 2022. Dividend income is recorded when the dividends are declared. There was no similar amount in 2021.
- The operating income in Horzum AS increased to \$3.4 million and \$11.6 million for the three and nine months ended September 30, 2022, versus operating income of \$0.8 million and \$1.9 million for the same periods in 2021. This substantial 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 nine months ended September 30, 2022, increasing to 64% and 73% versus 52% and 40% 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. Total cash received from Horzum AS was approximately \$4.1 million during the first nine months of 2022.
- It was announced on July 1, 2022, that Pasinex had filed a legal action against the mining ministry in Türkiye, T.C. Maden ve Petrol İşleri Genel Müdürlüğü (“MAPEG”) following their decision not to extend the principal mining operational license of Horzum AS beyond April 15, 2023, and the Akkaya operational exploration license of Pasinex Arama. Since then, negotiations have progressed with MAPEG, and it has now been announced on the MAPEG website that these license applications have now been approved and that these will be renewed for the requested 10-year term. The renewal for Pasinex Arama was subject to certain minor additional information to be provided by Pasinex Arama. This additional information has now been provided and accepted by MAPEG. No additional information has yet been requested for the Horzum AS license. It is expected that the licenses will be signed and issued unconditionally.
- Horzum AS sold 3,998 and 9,569 tonnes of zinc sulphide product in the three and nine months ended September 30, 2022, at average grades of 50% and 51% zinc and average sale prices of approximately US\$974 and US\$1,185 per tonne, respectively.
- Horzum AS mined 3,001 and 10,805 tonnes of zinc product in the three and nine months ended September 30, 2022, respectively, at the Pinargozu mine.
- The CAD cost per tonne mined (see *non-GAAP measures*) was \$481 and \$392 for the three and nine months ended September 30, 2022, respectively and the USD cash cost per pound of zinc product mined (see *non-GAAP measures*) was US\$0.39 and US\$0.30 for the same periods, respectively.
- During 2022, Horzum AS completed a total of 7,364 metres of underground and surface diamond core drilling, in 84 holes. It also completed 1,388 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 146,112 fatality free hours worked in 2022. Unfortunately, two serious injuries were reported in August of 2022, where one employee suffered an injury of two broken ribs and a broken shoulder, and another employee suffered a broken bone in his foot. MAPEG has made two recent safety inspections and no significant issues were found.
- 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 in the nine months ended September 30, 2022, at the Gunman Project in Nevada. A drill program commenced subsequent to the end of the quarter in November.

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 Türkiye. 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 Türkiye 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.