

FORM 5A

ANNUAL LISTING SUMMARY

Introduction

The requirement to file this Form 5A does not apply to NV Issuers. NV Issuers must file a Form 51-102F2 Annual Information Form.

This Annual Listing Summary must be posted on or before the day on which the Issuer's annual financial statements are to be filed under the Securities Act. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies.

General Instructions

- (a) Prepare this Annual Listing Summary using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Listed Issuer Name:	PASINEX RESOURCES LIMITED
Website:	https://pasinex.com/
Listing Statement Date:	July 29th, 2026
Description(s) of listed securities(symbol/type):	PSE common shares
Brief Description of the Issuer's Business:	zinc mining
Description of additional (unlisted) securities outstanding:	stock options and warrants
Jurisdiction of Incorporation:	British Columbia
Fiscal Year End:	March 31st, 2026

Date of Last Shareholders' Meeting and Date of Next Shareholders' Meeting (if scheduled): November 21st, 2025

Financial Information as at: July 29th, 2026

	Current	Previous
Cash	\$1,807,179	\$194,888
Current Assets	\$2,544,377	\$654,075
Non-current Assets	\$6,230,450	\$2,903,150
Current Liabilities	\$4,014,969	\$4,864,743
Non-current Liabilities	\$1,112,147	\$36,109
Shareholders' equity	3,647,711	(1,343,627)
Revenue	\$1,000,809	\$-
Net Income	\$(5,756,253)	\$(2,651,927)
Net Cash Flow from Operations	\$(1,834,751)	\$(1,554,416)

SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in the Schedules. If the required details are included in Schedule A or B, provide specific reference to the page or note.

1. Related party transactions – See Schedule A

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.

- (f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the Listed Issuer's fiscal year:

- (a) summary of securities issued during the period, **See Schedule A**

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
July 10, 2025	common shares	debt settlement	28,766,306	\$0.075	\$2,157,473		Related Parties	N/A
January 15, 2026	common shares	debt settlement	33,405,205	\$0.10	\$3,340,520		creditors	N/A
October 24, 2025	common shares	private placement	1,087,200	\$0.075	\$2,331,540	cash	investors	\$15,750 and 406,000 common shares
March 27, 2026	common shares and warrants	private placement	16,270,000 shares and 8,135,000 warrants	\$0.10	\$1,613,000	cash	investors	\$8,050 and 140,000 finder units

- (b) summary of options granted during the period, **See Schedule A**

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period – See Schedule A

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of securities outstanding for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions:
265,611,697 common shares;
- (b) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value; and
- (c) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer: **N/A**

4. List the names of the directors and officers and include the position(s) held and the date of appointment, as at the date this report is signed and filed.

JONATHAN CHALLIS Independent Director	September 23, 2014
DR. LARRY EDWARD SEELEY Director Executive Chair	November 13, 2014
JOACHIM RAINER Independent Director	November 13, 2014
DR. MEHMET KÖMÜRCÜ Independent Director	November 21, 2025
IAN D. ATACAN Chief Financial Officer & Corporate Secretary, Director	Appointed January 1, 2025, appointed director February 14, 2025

5. Financial Resources – See Schedules A & B

- a) State the business objectives that the Issuer expects to accomplish in the forthcoming 12-month period;
- b) Describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event;
- c) Disclose the total funds available to the Issuer and the following breakdown of those funds:
 - (i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement, and

- (ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b); and
- (iii) describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

6. Status of Operations

During the fiscal year, did the Listed Issuer

- (a) reduce or impair its principal operating assets – **No**; or
- (b) cease or substantively reduce its business operations with respect to its stated business objectives in the most recent Listing Statement? – **No**

7. Business Activity

a) Activity for a mining or oil and gas Listed Issuer

- (i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, significant revenue from operations, or \$50,000 in exploration or development expenditures?

Exploration expenditures of \$7,928

- (ii) If the response to (i) above is “no”, for the three most recent fiscal years did the Listed Issuer have an aggregate of \$100,000 in exploration or development expenditures?

N/A

b) Activity for industry segments other than mining or oil & gas

- (i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, or \$100,000 in revenue from operations or \$100,000 in development expenditures?

N/A

- (ii) If the response to (i) above is “no”, for the three most recent fiscal years, did the Listed Issuer have either \$200,000 in operating revenues or \$200,000 in expenditures directly related to the development of the business?

N/A

Schedule A (Attached): AUDITED ANNUAL FINANCIAL STATEMENTS

Schedule B (Attached): MANAGEMENT’S DISCUSSION AND ANALYSIS

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Annual Listing Summary.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: July 29th, 2026

Ian D. Atacan

Name of Director or Senior Officer

/s/ "Ian D. Atacan"

Signature

Chief Financial Officer

Official Capacity

Issuer Details Name of Issuer Pasinex Resources Limited	For Year Ended March 31st, 2026	Date of Report YY/MM/DD 26/07/29
Issuer Address 82 Richmond Street East		
City/Province/Postal Code Toronto, Ontario M5C 1P1	Issuer Fax No.	Issuer Telephone No. 416 562 3220
Contact Name Ian D. Atacan	Contact Position Chief Financial Officer	Contact Telephone No. 416 562 3220
Contact Email Address ian.atacan@pasinex.com	Web Site Address www.pasinex.com	

Schedules A and B Attached



PASINEX RESOURCES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIFTEEN-MONTH PERIOD ENDED MARCH 31, 2026,

and

YEAR ENDED DECEMBER 31, 2024

(EXPRESSED IN CANADIAN DOLLARS)

Management's Responsibility for Consolidated Financial Statements

The accompanying audited consolidated financial statements of Pasinex Resources Limited ("Pasinex" or the "Company") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Management is responsible for the presentation of the consolidated financial statements and believes that they fairly represent the Company's financial position and the results of its operations in accordance with IFRS. Management has included amounts in the Company's consolidated financial statements based on estimates, judgments, and policies that it believes reasonable in the circumstances.

The consolidated financial statements were prepared by the management of the Company, reviewed by the Audit Committee of the Board of Directors, and approved by the Board of Directors.

To discharge its responsibilities for financial reporting and for the safeguarding of assets, management believes that it has established appropriate systems of internal accounting control which provide reasonable assurance, at appropriate cost, that the assets are maintained and accounted for in accordance with its policies and that transactions are recorded accurately on the Company's books and records.

July 29, 2026

"Larry Seeley"

Larry Seeley

Executive Chairman

"Ian Atacan"

Ian D. Atacan

Director and Chief Financial Officer

Independent Auditor's Report

To the Shareholders of Pasinex Resources Limited:

Opinion

I have audited the consolidated financial statements of Pasinex Resources Limited (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2026 and December 31, 2024, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity (deficit) for the fifteen month period ended March 31, 2026 and year ended December 31, 2024, and notes to the consolidated financial statement, including material accounting policy information

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2026 and December 31, 2024, and its consolidated financial performance and its consolidated cash flow for the fifteen month period ended March 31, 2026 and year ended December 31, 2024 then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Note 3(a) in the consolidated financial statements, which indicates that the Company reported a net loss during the fifteen-month period ended March 31, 2026, and, as of that date, the Company had a working capital deficiency. As stated in Note 3(a), these events or conditions, along with other matters as set forth in Note 3(a), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements for the fifteen-month ended March 31, 2026. These matters were addressed in the context of my audit of the financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

In addition to the matter described in the **"Material Uncertainty related to Going Concern"** section of my auditor's report, I have determined the matters described below to be the key audit matters to be communicated in my auditor's report.

Assessment of Impairment Indicators for Exploration and Evaluation Assets

The exploration and evaluation assets represent one of the largest asset on the statement of financial position. Assessing whether there are any indicators of impairment required significant auditor judgment, particularly in evaluating management's assumptions and the future viability of the exploration activities. The audit procedures included obtaining an understanding of the Company's strategy, reviewing technical documentation, and assessing management's evaluation of impairment indicators in accordance with IFRS 6.

Valuation and potential Impairment of Intangible Assets and Goodwill

Determining whether intangible assets and goodwill are impaired involves a high degree of estimation and judgment. This includes the assessment of financial performance, forecasted cash flows, and market conditions. The audit approach included obtaining financial information, assessing the basis for management's valuation estimates, and considering the appropriateness of any impairment adjustments.

Other Information

Management is responsible for the other information. The other information is included in Management's Discussion and Analysis.

My opinion on the consolidated financial statements does not cover the other information and I do not and will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. I obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work I have performed on this other information, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of the work performed for the purposes of the group audit. I remain solely responsible for our audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jerry Copuroglu.

Toronto, Ontario

July 29, 2026

Toronto Ontario,



Jerry J. Copuroglu, CPA, CFE, TEP JC
PROFESSIONAL CORPORATION

*Licensed to practice public accounting by
the Chartered Professional Accountants of
Ontario*

Pasinex Resources Limited
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note Reference	As at March 31, 2026	As at December 31, 2024
Assets			
Current Assets			
Cash		\$ 1,807,179	\$ 194,888
Receivables		167,326	11,787
Due from related parties	17	-	20,375
Prepaid expenses and deposits		397,992	79,900
Inventory		171,880	-
Financial asset	8	-	347,125
		2,544,377	654,075
Non-current assets			
Property, plant, and equipment	7	551,574	3,938
Deposits and value added tax receivable		64,098	3,750
Exploration and evaluation assets	6	1,934,891	2,008,432
Goodwill	8	3,442,551	-
Intangible assets	8	237,336	-
Investment in joint venture	5	-	887,030
Total assets		\$ 8,774,827	\$ 3,557,225
Shareholders' equity (deficiency) and liabilities			
Current liabilities			
Accounts payable and accrued liabilities	9	\$ 693,609	\$ 449,360
Deferred consideration payable - current	8	1,343,157	-
Due to related parties	17	113,951	158,165
Shareholder loans	10,17	1,856,683	4,249,649
Loan payable - current	11	7,569	7,569
		4,014,969	4,864,743
Non-current liabilities			
Deferred consideration payable -non-current	8	\$ 323,476	-
Loan payable - non-current	10,11	428,239	\$ 18,282
Deferred tax liability	18	187,822	-
Other liabilities	12	172,610	17,827
Total liabilities		5,127,116	4,900,852
Shareholders' deficit			
Share capital	13	\$ 22,043,758	12,888,506
Reserves	14,15	3,126,799	2,157,117
Deficit		(19,019,373)	(13,263,120)
Accumulated other comprehensive loss		(2,503,473)	(3,126,130)
Total shareholders' equity (deficiency)		3,647,711	(1,343,627)
Total liabilities and shareholders' equity (deficiency)		\$ 8,774,827	\$ 3,557,225
Basis of measurement and going concern	3		
Subsequent events	22		

On behalf of the Board:

"Larry Seeley", Executive Chairman

"Jonathan Challis", Director

The accompanying notes are an integral part of these consolidated financial statements.

Pasinex Resources Limited

Consolidated Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars)

	Note reference	15 Months Ended March 31, 2026	Year Ended December 31, 2024
Revenues		\$ 1,000,809	\$ -
Cost of sales		(1,764,002)	-
Mine operating loss		(763,193)	-
Share of total comprehensive (loss) income from joint venture	5	\$ (854,047)	\$ 143,147
Expenses			
Selling and marketing costs		(21,653)	-
Exploration costs		(7,928)	(119,174)
General and administrative costs	16	(5,793,832)	(1,464,482)
Total expenses		(5,823,413)	(1,583,656)
Other (loss) income			
Other income		1,938,429	71,802
Interest accrual	8,10,11,17	(227,765)	(175,445)
Foreign exchange (loss) gain		(190,992)	324,280
Gain (loss) on net monetary position	3 (n)	320,315	(1,430,055)
Total other income (loss)		1,839,987	(1,209,418)
Net loss before income taxes		(5,600,666)	(2,649,927)
Provision for income tax			
Current	18	(23,923)	(1,103)
Deferred	18	(131,664)	-
Total provision for income tax		(155,587)	(1,103)
Net loss		(5,756,253)	(2,651,030)
Other comprehensive income			
Item that may be reclassified subsequently to profit and loss:			
Currency translation adjustment		622,657	1,259,432
Total comprehensive loss for the period		\$ (5,133,596)	\$ (1,391,598)
Net loss per share - basic and diluted		\$ (0.032)	\$ (0.018)
Weighted average number of shares outstanding - basic and diluted	20	180,032,701	144,554,370

The accompanying notes are an integral part of these consolidated financial statements.

Pasinex Resources Limited
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Note reference	15 Months Ended March 31, 2026	Year Ended December 31, 2024
Operating activities			
Net loss for the period		\$ (5,756,253)	\$ (2,651,030)
Share of total comprehensive (loss) income from joint venture		854,047	(143,147)
Adjustments for items not involving cash:			
Stock option expense		708,200	-
Depreciation of property, plant and equipment		214,217	-
Interest accrual		232,154	175,445
Foreign exchange (gain) loss		139,930	(206,910)
Government grant portion - CEBA loan		-	(10,000)
(Gain) loss on net monetary position		(320,315)	1,430,055
Changes in non-cash working capital items:			
Prepaid expenses and deposits		(305,607)	32,361
Accounts payable and accrued liabilities		3,270,759	75,386
Due to related parties		(44,214)	(238,642)
Due from related parties		(127,145)	(20,375)
HST and VAT		(700,524)	2,441
Net cash used in operating activities		(1,834,751)	(1,554,416)
Investing activities			
Acquisition of Horzum and Aydin Teknik	8	(1,413,887)	-
Acquisition of property, plant and equipment	7	(12,111)	(1,701)
Net cash used in investing activities		(1,425,998)	(1,701)
Financing activities			
Proceeds from shares issued in private placement	13	3,727,508	-
Proceeds from shareholder loan	9,10	850,000	1,585,000
Share issuance costs		(70,250)	-
Cash received (repaid) on loan payable		409,957	(4,149)
Net cash generated from financing activities		4,917,215	1,580,851
Net change in cash		1,656,466	24,734
Effect of foreign exchange rate changes on cash		(44,175)	(7,124)
Cash, beginning of period		194,888	177,278
Cash, end of period		\$ 1,807,179	\$ 194,888
Supplemental cash flow information			
Cash interest paid		\$ 2,024	\$ 2,158
Cash income taxes paid		-	-
Non-cash transactions (Note 8,10,12)			
Shares issued for settlement of debt		\$ 5,497,994	\$ -
Carrying amount of investment in JV transferred as consideration for Horzum		349,322	-
Consideration payable for Aydin Teknik (instalments to June 30, 2027) — US\$1,250,000			

The accompanying notes are an integral part of these consolidated financial statements.

Pasinex Resources Limited

Consolidated Statements of Changes in Shareholders' Equity (Deficiency) (Expressed in Canadian Dollars)

	Note reference	Number of Shares	Share Capital	Reserves	Deficit	Accumulated Other Comprehensive Loss	Total
Balance as at December 31, 2023		144,554,370	\$ 12,888,506	\$ 2,157,117	\$ (10,612,090)	\$ (4,385,562)	\$ 47,971
Currency translation adjustment		-	-	-	-	1,259,432	1,259,432
Net loss for the year		-	-	-	(2,651,030)	-	(2,651,030)
Balance as at December 31, 2024		144,554,370	\$ 12,888,506	\$ 2,157,117	\$ (13,263,120)	\$ (3,126,130)	\$ (1,343,627)
Balance as at December 31, 2024		144,554,370	\$ 12,888,506	\$ 2,157,117	\$ (13,263,120)	\$ (3,126,130)	\$ (1,343,627)
Shares issued in private placement	13	47,763,200	3,727,508	-	-	-	3,727,508
Share issuance costs		-	(70,250)	-	-	-	(70,250)
Shares issued for settlement of debt	13	62,171,511	5,497,994	-	-	-	5,497,994
Warrants issued		-	-	261,482	-	-	261,482
Stock option expense		-	-	708,200	-	-	708,200
Currency translation adjustment		-	-	-	-	622,657	622,657
Net loss for the period		-	-	-	(5,756,253)	-	(5,756,253)
Balance as at March 31, 2026		254,489,081	\$ 22,043,758	\$ 3,126,799	\$ (19,019,373)	\$ (2,503,473)	\$ 3,647,711

The accompanying notes are an integral part of these consolidated financial statements.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

1. Corporate information and nature of operations

Pasinex Resources Limited ("Pasinex" or the "Company") is a publicly listed company incorporated in British Columbia. 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". The head and registered records office of the Company is located at 550 Burrard Street, Suite 2900, Vancouver, BC V6C 0A3 with its mailing address at 82 Richmond Street East, Toronto, Ontario, Canada, M5C 1P1.

Through its wholly owned Turkish subsidiary, Pasinex Arama ve Madencilik Anonim Şirketi ("Pasinex Arama"), the Company owns 100% of Horzum Maden Arama ve İşletme Anonim Şirketi ("Horzum A.Ş." or "Horzum"), which owns and operates the producing Pinargözü high grade zinc mine in Türkiye. Zinc concentrate is sold directly to zinc smelters and refiners through commodity brokers, and Aydın Teknik Madencilik ve İnşaat Sanayi ve Ticaret A.Ş. ("Aydın Teknik") the holder of the Sarıkaya Group IV lead zinc operating license located in Kayseri Province, Türkiye, which represents significant potential for near term production and additional zinc discoveries.

In the United States, Pasinex holds a 51% interest in the Gunman Project, a high-grade zinc exploration project located in Nevada through its wholly owned subsidiary, Pasinex Resources Nevada Limited ("Pasinex Nevada").

These consolidated financial statements were approved and authorized for issuance by the Audit Committee and Board of Directors on July 29, 2026.

2. Basis of presentation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). The policies in these consolidated financial statements are based on IFRS in effect as of March 31, 2026. Accounting policies are consistently applied to all years presented, unless otherwise stated.

(b) Principles of consolidation

The consolidated financial statements include the financial statements of Pasinex and its subsidiaries, as listed below:

	Location	Nature of Operation	Interest	
			2026	2024
Pasinex Arama	Türkiye	Mineral exploration	100%	100%
Horzum	Türkiye	Mining	100%	50%
Aydın Teknik	Türkiye	Mining	100%	0%
Pasinex Nevada	United States	Mineral exploration	100%	100%

Pasinex and its subsidiaries are collectively referred to as the "Company". All intercompany transactions, balances and unrealized gains and losses from intercompany transactions have been eliminated upon consolidation. Until December 29, 2025, the Company, through Pasinex Arama, held a joint venture interest in Horzum which was equity accounted in the consolidated financial statements as a joint venture:

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

3. Material accounting policies

(a) Basis of measurement and going concern

These consolidated financial statements have been prepared on a going concern and the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss and stock-based compensations are measured at their fair value. The consolidated financial statements are presented in Canadian dollars except where otherwise indicated. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.

The application of the going concern concept assumes that the Company will continue in operation for at least the next twelve months and will be able to realize its assets and discharge its liabilities in the normal course of operations. At March 31, 2026, the Company had a deficit of \$19,019,373 and had a working capital deficiency position of \$1,470,592. The Company had a net loss of \$5,756,253, and negative cash flows from operations of \$1,834,751 for the fifteen months ended March 31, 2026, and accordingly may not have enough cash on hand to fund its payables and its expected non-discretionary obligations for the next twelve months. The ability of the Company to continue as a going concern is dependent upon obtaining necessary financing for planned exploration activities and administrative costs, ability of the Company to secure and maintain title and beneficial interest in the properties and future profitable production or proceeds from disposition of such properties.

The Company has not yet achieved the sales volumes necessary to generate positive operating cash flows. Management believes it can meet its budgeted costs for the current year and beyond, based on the current financial forecast by raising additional funds to finance operations or obtaining short term loans from related parties. Pasinex continues to pursue strategic agreements and financing arrangements to support its operations. As noted in Notes 10 and 11, shareholder loans have been provided and may continue to be provided in the near future. Subsequent to March 31, 2026, the Company also completed additional financing and received proceeds from the exercise of stock options, which provided additional working capital to support ongoing operations.

The going concern assessment involves significant judgments, including the assumption that some option holders will exercise their rights. Although the Company has demonstrated the ability to secure funding through loans and capital raises, future financing availability—and whether it can be obtained on favourable terms—remains uncertain. The timing and sufficiency of future operating cash flows to cover expenditures and obligations beyond March 31, 2027, is also uncertain. In making its assessment, management acknowledges material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be required if the Company is unable to continue as a going concern. Such adjustments could be material.

(b) Investment in joint venture

The Company determines whether the joint arrangement entered into by the Company is a joint operation or a joint venture based upon the rights and obligations of the parties to the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Where the Company determines the joint arrangement represents a joint operation, the Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

3. Material accounting policies (continued)

Where the Company determines the joint arrangement represents a joint venture, the Company recognizes its interest in a joint venture as an investment and accounts for this investment using the equity method, whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the Company's share of the net assets of the joint venture applying consistent accounting policies to the Company. The Company's share of the joint venture's profit or loss and comprehensive loss is included in the Company's consolidated statements of income (loss) and comprehensive income (loss). When the Company's share of losses in the joint venture exceeds the Company's interest in that joint venture, the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports a profit, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

(c) Change in financial year-end

On September 29, 2025, the Board of Directors approved to change the Company's financial year-end from December 31 to March 31 to align the mining and exploration activities and the financial reporting. As a result, the Company is reporting a fifteen-month period, January 1, 2025, to March 31, 2026, for the transitional period financial statements. The information presented in these consolidated financial statements is therefore not entirely comparable to the amounts presented for the comparative year ended December 31, 2024. After the transition period, the Company's first full annual fiscal year will be from April 1, 2026, to March 31, 2027.

(d) Foreign currency

The consolidated financial statements are presented in Canadian dollars, which is also the parent entity's functional currency. The functional currency is the currency of the primary economic environment in which each entity operates and has been determined for each entity within the Company. The functional currency of Pasinex Arama, Horzum and Aydin Teknik is the Turkish Lira ("TRY"). The functional currency for Pasinex Nevada is the U.S. dollar because the majority of its activities are carried out in U.S. dollars.

Foreign currency transactions are translated into the functional currency of each individual entity using exchange rates prevailing at the date of the transactions. All foreign currency denominated monetary assets and liabilities are translated to the functional currency using the prevailing rate of exchange at the consolidated statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at reporting date exchange rates are recognized in the consolidated statements of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

When preparing the Company's consolidated financial statements, the financial statements of each entity for which the functional currency is not the Canadian dollar are translated into Canadian dollars. Assets and liabilities of each subsidiary having a functional currency other than the Canadian dollar are translated at the rate of exchange at the reporting date. Revenues and expenses are translated at average rates for the periods, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. The resulting foreign currency translation adjustments are recognized in other comprehensive income (loss).

See also *note 3(o), IAS 29 – Financial Reporting in Hyperinflationary Economies*, which discusses the application of hyperinflation accounting and its impact on the translation of an entity's non-monetary assets and liabilities, shareholders' equity and comprehensive (loss) income items.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

3. Material accounting policies (continued)

(e) Revenue recognition

Revenue consists primarily of the sale of zinc products.

The Company has one performance obligation under its zinc concentrate sales contracts. Revenue from contracts with customers is recognized when control of the promised goods transfers to the customer and the Company satisfies its performance obligation in accordance with IFRS 15. Under the Company's sales contracts, control generally transfers upon shipment (FOB shipping point), at which time the customer obtains legal title, assumes the significant risks and rewards of ownership, and the Company has a present right to payment.

The transaction price is determined in accordance with the terms of the sales contract and is allocated to the single performance obligation of delivering the zinc product. Sales are priced based on the zinc grade and applicable contractual pricing terms. Where contracts contain provisional pricing, revenue is initially recognized using the forward London Metal Exchange ("LME") price applicable to the quotational period specified in the contract. Revenue is subsequently adjusted to reflect changes in the final settlement price until the quotational period expires and the selling price becomes fixed.

(f) Property, plant and equipment

Upon initial acquisition property, plant and equipment is recorded at cost, being the purchase price and the directly attributable costs required to bring the asset to the location and condition necessary for putting it into use. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. In subsequent periods, property, plant and equipment is recorded at cost less accumulated depreciation and impairment charges, if applicable. Depreciation is calculated using the straight-line or declining methods at the following annual rates:

Land improvement and buildings	50 years on a straight-line method
Vehicles	4 - 5 years on a straight-line method
Fixtures and equipment	3 - 10 years on a straight-line method
Mining equipment	30% on declining method

Additions during the year are depreciated on a pro-rata basis based on the annual depreciation amount.

(g) Exploration and evaluation assets

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility, and the assessment of commercial viability of an identified resource.

Exploration and evaluation costs incurred prior to having the legal right to explore are expensed in the period in which they are incurred. Acquisition costs incurred in connection with the terms of option agreements are capitalized. All capitalized exploration and evaluation costs are recorded at acquisition cost and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to the consolidated statements of loss and comprehensive loss to the extent that they are not expected to be recovered.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets are tested for impairment and transferred to "Mines under construction". There is no amortization during the exploration and evaluation phase.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

3. Material accounting policies (continued)

(h) Financial instruments

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Below is a summary showing the classification and measurement bases of the Company's financial instruments:

Classification	IFRS 9
Cash	FVTPL
Due from related parties	Amortized cost
Receivables (excluding HST and VAT)	Amortized cost
Financial asset	Amortized cost
Accounts payable and accrued liabilities (excluding HST and VAT)	Amortized cost
Shareholder loans	Amortized cost
Due to related parties	Amortized cost
Loan payable	Amortized cost

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

- Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in the consolidated statements of loss and comprehensive loss. The Company's cash is classified as financial assets and measured at FVTPL.

- Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the objective of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company's due from related parties and receivables (excluding HST and VAT) and the financial asset are classified as financial assets and measured at amortized cost.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

3. Material accounting policies (continued)

- Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination. The Company's accounts payable and accrued liabilities (excluding HST and VAT), shareholder loans, due to related parties and loan payable do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the consolidated statements of loss and comprehensive loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive (loss) income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred, or liabilities assumed, is recognized in the consolidated statements of (loss) income and comprehensive (loss) income.

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The expected credit loss is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive on a discounted basis. Expected credit losses are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for default events that are possible within the next 12 months. For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure.

The Company assumes that the credit risk on a financial asset classified at amortized cost has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

3. Material accounting policies (continued)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Amounts received for units issued are allocated between common shares and warrants based on the relative fair value method.

(j) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(k) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(l) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income or loss attributable to the owners of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings per share is determined by adjusting the earnings or loss attributable to the owners of the Company and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options are used to purchase common shares of the Company at their average market price for the period.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

3. Material accounting policies (continued)

In periods that the Company reports a net loss, per share amounts are not presented on a diluted basis as the result would be anti-dilutive.

(m) Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Provisions for mine closure and restoration are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs (which include such costs as dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the accounting period when the related environmental disturbance occurs. The provision is discounted using a pre-tax rate and the accretion is included in finance costs.

Restoration activities will occur primarily upon closure of a mine but can occur from time to time throughout the life of the mine. As restoration projects are undertaken, their costs are charged against the provision as the costs are incurred.

(n) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is an indication of impairment, then the asset's recoverable amount is estimated.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of loss and comprehensive loss.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

3. Material accounting policies (continued)

(o) Financial Reporting in Hyperinflationary Economies

Due to various qualitative factors and developments with respect to the economic environment in Türkiye, including, but not limited to, the acceleration of multiple local inflation indices, the three-year cumulative inflation rate of the Turkish Statistical Institute exceeded 100% in March 2022 and the significant devaluation of the Turkish Lira, Türkiye was designated a hyperinflationary economy in the second quarter of 2022 for accounting purposes and continues to be classified a hyperinflationary economy.

Accordingly, IAS 29, Financial Reporting in Hyperinflationary Economies, has been applied to these consolidated financial statements as the Company's Turkish wholly owned subsidiaries Pasinex Arama, Horzum, and Aydin Teknik use the Turkish Lira as its functional currency. The consolidated financial statements are based on the historical cost approach in IAS 29.

The application of hyperinflation accounting requires restatement of an entity's non-monetary assets and liabilities, shareholders' equity and comprehensive income (loss) items from the transaction date when they were first recognized into the current purchasing power which reflects a price index at the end of the reporting period before being included in the consolidated financial statements. To measure the impact of inflation on its financial position and results, the Company has elected to use the Consumer Price Index issued by the Turkish Statistical Institute.

The conversion index for the current fifteen-month period and prior two years and the corresponding conversion coefficients were as follows:

Year	Index	Conversion Coefficient
March 31, 2026	3,866.63	1.00
December 31, 2024	2,684.55	1.44
December 31, 2023	1,859.38	2.08

Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current as at the end of each year. Non-monetary assets, liabilities, equity, and expenses (items that are not already expressed in terms of the monetary unit as at the end of each year) are restated by applying the index at the end of the reporting period. The effect of inflation on the Turkish subsidiaries' net monetary position is included in the Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income as a gain or loss on net monetary position. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power, which results in a loss on the net monetary position.

As per IAS 21, The Effects of Changes in Foreign Exchange Rates, all amounts (i.e. assets, liabilities, equity and expenses) are translated at the closing foreign exchange rate at the date of the most recent consolidated Statement of Financial Position, except that comparative amounts are not adjusted for subsequent changes in the price level or subsequent changes in exchange rates. Similarly, in the period during which the functional currency of a foreign subsidiary becomes hyperinflationary and applies IAS 29 for the first time, the parent's consolidated financial statements for the comparative period are not restated for the effects of hyperinflation.

(p) Inventory

Inventory consists principally of zinc concentrate and ore stockpiles and are measured at the lower of cost and net realizable value. Cost is determined using the weighted average cost method and includes direct production costs and an allocation of production overheads incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

3. Material accounting policies (continued)

(q) Goodwill

Goodwill arising on a business combination is measured as the excess of the consideration transferred over the fair value of the identifiable net assets acquired. Goodwill is allocated to the cash-generating unit expected to benefit from the acquisition and is not amortized. Goodwill is tested for impairment annually, or more frequently when events or changes in circumstances indicate that it may be impaired, in accordance with IAS 36. Any impairment loss recognized is not reversed in subsequent periods.

(r) Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. Intangible assets acquired separately are initially measured at cost. Intangible assets acquired in a business combination are initially measured at their acquisition-date fair value when they are identifiable and the fair value can be measured reliably.

Intangible assets with finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized over the estimated useful life of the asset on a basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed. Where that pattern cannot be determined reliably, amortization is recognized on a straight-line basis.

Mining licences and similar rights are amortized over the shorter of the estimated useful life of the related mineral property and the remaining term of the licence once the related project is available for its intended use. Prior to that time, such assets are not amortized but are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The estimated useful lives, residual values and amortization methods of intangible assets are reviewed at each reporting date and adjusted prospectively, where appropriate.

(s) Share-based compensation

The Company has a stock option plan under which options may be granted to directors, officers, employees and consultants. Equity-settled share-based payments are measured at the fair value of the equity instruments granted at the grant date. The fair value is recognized as share-based compensation expense over the vesting period, with a corresponding increase to contributed surplus. For awards that vest immediately, the expense is recognized on the grant date.

The fair value of stock options is estimated using the Black-Scholes option pricing model, which requires management to make estimates and assumptions, including expected volatility, expected life of the option, risk-free interest rate, expected forfeitures and dividend yield.

For share-based payments to non-employees, the Company measures the goods or services received at their fair value when the fair value can be measured reliably. If the fair value of the goods or services cannot be measured reliably, the fair value is measured by reference to the fair value of the equity instruments granted.

When stock options are exercised, the proceeds received, together with the amount previously recorded in contributed surplus, are credited to share capital. When stock options expire or are forfeited after vesting, the related amount remains in contributed surplus.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

3. Material accounting policies (continued)

(t) Share capital

Common shares are classified as equity. Proceeds from the issuance of common shares are recorded as share capital, net of any directly attributable share issuance costs. Incremental costs directly attributable to the issuance of common shares, warrants or other equity instruments are recorded as a deduction from equity, net of any related income tax effect.

Where units are issued consisting of common shares and common share purchase warrants, the proceeds are allocated between share capital and warrants based on the relative fair values of the common shares and warrants at the date of issuance. The fair value of warrants is estimated using an option pricing model. Amounts allocated to warrants are recorded in contributed surplus.

Common share purchase warrants are classified as equity when the warrants are exercisable into a fixed number of common shares for a fixed amount of cash and do not contain an obligation to deliver cash or another financial asset. Upon exercise of warrants, the proceeds received, together with the amount previously recorded in contributed surplus, are credited to share capital. Upon expiry of warrants, the amount previously recorded in contributed surplus remains in contributed surplus.

When loans or other amounts payable are settled through the issuance of common shares, the carrying amount of the liability settled is reclassified to share capital, together with any additional proceeds received, if applicable.

(u) New, amended and future IFRS Accounting Standards pronouncements

The Company plans to adopt all applicable IFRS Accounting Standards issued. Pronouncements that are not applicable or where it has been determined do not have a significant impact to the Company have been excluded herein.

The following amendments are effective for the year beginning on or after January 1, 2026:

Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures

On May 30, 2024, the IASB issued narrow scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments include the clarification of the date of initial recognition or derecognition of financial liabilities, including financial liabilities that are settled in cash using an electronic payment system. The amendments also introduce additional disclosure requirements to enhance transparency regarding investments in equity instruments designed at FVOCI and financial instruments with contingent features.

The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently evaluating the impact of the amendments on its consolidated financial statements and will apply the amendments from the effective date.

The following amendments are effective for the year beginning on or after January 1, 2027:

IFRS 18, Presentation and Disclosure in the Financial Statements

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in the Financial Statements ("IFRS 18") to replace IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 Statement of Cash Flows were also issued to require that entities use the operating profit subtotal as the starting

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

3. Material accounting policies (continued)

point for the indirect method of reporting cash flows from operating activities and to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 Earnings Per Share were issued to permit disclosures of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently evaluating the impact of the standard on its consolidated financial statements and will apply it from the effective date.

4. Critical accounting judgements and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, 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.

(a) Accounting judgement

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

(i) *Exploration and evaluation assets*

Judgement is required to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of economic recoverability. In addition, management applies a number of estimates and assumptions in its assessments of economic recoverability and probability of future economic benefit including geologic information, scoping and feasibility studies (if any), accessible facilities, existing permits and estimated future cash flows.

(ii) *Functional currency*

The functional currency for the Company's subsidiaries and investment in joint venture applies estimates and assumptions to assess the currency of the primary economic environment in which the entity operates.

Determination of functional currency may involve certain judgements to determine the primary economic environment. The Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

(iii) *Joint arrangement*

Based on the terms of the Shareholders' Agreement between Pasinex Arama and Akmetal Madencilik Sanayi ve Ticaret A.S. dated January 17, 2013, the Company determined the joint arrangement was a form of joint venture and the Company was required to account for its share in Horzum by using the equity method up until December 29, 2025. Judgement is required to classify the joint arrangement as a joint venture. The joint arrangement was held through a separate vehicle, and the terms of the joint venture agreement indicated the Company had the rights to the net assets, other facts and circumstances also suggested the Company did not have joint control of certain assets and liabilities.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars, unless otherwise indicated)

4. Critical accounting judgements and estimates (continued)

(iv) *Going concern*

Significant judgements were used to assess the Company's ability to continue as a going concern (see Note 3(a)). Judgement is required to determine the non-discretionary spending for the next twelve months and the potential cash inflows for the same period. Future cash inflows are largely based on private placement financing, shareholder loans and cash flows from Horzum, which are based on estimates and assumptions of production and sales volumes, zinc prices, resources, operating costs, capital expenditures and collection of trade receivables.

(v) *Deferred taxes*

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

(vi) *Hyperinflationary accounting (IAS 29)*

The Company has designated Türkiye as a hyperinflationary economy and has therefore employed the use of hyperinflationary accounting to consolidate and report the Turkish subsidiaries. The determination of whether an economy is hyperinflationary requires the Company to make certain estimates and judgements, such as an assessment of historic inflation rates and anticipation of future trends. In addition, the application of hyperinflationary accounting requires the selection and use of price indices to estimate the impact of inflation on the non-monetary assets and liabilities, and results of the operations of the Company. The selection of price indices is based on the Company's assessment of various available price indices on the basis of reliability and relevance. Changes in estimates may significantly impact the carrying value of non-monetary assets or liabilities, and results of operations, which are subject to hyperinflationary adjustments, and the related gains and losses on net monetary position within net income (loss). The gain or loss on the net monetary position represents the effect of restating monetary assets and liabilities for the impact of inflation in accordance with IAS 29 and is recognized in profit or loss.

(vii) *Business combinations and purchase price allocation*

When accounting for business combinations, management applies significant judgement in identifying the assets acquired and liabilities assumed and determining their acquisition-date fair values in accordance with IFRS 3. Where observable market information is not available, management uses available facts and circumstances to assess whether any fair value adjustments are required. The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recognized as goodwill. (Note 8)

(viii) *Asset retirement obligations and decommissioning liability*

The recognition of asset retirement obligations and accrued site closure costs requires management to make significant estimates and assumptions, including the requirements of the applicable legal and regulatory framework, the nature and extent of mining and exploration disturbance, expected closure and rehabilitation activities, the timing of future expenditures, estimated costs and applicable discount rates.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

4. Critical accounting judgements and estimates (continued)

Management assessed the Company's mine closure and rehabilitation obligations in accordance with IAS 16 and IAS 37, including its Turkish mining operations and exploration properties in Türkiye and Nevada. Based on the nature of the Company's activities, limited surface disturbance, the status of the properties, and management's review of known legal, regulatory and environmental obligations, management concluded that no material asset retirement obligation or decommissioning liability existed as at March 31, 2026, and December 31, 2024.

The assessment is reviewed periodically and updated as facts and circumstances change. Changes in laws, regulations, operating plans, closure requirements or cost estimates could result in the recognition of a material obligation in future periods.

(b) Use of estimates

In addition, other significant areas requiring the use of management estimates and assumptions include:

(i) Inventory valuation

The Company's inventories consist primarily of mined ore and mineralized material stockpiles. Inventories are measured at the lower of cost and net realizable value. Cost includes direct mining costs and other costs incurred in bringing the inventories to their present location and condition.

The valuation of inventories requires management to make estimates and assumptions, including the quantity of ore on hand, zinc grade and other contained metals, expected recoveries, estimated selling prices, expected processing, transportation and selling costs, and the timing of expected sales. Management also considers whether inventories are slow-moving, obsolete or otherwise impaired based on current operating plans, market conditions and expected future sales.

Net realizable value is particularly sensitive to changes in zinc prices, foreign exchange rates, treatment and refining charges, transportation costs, grade assumptions and expected recoveries. Changes in these estimates may result in adjustments to the carrying value of inventories and the recognition of write-downs or reversals of previous write-downs in future periods.

As at March 31, 2026, management reviewed the carrying value of inventories, including available production, assay, sales and stockpile information, and concluded that inventories were recorded at the lower of cost and net realizable value.

(ii) Impairment of trade receivables

Expected credit losses on trade receivables requires the use of estimates and assumptions, including amongst others, historical default rates, forecast economic conditions, assessment of customer and related party financial condition and discount rates. The estimates and assumptions are subject to risk and uncertainty; hence, the Company's assessment of expected credit loss and forecast of economic conditions may not be representative of the customer's actual default in the future, which may impact the recoverable amount of the assets.

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Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars, unless otherwise indicated)

4. Critical accounting judgements and estimates (continued)

(iii) *Impairment of non-current assets*

Non-current assets are tested for impairment if there is an indicator of impairment. The impairment analysis generally requires the use of estimates and assumptions, including amongst others, long-term commodity prices, discount rates, length of mine life, future production levels, future operating costs, future capital expenditures and tax estimates. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances the carrying value of the assets may be impaired with the impact recorded in the consolidated statements of loss and comprehensive loss.

The net investment in a joint venture is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment. Objective evidence that the net investment is impaired includes observable data that comes to the attention of the entity about the following loss events: significant financial difficulty of the associate or joint venture; a breach of contract, such as a default or delinquency in payments by the associate or joint venture; the entity, for economic or legal reasons relating to its associate's or joint venture's financial difficulty, granting to the associate or joint venture a concession that the entity would not otherwise consider; it becoming probable that the associate or joint venture will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for the net investment because of financial difficulties of the associate or joint venture.

(iv) *Share-based payments*

The Company makes certain estimates and assumptions when calculating the fair values of share-based compensation granted and warrants issued. The significant estimations and assumptions include expected volatility, expected life, expected dividend rate and risk-free rate of return.

(v) *Income taxes*

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(vi) *Goodwill impairment*

Goodwill is allocated to the cash-generating unit ("CGU") expected to benefit from the related business combination and is tested annually for impairment, or more frequently if indicators of impairment exist. The impairment assessment requires management to estimate the recoverable amount of the CGU using assumptions including future commodity prices, mineral resources, production profiles, operating costs, capital expenditures and discount rates. Changes in these assumptions could materially affect the recoverable amount of the CGU and result in an impairment charge.

5. Investment in joint venture

Until December 29, 2025, the Company owned 50% of a joint venture company, Horzum A.Ş. Horzum A.Ş. owns the Pinargozu mine in Türkiye, located within the Province of Adana and has been in operation since 2016 producing high grade zinc. The investment in Horzum A.Ş. was considered a joint venture for accounting purposes until December 29, 2025, and accordingly was accounted for using the equity method.

Pasinex Resources Limited

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(Expressed in Canadian Dollars, unless otherwise indicated)

5. Investment in joint venture (continued)

Pasinex took 100% ownership of Horzum A.Ş. on December 29, 2025. Therefore, in the Pasinex consolidated financial statements for the fifteen-month ended March 31, 2026:

- Pasinex's 50% share of Horzum A.Ş.'s net loss for the period January 1 to December 29, 2025, is shown in the consolidated statements of loss and comprehensive loss as Share of total comprehensive loss from joint venture
- Horzum A.Ş.'s statement of financial position has been consolidated within the consolidated statements of financial position
- Horzum A.S.'s revenues and expenses for the period December 30, 2025, to March 31, 2026, are consolidated with the group in the consolidated statement of loss and comprehensive loss

Statements of investment in joint venture:

	15 Months Ended March 31, 2026	Year Ended December 31, 2024
Opening balance	\$ 887,030	\$ 824,420
Equity share of total comprehensive (loss) from JV for Jan 1 - Dec 31, 2025	(504,725)	143,147
Net equity balance transferred to acquisition of Horzum	(349,322)	-
Foreign exchange loss	(32,983)	(80,537)
Closing balance	\$ -	\$ 887,030

Whereas, in the comparative prior year financial statements, as at December 31, 2024, Pasinex had 50% joint venture interest in Horzum A.Ş., which was equity accounted.

Summarized consolidated statements of financial position

	As at December 31,	
(100% basis - Canadian dollars)	2024	2023
Assets		
Current assets		
Cash	\$ 658,518	\$ 381,510
Akmetal receivable	37,685,010	34,639,070
Less - allowance on Akmetal receivable (Note 3)	(37,685,010)	(34,639,070)
Other current assets (excluding cash)	1,056,855	1,668,977
Non-current assets	1,462,497	3,017,675
	\$ 3,177,870	\$ 5,068,162
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,265,832	\$ 1,096,401
Deferred revenue	-	1,565,517
Taxes payable	22,381	293,803
Long-term liabilities	115,596	463,601
	\$ 1,403,809	3,419,322
Net assets	\$ 1,774,061	\$ 1,648,840
Pasinex ownership interest	50%	50%
Pasinex' equity share of net assets of joint venture	\$ 887,030	\$ 824,420

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

5. Investment in joint venture (continued)

Summarized consolidated statements of income:

(100% basis - Canadian dollars)	Years Ended		December 31,	
	2024		2023	
Revenue	\$	8,721,640	\$	8,658,801
Cost of sales		(4,562,508)		(4,668,947)
Selling, marketing and other distribution		(210,590)		(237,637)
Operating income		3,948,542		3,752,217
Impairment of Akmetal receivable		(52,762)		(11,428,778)
General and administrative expenses		(1,239,457)		(555,461)
Foreign exchange gain		22,875		11,925,192
Finance expense		(70)		(106,205)
Deferred tax expense		(396)		(361,827)
Gain on net monetary position		4,000		1,423,083
Current income tax expense		(666,877)		(1,144,234)
Net income	\$	2,015,855	\$	3,503,987
Pasinex ownership interest		50%		50%
The Company's equity share of net income of joint venture	\$	1,007,928	\$	1,751,994
Other comprehensive (loss) gain		(864,781)		45,585
Pasinex'equity share of other comprehensive gain of joint venture	\$	143,147	\$	1,797,579

6. Exploration and evaluation assets

	Akkaya Property		Gunman Project		Total
Balance as at December 31, 2023	\$	457,321	\$	1,401,990	\$ 1,859,311
Licenses		25,840		-	25,840
Foreign exchange adjustment		-		123,281	123,281
Balance as at December 31, 2024	\$	483,161	\$	1,525,271	\$ 2,008,432
Foreign exchange adjustment		(25,840)		(47,701)	(73,541)
Balance as at March 31, 2026	\$	457,321	\$	1,477,570	\$ 1,934,891

(a) Akkaya Property

The Company, through Pasinex Arama owns an exploration license (the "Akkaya Property") located near the Pinargozu mine. As at March 31, 2026, the Company's Akkaya Property consisted of an operational exploration license in good standing until November 2032. Pasinex Arama is in the process of converting the operational license to an operational permit. In order to receive the operational permit, Pasinex Arama must obtain all essential permits including forestry and working permits according to the mining laws and completion of an environmental impact assessment.

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Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

6. Exploration and evaluation assets (continued)

(b) Gunman Project

Pasinex, through its wholly owned subsidiary Pasinex Nevada, entered into an option agreement with Century Lithium Corp. ("Century") and Caliber Minerals Inc. ("Caliber") to earn up to an 80% interest in the Gunman Project located in White Pine County, Nevada ("Option Agreement"). The Option Agreement's total consideration to acquire an 80% interest is a combination of cash and Pasinex common shares. The Company has to incur minimum exploration expenditures totalling US\$2,950,000. Century holds the title to the Gunman Project mineral rights.

The Company has completed the following to earn its initial 51% of the Gunman Project:

- US\$425,000 in cash payments,
- the issuance of 4.6 million Pasinex Common Shares. and
- exploration expenditures of US\$1,850,000.

7. Property, plant and equipment

During the fifteen-month period ended March 31, 2026, depreciation of \$211,706 was capitalized to inventory (2025 – \$Nil).

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

7. Property, plant and equipment (continued)

COST	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Total
Balance, December 31, 2024	\$ -	\$ -	\$ -	\$ -	\$ 83,734	\$ 83,734
Assets acquired through business combination	31,690	24,502	151,180	239,306	149,462	596,140
Additions	-	-	21,550	126,765	32,548	180,864
Effect of foreign exchange differences	(596)	(461)	(2,844)	(4,501)	(86,545)	(94,947)
Balance, March 31, 2026	\$ 31,094	\$ 24,041	\$ 169,886	\$ 361,570	\$ 179,199	\$ 765,791

ACCUMULATED DEPRECIATION

Balance, December 31, 2024	\$ -	\$ -	\$ -	\$ -	\$ (79,796)	\$ (79,796)
Charge for the period	(4,701)	(605)	(38,418)	(137,945)	(32,548)	(214,217)
Effect of foreign exchange differences	-	-	-	-	79,796	79,796
Balance, March 31, 2026	\$ (4,701)	\$ (605)	\$ (38,418)	\$ (137,945)	\$ (32,548)	\$ (214,217)

CARRYING AMOUNT

Balance, December 31, 2024	\$ -	\$ -	\$ -	\$ -	\$ 3,938	\$ 3,938
Balance, March 31, 2026	\$ 26,393	\$ 23,437	\$ 131,468	\$ 223,625	\$ 146,651	\$ 551,574

COST	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Total
Balance, December 31, 2023	\$ -	\$ -	\$ -	\$ -	\$ 81,911	\$ 81,911
Additions	-	-	-	-	1,823	1,823
Balance, December 31, 2024	\$ -	\$ -	\$ -	\$ -	\$ 83,734	\$ 83,734

ACCUMULATED DEPRECIATION

Balance, December 31, 2023	\$ -	\$ -	\$ -	\$ -	\$ (79,382)	\$ (79,382)
Charge for the period	-	-	-	-	(1,186)	(1,186)
Effect of foreign exchange differences	-	-	-	-	772	772
Balance, December 31, 2024	\$ -	\$ -	\$ -	\$ -	\$ (79,796)	\$ (79,796)

CARRYING AMOUNT

Balance, December 31, 2023	\$ -	\$ -	\$ -	\$ -	\$ 2,529	\$ 2,529
Balance, December 31, 2024	\$ -	\$ -	\$ -	\$ -	\$ 3,938	\$ 3,938

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

8. Financial asset, goodwill, and intangible assets

Financial asset

In October 2024 Pasinex Arama entered into an Option and Purchase Agreement with a Turkish mining company, Aydın Teknik, which may lead to the purchase of 100% of a Group IV lead-zinc operating license called Sarıkaya, which is located in the Kayseri province of Türkiye. Abdullah Aydın ("Optionor") owned 100% of the shares of the Aydın Teknik. On October 18, 2024, Pasinex Arama paid US\$250,000 (C\$347,125) (the "Option Purchase Price") to the Optionor upon the signing of the Agreement. For a period of six months after April 18, 2025, Pasinex Arama could make an additional payment equal to the Purchase Price less the Option Purchase Price in order to obtain 100% of the shares of Aydın Teknik. In accordance with the terms and conditions of the Option and Purchase Agreement:

- a) Pasinex Arama must pay a total of US\$2,600,000, including the Option Purchase Price ("Purchase Price").
- b) After Pasinex Arama has paid the Purchase Price, Pasinex Arama shall pay the Optionor an 8% Net Smelting Return ("NSR") for the zinc sulphide production and a 5% NSR for the zinc carbonate production produced within the license, after such production is sold.

Prior to the completion of the Aydın Teknik acquisition described below, payments made by Pasinex Arama under the above-mentioned sale agreements were recorded as a financial asset. Upon completion of the acquisition and registration of the share transfer in Türkiye, the amounts previously recorded as a financial asset were included as part of the consideration transferred for the acquisition.

As at March 31, 2026, no financial asset remained outstanding in respect of the Aydın Teknik acquisition.

Business combinations — provisional acquisition accounting (measurement period)

During the fifteen-month period ended March 31, 2026, the Company acquired Horzum A.Ş. through a step acquisition from 50% to 100% ownership and acquired 100% of Aydın Teknik. The acquisitions were accounted for as business combinations in accordance with IFRS 3, *Business Combinations*.

The acquisition accounting for both business combinations has been determined provisionally as at March 31, 2026. The initial accounting is incomplete because an independent fair value allocation of the identifiable assets acquired and liabilities assumed, including mineral properties, mining licenses, property and equipment, and any identifiable intangible assets, had not been completed as of the date these financial statements were authorized for issue.

Pending completion of the independent valuation, the provisional amounts recognized for the identifiable assets acquired and liabilities assumed were based on the information available to management at the acquisition dates, including the acquirees' carrying amounts and management's best estimates. Accordingly, the amounts recognized for the identifiable assets acquired and the resulting goodwill are provisional and may be revised upon completion of the valuation process in accordance with IFRS 3.

As at March 31, 2026, no measurement-period adjustments had been recognized in respect of these acquisitions.

In accordance with IFRS 3, the Company will retrospectively adjust the provisional amounts recognized at the acquisition dates to reflect any new information obtained during the measurement period about facts and circumstances that existed at the respective acquisition dates and that, if known, would have affected the measurement of the amounts recognized. Any such adjustments will be recorded with corresponding adjustments to goodwill. The measurement period will not exceed one year from the respective acquisition dates.

Pasinex Resources Limited

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8. Financial asset, goodwill and intangible assets (continued)

(a) Aydın Teknik

On December 31, 2025, Pasinex Arama completed the acquisition of 100% of the shares of Aydın Teknik, a Turkish mining company that holds the Group IV lead-zinc operating licence for the Sarıkaya Project in Kayseri Province, Türkiye.

The primary reasons for the acquisition were to secure ownership and control of the Sarıkaya Project, expand the Company's Turkish zinc project portfolio, and provide the Company with access to a near-term production opportunity that is expected to complement the Company's existing Turkish operations at Pınargözü. The acquisition is also expected to provide operational synergies, including the use of existing management, technical, logistics and commercial capabilities in Türkiye.

Under the terms of the Option and Purchase Agreement, Pasinex Arama agreed to pay total consideration of US\$2,600,000. As at March 31, 2026, cumulative payments of US\$1,350,000 had been made, with the remaining US\$1,250,000 payable in quarterly instalments through June 30, 2027. The shares of Aydın Teknik have been pledged as security for the deferred note payable. Under the related pledge agreement, the Aydın Teknik mining licence cannot be transferred to third parties without the required consent and if mining operations cease, the licence is required to be returned to the seller, free of charge.

Upon full payment of the purchase price, Pasinex Arama is also required to pay the seller an 8% Net Smelter Return ("NSR") royalty on zinc sulphide sales and a 5% NSR royalty on zinc carbonate sales from the Sarıkaya licence.

No separate identifiable acquisition-related costs were incurred in connection with the acquisition of Aydın Teknik.

Management assessed whether any identifiable intangible assets were acquired as part of the Aydın Teknik acquisition. The primary asset held by Aydın Teknik was the Sarıkaya mining licence / mineral property. No additional separable intangible assets meeting the recognition criteria under IFRS 3, such as customer relationships, technology, brand names, contracts or similar rights, were identified.

Separately, management assessed the acquisition-date fair value of the identifiable assets acquired and liabilities assumed. As there is no active market for comparable mining licences in Türkiye, no NI 43-101 or equivalent independent mineral resource estimate supporting a higher value, and no other observable evidence from which a reliable fair value could be determined as at the acquisition date, the fair value allocation was determined provisionally based on the information available to management, including the acquiree's carrying amounts and management's best estimates.

Accordingly, the excess of the consideration transferred over the provisional identifiable net assets acquired was recognized as goodwill. The acquisition accounting remains subject to measurement-period adjustments in accordance with IFRS 3, as described above.

The purchase price allocation for Aydın Teknik was as follows:

Aydın Teknik		
Purchase Price Allocation		
Consideration transferred before discount	\$	3,352,962
Less: fair value discount on deferred consideration		100,373
Share capital acquired		667,757
Deficit acquired		(857,719)
Goodwill recognized	\$	3,442,551

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8. Financial asset, goodwill and intangible assets (continued)

The deferred consideration payable was measured at its acquisition-date fair value using a present value calculation. The resulting discount of \$100,373 reduced the fair value of consideration transferred and, accordingly, reduced goodwill recognized on acquisition. Subsequent accretion of the discount is recognized as finance expense over the term of the payable and does not affect goodwill. Other than the Sarıkaya mining licence, Aydın Teknik did not hold material tangible assets at the acquisition date.

From the acquisition date to March 31, 2026, Aydın Teknik contribute \$Nil revenue and net loss of \$191,988 to the consolidated results of the Company.

Had the acquisition of Aydın Teknik occurred on January 1, 2025, management estimates that Aydın Teknik would have contributed revenue of \$Nil and net loss of \$Nil to the consolidated results of the Company for the fifteen-month period ended March 31, 2026. These amounts are based on Aydın Teknik's results for the period from January 1, 2025, to March 31, 2026, and do not necessarily reflect the results that would have occurred had the acquisition been completed on January 1, 2025.

Goodwill recognized on the acquisition of Aydın Teknik represents expected future economic benefits, including the opportunity to develop additional mineral resources, production potential, operational synergies with the Company's existing Turkish operations, and other benefits that do not qualify for separate recognition as identifiable intangible assets. None of the goodwill in expected to be deductible for income tax purposes.

(b) Horzum A.Ş

On December 29, 2025, Pasinex Arama acquired the remaining 50% interest in Horzum through negotiations with the joint venture partner. As a result, the Company obtained control of Horzum and consolidated its assets, liabilities, revenues and expenses from the acquisition date.

Prior to the acquisition date, Horzum was accounted for as a joint venture using the equity method. (Note 5) Upon obtaining control, the Company accounted for the transaction as a business combination achieved in stages in accordance with IFRS 3.

The primary reasons for the acquisition were to obtain full ownership and control of Horzum, including the Pınargözü mine, to consolidate the Company's Turkish operating platform, and to allow the Company to directly manage production, sales, logistics, commercial arrangements and future development activities. The acquisition is also expected to provide operational and commercial synergies with the Company's other Turkish mineral properties, including Sarıkaya and Akkaya.

The purchase price allocation for Horzum was as follows:

Horzum		
Purchase Price Allocation		
Fair value of investment in joint venture	\$	349,322
Property, plant and equipment acquired		(349,322)
Goodwill recognized	\$	-

No identifiable intangible assets or goodwill were recognized in connection with the Horzum acquisition.

Acquisition-related costs of \$2,957,893 were incurred in connection with the acquisition of Horzum and were expensed as incurred. These costs are included in legal and professional fees under general and administrative expenses in the consolidated statement of loss and comprehensive loss.

From the acquisition date to March 31, 2026, Horzum contributed revenue of \$1,000,809 and net loss of \$618,198 to the consolidated results of the Company.

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(Expressed in Canadian Dollars, unless otherwise indicated)

8. Financial asset, goodwill and intangible assets (continued)

Had the acquisition of Horzum occurred on January 1, 2025, management estimates that Horzum would have contributed revenue of \$2,076,598 and net loss of \$1,623,819 to the consolidated results of the Company for the fifteen-month period ended March 31, 2026. These amounts are based on Horzum's results for the period from January 1, 2025, to March 31, 2026, and do not necessarily reflect the results that would have occurred had the acquisition been completed on January 1, 2025.

From the acquisition date to March 31, 2026, the results of Aydın Teknik and Horzum have been included in the consolidated statement of loss and comprehensive loss. No cash was acquired as part of the acquisitions.

The acquisition of Horzum was accounted for as a business combination achieved in stages. Immediately before obtaining control, the Company accounted for its 50% interest in Horzum as a joint venture using the equity method. Upon obtaining control, management assessed the fair value of the previously held interest and concluded that no material remeasurement gain or loss arose on the transaction.

Intangible assets

The Company's intangible assets consist of mining licences acquired through the business combination of Aydın Teknik described above. As at March 31, 2026, intangible assets were \$237,336 (2024 – Nil).

Goodwill

Goodwill arose on the acquisition of Aydın Teknik and represents the excess of the consideration transferred over the fair value of identifiable net assets acquired. Goodwill is not amortized and is tested annually for impairment, or more frequently when events or changes in circumstances indicate that it may be impaired, in accordance with IAS 36, *Impairment of Assets*.

Goodwill was allocated to the cash-generating unit ("CGU") expected to benefit from the acquisition, being the Sarıkaya Project / Aydın Teknik CGU within the Company's Turkish mining operations.

The goodwill continuity was as follows:

Balance as at December 31, 2024	\$	-
Goodwill recognized on acquisition of Aydın Teknik		3,442,551
Goodwill recognized on acquisition of Horzum		-
Impairment		-
Balance as at March 31, 2026	\$	3,442,551

Management assessed goodwill for impairment as at March 31, 2026, in accordance with IAS 36. The goodwill was allocated to the Sarıkaya Project / Aydın Teknik CGU, which is expected to benefit from the acquisition. In performing its assessment, management considered zinc prices, permitting status, development plans, expected future cash flows, discount rates, the status of the Sarıkaya licence, and the absence of adverse technical, legal, regulatory or economic developments since the acquisition date. Based on this assessment, management concluded that no impairment of goodwill was required as at March 31, 2026.

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9. Accounts payable and accrued liabilities

		As at March 31, 2026	As at December 31, 2024
Trade payables	\$	533,609	\$ 277,760
Accrued liabilities		160,000	171,600
Total accounts payable and accrued liabilities	\$	693,609	\$ 449,360

10. Shareholder loans

The Company entered into loans with certain shareholders and directors of the Company (the “Lenders”) in the form of promissory notes. The promissory notes are payable on demand to the Lenders and bear 6% annual interest. The promissory notes are secured by the collateral guarantees on property and assets of the Company.

On January 29, 2026, the Company received a \$200,000 bridge loan from an insider of the Company. The bridge loan matures six months from the initial issuance date, bear 12% annual interest, 5% loan set up fee, and is secured by the assets of the Company.

A continuity of shareholder loans, including the bridge loan and accrued interest, is as follows:

	Shareholder Loans
Balance as at December 31, 2023	\$ 2,491,365
Shareholder loans issued	1,585,000
Accrued interest	173,284
Balance as at December 31, 2024	4,249,649
Shareholder loans issued	850,000
Accrued interest	240,532
Less: principal and interest payment	(3,483,498)
Balance as at March 31, 2026	\$ 1,856,683

During the fifteen-month period ended March 31, 2026, the Company received cash advances of \$850,000 from shareholder loans and bridge loans (2024 – \$1,585,000). During the same period, certain shareholder loans and accrued interest were settled through the issuance of common shares, including \$2,157,474 settled through the issuance of common shares at \$0.075 per share and \$3,340,520 settled through the issuance of common shares at \$0.10 per share. These share settlements were non-cash financing transactions and are disclosed in the share capital note.

As at March 31, 2026, the outstanding shareholder loans, bridge loan and accrued interest totalled \$1,856,683 (December 31, 2024 – \$4,249,649). During the fifteen-month period ended March 31, 2026, the Company recorded interest expense of \$240,532 (2024 – \$173,284) on the shareholder loans and bridge loan. See Note

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

11. Loan payable

		As at March 31, 2026		As at December 31, 2024
CEBA loan (a)		7,569		7,569
Loan payable - current	\$	7,569	\$	7,569
CEBA loan		10,845		18,282
Shareholder's loan (b)		417,394		-
Loan payable - non-current		428,239	\$	18,282
Total loan payable	\$	435,808	\$	25,851

(a) On April 24, 2020, the Company applied for the Canada Emergency Business Account ("CEBA") interest-free loan. In 2024, the Company entered into a loan agreement with its principal banker from which the proceeds were used to repay the CEBA loan balance outstanding, less \$10,000, which was forgiven. The term of the loan is five years, at an interest rate of prime + 2.34%, with monthly payments of \$631. The loan can be prepaid at any time without fee or premium. During the fifteen months ended March 31, 2026, the Company booked interest expense of \$2,024 (2024 - \$2,161).

(a) On January 12, 2026, the Company received a \$412,110 (\$300,000 USD) loan from a shareholder of the Company. The loan matures thirty-six months from the initial issuance date, bear 6% annual interest, and is secured by the assets of the Company. As of March 31, 2026, amount owed including accrued interest was \$417,394.

12. Other liabilities

		As at March 31, 2026		As at December 31, 2024
Long-Term provisions for employee benefits	\$	172,610	\$	17,827
Total other liabilities	\$	172,610	\$	17,827

13. Share capital

(a) Authorized: Unlimited common shares with no par value.

(b) Issued and outstanding common shares:

	Number of Shares		Amount
Balance as at December 31, 2024	144,554,370	\$	12,888,506
Common shares issued for debt settlement (a)	62,171,511		5,497,994
Private placement of common shares (b)	47,763,200		3,727,508
Share issuance costs (b)	-		(70,250)
Balance as at March 31, 2026	254,489,081	\$	22,043,758

(a) On July 10, 2025 the Company issued 28,766,306 common shares to certain of its creditors (the "Settlement Shares") in exchange for outstanding debt in the aggregate amount of \$2,157,473 owing to certain creditors. The Settlement Shares were issued at a price of \$0.075.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

13. Share capital (continued)

On January 15, 2026 the Company issued 33,405,205 common shares to certain of its creditors (the "Settlement Shares") in exchange for outstanding debt in the aggregate amount of \$ 3,340,520 owing to certain creditors. The Settlement Shares were issued at a price of \$0.10.

(b) On October 24, 2025, the Company closed a private placement of 31,087,200 common shares at a price of \$0.075 per common share for gross proceeds of \$2,331,540. As consideration for its services in connection with the private placement, the Company paid certain individuals and brokers cash finder's fee \$15,750 and issued 406,000 shares.

On March 27, 2026, the Company closed a private placement of 16,130,000 units at a price of \$0.10 per unit for gross proceeds of \$1,613,000. Each unit comprised one common share and one-half share purchase warrant, with each full warrant exercisable at \$0.15 per common share for a period of 24 months.

In connection with the financing, the Company also issued 140,000 finder units as consideration for services, resulting in total units issued of 16,270,000. The total units issued comprised 16,270,000 common shares and 8,135,000 full warrants, of which 8,065,000 warrants related to the cash subscription units and 70,000 warrants related to the finder units. The Company also paid cash finder's fees of \$8,050.

Of the total proceeds, net proceeds of \$261,482 (Note 14) were allocated to warrants and \$1,365,518 to the common shares.

	Number of Shares	Amount
Balance as at December 31, 2022 and December 31, 2023	144,554,370	\$ 12,888,506
Balance as at December 31, 2023 and December 31, 2024	144,554,370	\$ 12,888,506

14. Warrants

On March 25, 2026, the Company issued warrants as part of a unit financing. A total of 8,135,000 warrants were issued, with each warrant exercisable to acquire one common share at an exercise price of \$0.15 for a period of two years, expiring on March 25, 2028.

The fair value of the warrants at the date of issuance was estimated using the Black Scholes option pricing model with the following assumptions: share price of \$0.095, exercise price of \$0.15, expected life of 2.0 years, risk free interest rate of 2.89%, expected volatility of 110.5%, and a dividend yield of 0%.

The estimated fair value of each full warrant was \$0.045. The fair value of the Company's common shares on March 25, 2026 was \$0.095 per share. The gross cash proceeds of \$1,613,000 from the March 2026 unit financing were allocated between share capital and warrants using the relative fair value method. Based on the relative fair values of the common shares and warrants, \$0.0679 per unit was allocated to share capital and \$0.0321 per unit was allocated to warrants.

Accordingly, \$261,482 was allocated to warrants and recorded in contributed surplus. (Note 13)

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

15. Stock options

The Company has a stock option plan (the "Plan") in place under which it is authorized to grant options of up to 10% of its outstanding shares to officers, directors, employees and consultants. The exercise price of each option is to be determined by the Board of Directors but shall not be less than the discounted market price as defined by the CSE. The expiry date for each option should be for a maximum term of five years. The Plan was most recently approved at the Company's 2015 Annual General Meeting.

As at March 31, 2026, the Company had 254,489,081 common shares issued and outstanding, resulting in a maximum of 25,448,908 options available under the plan. As at March 31, 2026, 16,900,000 options were issued and outstanding, leaving 8,548,908 options available for future grant.

The following table reflects the continuity of stock options for the periods presented:

	Number of Options	Weighted Average Exercise Price
Balance as at December 31, 2023	10,500,000	\$ 0.040
Expired	(500,000)	\$ 0.090
Balance as at December 31, 2024	10,000,000	\$ 0.040
Balance as at December 31, 2024	10,000,000	\$ 0.040
Granted	10,400,000	\$ 0.078
Forfeited	(3,500,000)	\$ 0.040
Balance as at March 31, 2026	16,900,000	\$ 0.063

During the fifteen-month period ended March 31, 2026, the Company granted 10,400,000 stock options. All options granted during the period vested immediately on the grant date. The fair value of options granted during the period was estimated using the Black-Scholes option pricing model using the assumptions set out below. The total fair value of options granted during the period was \$708,200, of which \$344,200 was recorded as share-based compensation expense and \$364,000 was recorded in legal and professional fees in connection with options granted to a service provider. The corresponding credit was recorded in contributed surplus.

Grant date	Expiry date	Exercise price	Options granted	Vesting	Fair value per option	Total fair value	Expected term	Expected volatility	Risk-free interest rate	Share price at grant date	Expected dividend yield
2025-01-02	2030-01-02	\$0.040	2,500,000	Immediate	\$0.019	\$47,500	5 years	178%	2.96%	\$0.020	0.00%
2025-04-04	2030-04-04	\$0.050	400,000	Immediate	\$0.033	\$13,200	5 years	181%	2.52%	\$0.035	0.00%
2025-09-29	2030-09-29	\$0.075	2,500,000	Immediate	\$0.077	\$192,500	5 years	178%	2.74%	\$0.075	0.00%
2026-01-12	2031-01-12	\$0.100	5,000,000	Immediate	\$0.091	\$455,000	5 years	176%	2.93%	\$0.095	0.00%
Total			10,400,000			\$708,200					

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

15. Stock options (continued)

The Company had the following stock options outstanding as of March 31, 2026:

Expiry Date	Number of Options		Exercise Price	Weighted Average Remaining Contractual Life (Years)
	Outstanding	Exercisable		
April 30, 2026	6,500,000	6,500,000	\$ 0.040	0.08
January 2, 2030	2,500,000	2,500,000	\$ 0.040	3.76
April 4, 2030	400,000	400,000	\$ 0.050	4.01
September 29, 2030	2,500,000	2,500,000	\$ 0.075	4.50
January 12, 2031	5,000,000	5,000,000	\$ 0.100	4.79
Total	16,900,000	16,900,000	\$ 0.063	2.77

16. General and administrative costs

General and administration costs are as follows:

	Note	15 Months Ended March 31, 2026	Year Ended December 31, 2024
Consulting fees	17	\$ 269,891	\$ 163,837
Investor relations		188,468	18,566
Management fees and salaries	17	795,230	202,050
Stock option expense	15	344,200	-
Director fees	17	128,704	96,000
Legal fees		2,985,702	473,229
Professional fees, office and general		657,733	311,147
Amortization		2,511	1,186
Transfer agent and regulatory fees		55,502	30,088
Travel and accommodation		276,584	135,586
Other		89,307	32,793
Total general and administrative costs		\$ 5,793,832	\$ 1,464,482

17. Related party balances and transactions

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 had transactions with the Company during the year.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

17. Related party balances and transactions (continued)

A summary of the related party transactions and balances is as follows:

	15 Months Ended	Year Ended
	March 31,	December 31,
	2026	2024
Share -based compensation	\$ 283,000	\$ -
Management fees and salaries	270,000	202,050
Consulting fees	81,891	117,901
Director fees	128,704	96,000
Interest expense on shareholder loans (Note 10, 11)	236,143	173,284
	\$ 716,738	\$ 589,235

As at March 31, 2026, the Company had related party payables of \$113,951 (2024 – \$158,165) owing to directors and officers of the Company. These amounts relate to management fees, director fees, and expense reimbursements.

In addition to these related party payables, as at March 31, 2026, the Company had shareholder loans outstanding of \$1,856,683 (2024 – \$4,249,649). See Note 10 and 11.

During the fifteen-month period ended March 31, 2026, certain directors of the Company participated in the Company's private placement financings on the same terms and conditions as arm's length investors. The directors subscribed for an aggregate of 2,970,000 units for gross proceeds of \$247,000. These transactions were recorded as equity transactions and are included in share capital. See Note 13.

During the fifteen-month period ended March 31, 2026, the Company recorded share-based compensation of \$283,000 relating to stock options granted to directors of the Company. The amounts were measured in accordance with IFRS 2 and were recorded as share-based compensation expense with a corresponding credit to contributed surplus. See Note 15.

During the fifteen-month period ended March 31, 2026, certain loans payable to insiders of the Company, including accrued interest, were converted into common shares of the Company. The aggregate amount converted was \$3,731,825, resulting in the issuance of 44,281,971 common shares. Following the conversion, the related shareholder loan balances were reduced accordingly. See Note 9 and Note 10.

Amounts receivable from Horzum, a related party until being acquired by the Company, included dividend receivable by Pasinex Arama of \$Nil (2024 - \$20,375).

All balances due to and from related parties are unsecured, non-interest bearing and due on demand except for shareholder loans which are disclosed separately.

To the knowledge of the directors and officers of the Company, as at March 31, 2026, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the common shares of the Company other than set out below:

	Number of	Percentage of
	Common Shares	Outstanding
		Common Shares
Larry Seeley	41,990,817	16.5%
Kevin Seeley	30,908,592	12.1%

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

18. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2024 - 26.5%) to the effective tax rate is as follows:

	15 Months Ended March 31, 2026	Year Ended December 31, 2024
Net loss before recovery of income taxes	\$ (5,600,665)	\$ (2,649,927)
Expected income tax recovery	(1,484,176)	(702,230)
Difference in foreign tax rates	(51,266)	12,663
(Gain) loss on net monetary position	(76,779)	379,100
Change in tax benefits not recognized	1,767,808	311,570
Income tax	\$ 155,587	\$ 1,103

The Company's income tax is allocated as follows:

Current tax expense	\$ 23,923	\$ 1,103
Deferred tax expense	131,664	-

Deferred tax

The following table summarizes the components of deferred tax:

	As at March 31, 2026	As at December 31, 2024
Deferred tax assets		
Non-Capital tax losses carried forward - Canada	\$ 102,189	\$ 102,190
Deferred tax liabilities		
Foreign exchange on account of capital	\$ 19,710	\$ 19,710
Capitalized mineral costs	82,480	82,480
Goodwill	187,821	-
Subtotal of liabilities	\$ 290,011	\$ 102,190
Net deferred tax liability	\$ 187,822	\$ -

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

18. Income Taxes (continued)

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	As at March 31, 2026	As at December 31, 2024
Property, plant and equipment	\$ 24,140	\$ 24,140
Investment in Horzum AS	6,148,580	5,290,600
Operating tax losses carried forward - Canada	14,555,250	10,453,700
Capital losses carried forward	74,150	74,150
Non-capital losses carried forward - USA	22,960	15,030
Operating tax losses carried forward - Turkiye	1,780,920	70,930
Charitable donations carryforward	7,500	7,500
Resource pools - mineral properties	2,970,600	2,922,900
	\$ 25,584,100	\$ 18,858,950

The capital loss carry forward may be carried forward indefinitely but can only be used to reduce capital gains.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company has available non-capital losses which may be carried forward to reduce taxable income in future years. Operating tax losses in Canada expire after 20 years.

The Canadian operating tax loss carry-forwards expire as noted in the table below.

Expiry	Canada
2037	1,506,290
2038	1,570,030
2039	1,027,350
2040	929,250
2041	733,020
2042	1,900,520
2043	1,603,720
2044	1,183,520
2046	4,101,550
	\$ 14,555,250

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

19. Segmented 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:

	As at March 31, 2026		As at December 31, 2024	
Non-current assets by geographic segment				
Türkiye	\$	4,752,880	\$	1,377,880
United States		1,477,570		1,525,270
	\$	6,230,450	\$	2,903,150
Total assets by geographic segment				
Canada	\$	1,552,285	\$	188,356
Türkiye		5,744,972		1,843,599
United States		1,477,570		1,525,270
	\$	8,774,827	\$	3,557,225

	15 Months Ended March 31, 2026		Year Ended December 31, 2024	
Revenues				
Canada	\$	-	\$	-
Türkiye		1,000,809		-
United States		-		-
Total	\$	1,000,809	\$	-
Share of total comprehensive (loss) income from joint venture				
Canada	\$	-	\$	-
Türkiye		(854,047)		143,147
United States		-		-
Total	\$	(854,047)	\$	143,147
Net loss				
Canada	\$	(4,107,502)	\$	(1,174,020)
Türkiye		(1,640,822)		(1,357,835)
United States		(7,929)		(119,175)
Total	\$	(5,756,253)	\$	(2,651,030)

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

20. Net loss per share - basic and diluted

a) Basic

Basic loss per share is calculated by dividing the net loss attributable to shareholders of the Company by the weighted average number of common shares outstanding during the year.

	15 Months Ended March 31, 2026	Year Ended December 31, 2024
Net loss	\$ (5,756,253)	\$ (2,651,030)
Weighted-average number of shares outstanding	180,032,701	144,554,370
Net loss per share - basic and diluted	\$ (0.032)	\$ (0.018)

b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The Company's source of potentially dilutive shares are stock options and warrants. For this, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's outstanding shares for the period), based on the exercise prices attached to the stock options and warrants. The number of shares calculated above is compared with the number of shares that would have been issued assuming exercise of the stock options and warrants.

16,900,000 stock options and 8,135,000 warrants have been excluded from the weighted average number of shares outstanding because they are anti-dilutive.

21. Financial Instruments

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.

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.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

21. Financial Instruments (continued)

As at March 31, 2026	Level 1	Level 2	Level 3	Total
Cash	\$ 1,807,179	\$ -	\$ -	\$ 1,807,179
As at December 31, 2024	Level 1	Level 2	Level 3	Total
Cash	\$ 194,888	\$ -	\$ -	\$ 194,888

As of March 31, 2026, and December 31, 2024, the fair values of the Company's remaining financial assets and liabilities which include the receivables, and accounts payables approximate their carrying values due to their short-term nature.

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 section 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 the consolidated 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 attributable to its cash balances, trade receivables and related party receivables. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada and in Türkiye. Management believes that the credit risk with respect to trade receivables is remote because of receipt of upfront payments from most customers. The credit risk on related party receivables has been assessed as high. The maximum credit risk exposure relating to financial assets is represented by their respective carrying values as at the date of the consolidated statements of financial position. Allowance for doubtful accounts receivable as of March 31, 2026 was \$Nil (2024 - \$Nil).

b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. 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 March 31, 2026, the Company had a cash balance of \$1,807,179 (2024 - \$194,888) and current liabilities of \$4,014,969 (2024 - \$4,864,743). All of the Company's accounts payable and accrued liabilities and due to related parties have contractual maturities of less than 60 days and are subject to normal trade terms. Shareholder loans are due on demand from the shareholders but because of the related party nature and the ownership interests of these shareholders, it is unlikely the shareholders would call the loan until ample funds are available in the Company. The Company may manage its short-term liquidity shortfall by obtaining additional loans from directors or by equity financing. See also the discussion in *Note 3 - Basis of Measurement and Going Concern*.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

21. Financial Instruments (continued)

c) Market Risk

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

i) Foreign 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. In the past, the Company received dividends from its investment in Horzum. Dividends were declared in TRY and paid to the Company in increments as excess cash was available and therefore subject to foreign currency risk arising from the fluctuation in currency exchange between the Canadian dollar and TRY. In addition, during the fifteen months ended March 31, 2026, the translation of the assets and liabilities of Pasinex Arama and Pasinex Nevada resulted in foreign currency translation adjustments of \$622,657 (2024 - \$1,259,432) recorded in other comprehensive loss. For the fifteen months ended March 31, 2026, if the TRY to Canadian dollar exchange rate increased/decreased by 5% with all other variables held constant, other comprehensive loss would have been approximately \$129,000 higher/lower (2024 – approximately \$148,000 higher/lower). There was not material USD in the Company's bank accounts.

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. At March 31, 2026, the Company's bank loan is subject to prime rate + 2.34%. With all other factors held constant, a 1% fluctuation in the interest rate would yield an immaterial change in interest payable on the \$18,414 bank loan.

(iii) Price risk - the Company is exposed to price risk with respect to commodity prices, particularly the price of zinc. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to zinc prices, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company's future profitability and viability depend upon the world market price of zinc. Zinc prices have fluctuated widely in recent years. Sales in Horzum are subject to fluctuations in zinc price. For the fifteen months ended March 31, 2026, if the sales prices increased/decreased by 5% with all other variables held constant, other comprehensive loss would have been approximately \$50,000 higher/lower.

d) Capital Structure

In addition to its cash balances, the Company manages its common shares, and stock options as capital. Management reviews its capital management approach on an ongoing basis and will assess making adjustments within the context of the Company's strategy, economic conditions and risk characteristics of its assets. No changes were made to management's approach in 2026. To adjust or maintain the capital structure, the Company may issue new equity, incur debt, enter into joint venture arrangements, or dispose of certain assets. The Company's key policy guidelines for managing capital structure is to ensure there is enough funding to complete its commitments under option agreements and other growth initiatives while maintaining a conservative level of debt relative to total capital and earnings within the context of its financial forecasts for pricing, costs and production.

The Company's investment policy is to hold excess 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.

Pasinex Resources Limited

Notes to Consolidated Financial Statements

15 Month Period Ended March 31, 2026, and Year Ended December 31, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

22. Subsequent events

- a) Subsequent to March 31, 2026, the Company completed an additional tranche of its previously announced non brokered private placement. The Company issued 4,247,616 units at a price of \$0.10 per unit for gross proceeds of \$401,880, including 228,816 units issued as non-cash finder's fees. Each unit consisted of one common share and one-half warrant, with each full warrant exercisable at \$0.15 per share for a period of two years from the date of issuance. In connection with this tranche, the Company issued 2,123,808 warrants.
- b) Subsequent to March 31, 2026, a total of 6,875,000 stock options, including options expiring on April 30, 2026, were exercised at an exercise price of C\$0.04 per option, resulting in the issuance of 6,875,000 common shares for aggregate proceeds of C\$275,000.



PASINEX RESOURCES LIMITED

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**FOR THE FIFTEEN MONTHS ENDED
MARCH 31, 2026**

Dated July 29, 2026

Pasinex Resources Limited

Management's Discussion & Analysis

For the fifteen months ended March 31, 2026

Introduction

On October 1, 2025, Pasinex changed its financial year end from December 31 to March 31 to better align its reporting cycle with industry peers and to reduce pressure on calendar year-end reporting timelines. Pasinex is filing this transitional report covering the fifteen-month period from January 1, 2025, to March 31, 2026, with audited financial statements. The next financial year will cover the twelve-month period from April 1, 2026, to March 31, 2027.

The following discussion of the results of operations and financial condition of Pasinex Resources Limited (the "Company" or "Pasinex") prepared as of July 29, 2026 summarizes management's review of the factors that affected the Company's financial and operating performance for the fifteen months ended March 31, 2026, and the factors reasonably expected to impact on future operations and results ("Management's Discussion and Analysis of Financial Condition and Results of Operations" or "MD&A").

This MD&A is intended to supplement and complement the Company's audited consolidated financial statements as at and for the fifteen months ended March 31, 2026, ("Financial Statements") and the notes thereto, which were prepared in accordance with IFRS Accounting Standards ("IFRS").

Certain information and discussion included in this MD&A constitute forward-looking information, which should be read in consideration of the cautionary notes contained in the section "Forward-Looking Statements".

Further information about the Company and its operations can be obtained from the offices of the Company, at www.pasinex.com or from SEDAR+ at www.sedarplus.ca.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements; as such term is defined under applicable securities laws. These statements relate to future events or future performance and reflect management's expectations and assumptions regarding the growth, results of operations, performances and business prospects and opportunities of the Company. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "intend", "will", "project", "could", "believe", "predict", "potential", "should" or the negative of these terms or other similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance, achievements or events to differ materially from those anticipated, discussed or implied in such forward-looking statements. The Company believes the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should be considered carefully and investors should not place undue reliance on them as the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

These statements speak only as of the date of this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about: (i) general business and economic conditions; (ii) timing and amount of estimated future production (iii) the supply and demand for, deliveries of, and the level and volatility of prices of zinc and other precious metals; (iv) the timing of the receipt of any outstanding regulatory and governmental approvals for the Company's projects; (v) the ability to meet social and environmental standards and expectations; (vi) the availability of financing for the Company's development of its properties on reasonable terms; (vii) the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; (viii) the ability to attract and retain skilled staff; (ix) exploration and development timetables; and (x) capital expenditure and operating cost estimates.

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The Company has not been materially impacted by the ongoing conflict in the Strait of Hormuz or Ukraine, but uncertainty remains surrounding the conflict and the extent and duration of the impacts that it may have on the Company's ability to operate, on prices for zinc, on logistics and supply chains, on the Company's employees and on global financial markets.

The Pinargozu zinc mine was placed into production without a feasibility study of mineral reserves demonstrating economic and technical viability, and as such, any forward-looking statements related to the performance of the Pinargozu mine may differ materially from actual results. The decision to operate a mine without a technical report or feasibility study creates increased uncertainty. Economic or technical results of the Pinargozu zinc mine may differ materially from forward-looking statements due to reduced zinc grade, variation in estimated mineral resources, increased difficulty in mining and other risks associated with the reliability of internal analytical results, geological interpretation and statistical inferences drawn from drilling and sampling.

These forward-looking statements involve risks and uncertainties relating to, among other things, exploration and development risks, changes in commodity prices, particularly the zinc price, expectations regarding currency fluctuations, possible variation in mineral resources or grade, counter party risk associated with sales of zinc material, access to skilled mining personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, changes to government regulation and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors contained in this MD&A. Investors should not place undue reliance on forward-looking statements, as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities law.

Description of Business

Pasinex Resources Limited ("Pasinex" or the "Company") is a publicly listed, zinc focused mining company incorporated in British Columbia, Canada. The Company's common shares are listed on the Canadian Securities Exchange ("CSE") under the symbol PSE and on the Frankfurt Stock Exchange ("FSE") under the symbol PNK. Pasinex's head and registered records office is located at 550 Burrard Street, Suite 2900, Vancouver, British Columbia, V6C 0A3, with its mailing address at 82 Richmond Street East, Toronto, Ontario, Canada, M5C 1P1.

Through its wholly owned Turkish subsidiary, Pasinex Arama ve Madencilik Anonim Şirketi ("Pasinex Arama"), the Company owns 100% of Horzum Maden Arama ve İşletme Anonim Şirketi ("Horzum A.Ş." or "Horzum"), which owns and operates the producing Pinargözü high grade zinc mine in Türkiye. Zinc concentrate is sold directly to zinc smelters and refiners through commodity brokers, and Aydın Teknik Madencilik ve İnşaat Sanayi ve Ticaret A.Ş. ("Aydın Teknik") the holder of the Sarıkaya Group IV lead zinc operating license located in Kayseri Province, Türkiye, which represents significant potential for near term production and additional zinc discoveries.

In the United States, Pasinex holds a 51% interest in the Gunman Project, a high-grade zinc exploration project located in Nevada through its wholly owned subsidiary, Pasinex Resources Nevada Limited ("Pasinex Nevada").

Led by an experienced management team with a strong track record in mineral exploration and mine development, Pasinex is focused on the acquisition, development, and operation of high-grade zinc assets. The Company's objective is to create long term value for shareholders while maintaining high standards of safety, environmental stewardship, and community engagement.

For additional information, visit www.pasinex.com.

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Selected Annual Consolidated Information

	Fifteen Months Ended March 31, 2026	Year Ended December 31, 2024	Year Ended December 31, 2023
Financial:			
Revenues	\$ 1,000,809	-	-
Share of net equity (loss) gain from joint venture	(854,047)	143,147	1,797,579
Assigned dividend	-	-	626,476
Consolidated net loss	(5,756,253)	(2,651,030)	(309,768)
Basic and diluted net income (loss) per share	(0.032)	(0.018)	(0.003)
Net cash used in operating activities	\$ (1,834,751)	(1,554,416)	(554,397)
Weighted average shares outstanding	180,032,701	144,554,371	144,554,370
As at:			
	March 31, 2026	December 31, 2024	December 31, 2023
Total assets	\$ 8,774,827	3,557,225	3,024,660
Total liabilities	5,127,116	4,900,852	2,976,689
Total shareholders' equity (deficit)	\$ 3,647,711	(1,343,627)	47,971
Horzum AS operational data (100% basis):			
	Fifteen Months March 31, 2026	Year Ended December 31, 2024	Year Ended December 31, 2023
Zinc product mined (wet) tonnes	1,658	3,601	8,061
Zinc product sold (wet) tonnes	1,755	4,972	7,979
Zinc sulphide product - average grade sold	45.3%	51.5%	48.9%

Pasinex took 100% ownership of Horzum A.Ş. on December 29, 2025. Therefore, in the Pasinex consolidated financial statements for the fifteen-month ended March 31, 2026:

- Pasinex's 50% share of Horzum A.Ş.'s net loss for the period January 1 to December 29, 2025, is shown in the consolidated statements of loss and comprehensive loss as Share of total comprehensive loss from joint venture
- Horzum A.Ş.'s statement of financial position has been consolidated within the consolidated statements of financial position
- Horzum A.S.'s revenues and expenses for the period December 30, 2025, to March 31, 2026, are consolidated with the group in the consolidated statement of loss and comprehensive loss

Whereas, in the comparative prior year financial statements, as at December 31, 2024, Pasinex had 50% joint venture interest in Horzum A.Ş., which was equity accounted.

Recent Developments

100% Ownership of Horzum A.Ş.

- On December 30, 2025, the Company announced that the share transfer process for Horzum A.Ş. had been completed. All required Board of Directors' resolutions were executed, the relevant share certificates duly endorsed and delivered to Pasinex, and the necessary filings with the Turkish Trade Registry completed. As a result, as of December 31, 2025, Pasinex Arama holds 100% ownership of Horzum A.Ş.

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Corporate

- On January 15, 2026, Pasinex announced that it had issued 33,405,205 common shares in exchange for outstanding debt in the aggregate amount of C\$3,340,520 owing to certain insiders, other vendors and directors, (the "Shares for Debt Transaction"). The common shares were issued at a price of \$0.10 per common share. In connection with the Shares for Debt Transaction, the Company has amended the remaining outstanding debt owing to certain participating creditors in the aggregate principal amount of C\$2,045,735 to include an option permitting such creditors, at their election and for a period of up to thirty six (36) months, to convert all or any portion of such remaining debt into common shares of the Company at a price of C\$0.10 per common share, subject to applicable securities laws and CSE policies. The Company may also repay all or a portion of the remaining debt in cash, and any debt converted into shares will be deemed fully satisfied.
- Subsequent to March 31, 2026, the Company completed an additional tranche of its previously announced non brokered private placement. The Company issued 4,247,616 units at a price of \$0.10 per unit for gross proceeds of \$401,880, including 228,816 units issued as non-cash finder's fees. Each unit consisted of one common share and one-half warrant, with each full warrant exercisable at \$0.15 per share for a period of two years from the date of issuance. In connection with this tranche, the Company issued 2,123,808 warrants.
- Subsequent to March 31, 2026, a total of 6,875,000 stock options, including options expiring on April 30, 2026, were exercised at an exercise price of C\$0.04 per option, resulting in the issuance of 6,875,000 common shares for aggregate proceeds of C\$275,000.

Outlook

Pasinex is building a zinc mining company step by step through the acquisition and development of exceptional high-grade zinc deposits, ranging from 30 to 50% zinc in Türkiye and 14 to 24% zinc in Nevada.

These high-grade zinc ore deposits have an exceptionally high intrinsic value, ranging from approximately \$1,000 to \$1,500 per tonne of ore, surpassing nearly all known copper and gold deposits currently under development or in production. In fact, these zinc ore grades are economically equivalent to copper grades of approximately 9% to 15%, assuming a copper price of \$5 per pound.

Long-term mining costs range from approximately USD \$250 to \$300 per tonne of ore, resulting in after-tax margins generally between 30% and 50% of sales. The economic risk is low, given the high-grade zinc deposits and substantial margins that provide a buffer against various operational issues. Moreover, profitability can significantly increase when zinc prices rise.

In Türkiye, capital costs remain low due to the nature of the ore deposits, which can be readily accessed through adits and declines for underground mining. Because these carbonate-hosted zinc deposits are located at or near the surface, mining operations can commence quickly, generating immediate cash flow. Additionally, the high-grade nature of the ore ensures profitability from the outset, enabling rapid capital payback within just a few months.

Pasinex is currently focused on advancing high-grade zinc properties, which are already producing through small-scale mining operations at zinc grades between 30% and 50%. Due to our respected exploration team's extensive local knowledge and Pasinex's trusted reputation, we regularly receive opportunities to acquire licenses from family owners who wish to sell their mines for personal reasons or who lack the financial, technical, or managerial resources needed to fully develop their assets. This represents an ideal moment for Pasinex to acquire these licenses, explore and expand their resources, and secure the financing required to execute this strategic opportunity.

The Sarikaya license which Pasinex recently purchased highlights the tremendous potential that exists for near-term profitability through direct shipping ore, as well as the significant possibility of discovering a major zinc ore deposit.

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Sarikaya is a prime example of the opportunities available for Pasinex in the coming years. In the region, exploration conducted by family owners primarily involved small-scale mining operations that follow surface outcrops via adits, without employing modern exploration methods. These large properties have seen minimal geological mapping, geochemistry, geophysics, structural analysis, or drilling, despite abundant outcrops and geological indicators. Pasinex's acquisition of these high-grade zinc licenses represents a valuable opportunity, generating wealth for the families through direct purchase payments and net smelter returns, while significantly enhancing shareholder value through company growth. Furthermore, Pasinex's business model promises substantial economic benefits and employment opportunities for local communities, aligning closely with Türkiye's broader economic vision.

The potential for mutually beneficial economic growth and capability development among all stakeholders is substantial, and stakeholders strongly support Pasinex's leadership in managing this strategy and these opportunities. The exceptional zinc grades have been clearly demonstrated through existing small-scale mining activities as well as visible surface outcrops.

Türkiye is an excellent jurisdiction for mining, featuring progressive mining laws, highly capable government ministries, skilled geologists, mining engineers, strong electrical and mechanical expertise, as well as first-rate legal, accounting, administrative, and commercial professionals. Additionally, Türkiye has a well-educated, hardworking workforce with deep mining and metallurgical knowledge. The country adheres to the best international practices in mining safety and environmental regulations, demonstrating effective implementation and enforcement of these laws.

The mining methods used for these high-grade zinc deposits involve underground operations accessed through adits and declines, resulting in a minimal environmental footprint and limited impact on surrounding communities. Pasinex maintains strong relationships and an excellent reputation with employees, local communities, and government authorities.

Türkiye offers outstanding geological potential due to its unique position at the intersection of the Asian, African, and European tectonic plates, creating numerous faults and geological features that significantly enhance the likelihood of discovering base metals and gold deposits. Additionally, Türkiye benefits from excellent infrastructure, including roads, electricity, and water resources conveniently located near most mining licenses, with easy access to major cities and ports. These factors position Türkiye as one of the best exploration and mining jurisdictions in the world.

Zinc has been recognized by the U.S. Geological Survey and the World Economic Forum as one of the 31 critical metals essential for the transition to a sustainable future. Primary uses of zinc include galvanizing steel to prevent rust in cars and construction materials, die-casting, and alloying with copper to create brass and with tin to create bronze for applications such as door handles, plumbing fittings, and heat exchange equipment. Zinc oxide is widely utilized in tire manufacturing, paints, and fertilizers. Additionally, zinc is used extensively in skincare, beauty products, health supplements, artwork, and musical instruments. Emerging technologies such as zinc-air batteries are anticipated to experience substantial growth. Zinc also plays a significant role in the electronics, automotive, textile, aerospace, and defense industries.

Global zinc consumption is approximately 12 million tonnes per year, with recycled zinc accounting for only about 34% of this demand. Due to zinc's dispersed applications and long product life cycles, only a portion can be economically recycled, resulting in significant dependence on primary zinc mined from deposits. Zinc is produced by many countries and is a globally traded commodity with prices set by the worldwide market. Unlike critical metals such as gallium or rare earth elements, zinc prices cannot be dominated or controlled by any single country or company.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Apart from these and the discussion below on zinc prices and foreign currency, and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

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Review of Consolidated Financial Statements

Fifteen Months Ended March 31, 2026, and Years Ended 2024 and 2023

The following is a summarized consolidated income statement for Pasinex:

	Fifteen Months Ended March 31, 2026	Year Ended December 31, 2024	Year Ended December 2023
Revenues	\$ 1,000,809	\$ -	\$ -
Cost of sales	(1,764,002)	-	-
Selling and marketing costs	(21,653)	-	-
Equity (loss) gain from Horzum AS	(854,047)	143,147	1,797,579
Exploration costs	(7,928)	(119,174)	(563,889)
General and administration costs	(5,793,832)	(1,464,482)	(1,486,037)
Other income (loss)	1,938,429	71,802	(163,997)
Interest expense	(227,765)	(175,445)	(138,218)
Foreign exchange gain (loss)	(190,992)	324,280	171,472
Assigned dividend	-	-	626,476
Gain (loss) on net monetary position	320,315	(1,430,055)	(515,340)
Income tax expense	(155,587)	(1,103)	(37,814)
Net income (loss) for the period	\$ (5,756,253)	\$ (2,651,030)	\$ (309,768)

For the fifteen months ended March 31, 2026, Pasinex recorded a net loss of approximately \$5.8 million (2024 – net loss of \$2.7 million). The primary reason for the increase in net loss was an equity loss recorded in 2025 versus an equity gain in 2024. The increase in net loss for the fifteen-month period was also affected by higher general and administration costs, due to additional legal costs related to taking 100% ownership of Horzum, partially offset by higher other income, lower exploration costs and lower loss on net monetary position.

Revenues, Cost of sales and Selling and marketing costs

During the fifteen-month period ended March 31, 2026, the Company generated revenue of \$1,000,809 from one zinc ore shipment from Horzum. The shipment consisted of high-grade zinc sulphide ore with an average Zinc grade of 50.15%, Silver content of 95 ppm (g/1,000 kg) and Germanium content of 272 ppm. Cost of sales was \$1,764,002, resulting in a mine operating loss of \$763,193. Selling and marketing costs were \$21,653 for the period. The operating loss reflects the early stage of restarting and ramping up mining activities, with production and sales volumes not yet sufficient to absorb fixed and operating costs.

Equity (loss) gain from Horzum

Until December 29, 2025, Horzum A.Ş. was considered a joint venture for accounting purposes and as such the Company recorded its share of net income on one line in the income statement.

Exploration Costs

Exploration costs represent expenditures incurred at the Gunman Project.

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General and administration costs

		15 Months Ended March 31, 2026	Year Ended March 31, 2024
	Note		
Consulting fees	17	\$ 269,891	\$ 163,837
Investor relations		188,468	18,566
Management fees and salaries	17	795,230	202,050
Stock option expense	15	344,200	-
Director fees	17	128,704	96,000
Legal fees		2,985,702	473,229
Professional fees, office and general		657,733	311,147
Amortization		2,511	1,186
Transfer agent and regulatory fees		55,502	30,088
Travel and accommodation		276,584	135,586
Other		89,307	32,793
Total general and administrative costs		\$ 5,793,832	\$ 1,464,482

General and administrative costs were higher than the previous year due to:

General and administrative costs were \$5,793,832 for the fifteen months ended March 31, 2026, compared with \$1,464,482 for the twelve months ended December 31, 2024. The increase reflects the longer reporting period, as the current period covers fifteen months compared with twelve months in the prior year, as well as higher legal, management, professional, investor relations and stock-based compensation costs.

- Legal fees were the largest component of general and administrative costs, increasing to \$2,985,702 from \$473,229. The increase was mainly related to legal matters in Türkiye, including matters associated with the acquisition of the remaining 50% interest in Horzum.
- Management fees and salaries increased to \$795,230 from \$202,050, reflecting the increased level of activity in Türkiye and the consolidation of Horzum and Aydın Teknik for the last three months of the period.
- Professional fees, office and general costs increased to \$657,733 from \$311,147, primarily due to higher audit, tax and other professional service costs.
- Investor relations costs increased to \$188,468 from \$18,566 as the Company restarted engagement with shareholders and other stakeholders.
- The Company recorded stock-based compensation expense of \$344,200 during the period, compared with \$nil in the prior year, following the grant of stock options.
- Travel and accommodation costs increased to \$276,584 from \$135,586, reflecting increased operational and corporate activity during the period.

Overall, the increase in general and administrative costs was mainly driven by legal fees, which represented approximately 52% of total general and administrative costs for the period, together with higher management fees, professional fees and stock-based compensation.

Other (loss) income

Other income was \$1,938,429 for the fifteen months ended March 31, 2026. The amount was recorded by Pasinex Arama and consisted of dividend income of \$801,863 and other income of \$1,136,566. Other income included the reversal of provisions previously recorded for inventory losses, together with other amounts recorded in Pasinex Arama's accounts during the period. These amounts relate to Pasinex Arama and are not related to the Company's Canadian corporate activities.

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Interest expense

Interest expense increased year over year as the shareholder loan balances increased in 2025.

Assigned dividend

In May 2023, Horzum declared a dividend and approved the distribution of legal reserves totalling approximately TRY 46.2 million. Akmetal assigned to Pasinex Arama a portion of its entitlement to these amounts, which amounted to approximately TRY 9.2 million.

Gain (loss) on net monetary position

Türkiye is designated a hyper-inflationary economy for accounting purposes. Accordingly, IAS 29, Financial Reporting in Hyper-Inflationary Economies, was applied to the Company's consolidated financial statements as the Company's Turkish wholly owned subsidiary, Pasinex Arama, uses the Turkish Lira as its functional currency.

As a result of the high volatility of inflation rate, the Company records gains or losses on net monetary position, which relate to the revaluation of Pasinex Arama's share capital. The Company recorded a gain of \$320,315 on net monetary position for the fifteen months ended March 31, 2026 (2024 - loss of \$1,430,055), which relates to the revaluation of Pasinex Arama's share capital.

Income tax expense

The Company recorded income tax expense of \$155,587 for the fifteen months ended March 31, 2026, compared with \$1,103 for the prior year. The current income tax expense was \$23,923, mainly reflecting taxable income generated in Türkiye. Following the consolidation of Horzum, Horzum completed its first shipment and sale in the first quarter of 2026, which resulted in related income tax implications. Pasinex Arama also generated a small amount of taxable income after adjustments for non-taxable dividend income received from Horzum and certain non-deductible expenses. The Company also recorded deferred income tax expense of \$131,664 during the period.

Horzum

On December 29, 2025, Pasinex Arama acquired the remaining 50% interest in Horzum through negotiations with the joint venture partner. As a result, the Company obtained control of Horzum and consolidated its assets, liabilities, revenues and expenses from the acquisition date.

Prior to the acquisition date, Horzum was accounted for as a joint venture using the equity method. (Note 5) Upon obtaining control, the Company accounted for the transaction as a business combination achieved in stages in accordance with IFRS 3.

The primary reasons for the acquisition were to obtain full ownership and control of Horzum, including the Pınargözü mine, to consolidate the Company's Turkish operating platform, and to allow the Company to directly manage production, sales, logistics, commercial arrangements and future development activities. The acquisition is also expected to provide operational and commercial synergies with the Company's other Turkish mineral properties, including Sarıkaya and Akkaya.

The purchase price allocation for Horzum was as follows:

Horzum	
Purchase Price Allocation	
Fair value of investment in joint venture	\$ 349,322
Property, plant and equipment acquired	(349,322)
Goodwill recognized	\$ -

No identifiable intangible assets or goodwill were recognized in connection with the Horzum acquisition.

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Acquisition-related costs of \$2,957,893 were incurred in connection with the acquisition of Horzum and were expensed as incurred. These costs are included in legal and professional fees under general and administrative expenses in the consolidated statement of loss and comprehensive loss.

From the acquisition date to March 31, 2026, Horzum contributed revenue of \$1,000,809 and net loss of \$618,198 to the consolidated results of the Company.

Had the acquisition of Horzum occurred on January 1, 2025, management estimates that Horzum would have contributed revenue of \$2,076,598 and net loss of \$1,623,819 to the consolidated results of the Company for the fifteen-month period ended March 31, 2026. These amounts are based on Horzum's results for the period from January 1, 2025, to March 31, 2026, and do not necessarily reflect the results that would have occurred had the acquisition been completed on January 1, 2025.

From the acquisition date to March 31, 2026, the results of Aydın Teknik and Horzum have been included in the consolidated statement of loss and comprehensive loss. No cash was acquired as part of the acquisitions.

The acquisition of Horzum was accounted for as a business combination achieved in stages. Immediately before obtaining control, the Company accounted for its 50% interest in Horzum as a joint venture using the equity method. Upon obtaining control, management assessed the fair value of the previously held interest and concluded that no material remeasurement gain or loss arose on the transaction.

Financial Results

Below are the statements of operation for Horzum for the fifteen months ended March 31, 2026, and year ended 2024 with a reconciliation to the Company's equity (loss) gain.

	Fifteen Months Ended		Three Months Ended		Year Ended		Year Ended	
	March 31,		March 31,		December 31,		December 31,	
(100% basis - Canadian dollars)	2026		2026		2025		2024	
Revenue	\$	2,966,091	\$	889,493	\$	2,076,598	\$	8,721,640
Cost of sales		(4,378,155)		(1,507,312)		(2,870,843)		(4,562,508)
Selling, marketing and other distribution		(74,927)		(19,594)		(55,333)		(210,590)
Operating income (loss)		(1,486,991)		(637,413)		(849,578)		3,948,542
Impairment of Akmetal receivable		-		-		-		(52,762)
General and administrative expenses		(1,502,186)		(436,385)		(1,065,801)		(1,239,457)
Foreign exchange gain		1,094,978		906,231		188,747		22,875
Finance expense		-		-		-		(70)
Deferred tax recovery		(75,540)		(38,848)		(36,692)		(396)
Gain on net monetary position		905,327		765,822		139,505		4,000
Current income tax expense		-		-		-		(666,877)
Net (loss) income	\$	(1,064,412)	\$	559,407	\$	(1,623,819)	\$	2,015,855
Pasinex ownership interest		50%		50%		50%		50%
The Company's equity share of net income (loss) of joint venture	\$	(532,206)	\$	279,704	\$	(811,910)	\$	1,007,928
Other comprehensive gain (loss)		(321,841)		(339,734)		17,893		(864,781)
Pasinex equity share of other comprehensive (loss) gain of joint venture	\$	(854,047)	\$	(60,030)	\$	(794,017)	\$	143,147

Development Plan: Targeting Depth and Continuity

Pasinex has a comprehensive development plan designed to expand production capacity and access deeper high-grade mineralization. Key initiatives include:

- **Workforce Expansion:** Recruitment of additional technical staff and underground personnel continues to support mining from multiple headings, to increase number of shifts and increased development activity.
- **New Adit Development:** The Company commenced a 1,000-metre development project. This initiative includes a 700-metre decline starting from the 582-metre level to access lower levels, 150 meters for ventilation

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infrastructure, and 150 meters dedicated to new drilling platforms. The work is expected to take approximately nine to twelve months to complete.

- Targeting High-Grade Zones: The new 700-metre decline is designed to intersect zinc sulphide mineralization identified 100 to 150 meters below the current 520-metre production level.

Geological Potential and Exploration

The Pinargözü mine is a Carbonate Replacement Deposit ("CRD"), characterized by exceptionally high-grade zinc mineralization (historically selling over 150,000,000 lbs. of zinc at a grade of 31-52% zinc as commercially assayed in the form of zinc sulphide material and zinc carbonate material). The upcoming program focuses on two primary exploration opportunities.

- Deep Sulphide Targets: Drilling has intersected high-grade zinc sulphide mineralization (including 1.5 meters of high-grade zinc sulphide material of 43% as measured by XRF at the 425-metre level) below the deepest currently mined level. Significantly, the drill signature for this deep mineralization is similar to the signature that led to the discovery of the 541-level material.
- Underexplored Veins: The Company has identified numerous secondary high-grade zinc veins across various existing mine levels. While production is currently sourced from some of these areas, many veins remain untested. A dedicated drilling campaign will map and evaluate the continuity of these veins to expand the immediate resource inventory.

Aydın Teknik

On December 31, 2025, Pasinex Arama completed the acquisition of 100% of the shares of Aydın Teknik, a Turkish mining company that holds the Group IV lead-zinc operating licence for the Sarıkaya Project in Kayseri Province, Türkiye.

The primary reasons for the acquisition were to secure ownership and control of the Sarıkaya Project, expand the Company's Turkish zinc project portfolio, and provide the Company with access to a near-term production opportunity that is expected to complement the Company's existing Turkish operations at Pinargözü. The acquisition is also expected to provide operational synergies, including the use of existing management, technical, logistics and commercial capabilities in Türkiye.

Under the terms of the Option and Purchase Agreement, Pasinex Arama agreed to pay total consideration of US\$2,600,000. As at March 31, 2026, cumulative payments of US\$1,350,000 had been made, with the remaining US\$1,250,000 payable in quarterly instalments through June 30, 2027. The shares of Aydın Teknik have been pledged as security for the deferred note payable. Under the related pledge agreement, the Aydın Teknik mining licence cannot be transferred to third parties without the required consent and if mining operations cease, the licence is required to be returned to the seller, free of charge.

Upon full payment of the purchase price, Pasinex Arama is also required to pay the seller an 8% Net Smelter Return ("NSR") royalty on zinc sulphide sales and a 5% NSR royalty on zinc carbonate sales from the Sarıkaya licence.

No separate identifiable acquisition-related costs were incurred in connection with the acquisition of Aydın Teknik. Management assessed whether any identifiable intangible assets were acquired as part of the Aydın Teknik acquisition. The primary asset held by Aydın Teknik was the Sarıkaya mining licence. No other separable intangible assets meeting the recognition criteria under IFRS 3 were identified. As there is no active market for comparable mining licences in Türkiye, no NI 43-101 or equivalent independent mineral resource estimate supporting a higher value, and no other observable evidence from which a reliable fair value could be determined, management concluded that no material fair value adjustment to the carrying amount of the mining licence was appropriate. Accordingly, the excess of the consideration transferred over the identifiable net assets acquired was recognized as goodwill.

The purchase price allocation for Aydın Teknik was as follows:

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Aydin Teknik

Purchase Price Allocation

Consideration transferred before discount	\$	3,352,962
Less: fair value discount on deferred consideration		100,373
Share capital acquired		667,757
Deficit acquired		(857,719)
Goodwill recognized	\$	3,442,551

The deferred consideration payable was measured at its acquisition-date fair value using a present value calculation. The resulting discount of \$100,373 reduced the fair value of consideration transferred and, accordingly, reduced goodwill recognized on acquisition. Subsequent accretion of the discount is recognized as finance expense over the term of the payable and does not affect goodwill. Other than the Sarıkaya mining licence, Aydin Teknik did not hold material tangible assets at the acquisition date.

From the acquisition date to March 31, 2026, Aydin Teknik contribute \$Nil revenue and net loss of \$191,988 to the consolidated results of the Company.

Had the acquisition of Aydin Teknik occurred on January 1, 2025, management estimates that Aydin Teknik would have contributed revenue of \$Nil and net loss of \$Nil to the consolidated results of the Company for the fifteen-month period ended March 31, 2026. These amounts are based on Aydin Teknik's results for the period from January 1, 2025, to March 31, 2026, and do not necessarily reflect the results that would have occurred had the acquisition been completed on January 1, 2025.

Goodwill recognized on the acquisition of Aydin Teknik represents expected future economic benefits, including the opportunity to develop additional mineral resources, production potential, operational synergies with the Company's existing Turkish operations, and other benefits that do not qualify for separate recognition as identifiable intangible assets. None of the goodwill is expected to be deductible for income tax purposes.

Liquidity and Financial Position

Horzum A.Ş.'s operations continue to generate moderate positive operating income, however in the absence of the receipt of additional dividends from Horzum A.Ş., the Company would need to secure funding from either equity financing or additional related party loans to fund its ongoing activities. There can be no assurance that the Company will be able to generate either sufficient dividends from Horzum A.Ş. or be able to generate funds from other sources. Accordingly, these conditions represent a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

Commitments and Contingencies

As of the date of this MD&A, the Company has no commitments and contingencies. The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are constantly changing and generally more restrictive. The Company does not believe that there are currently any decommissioning liabilities at its sites, nor subject to known additional environmental liabilities or mitigation measures.

Pasinex Resources Limited
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For the fifteen months ended March 31, 2026

Share Capital

As of the date of this MD&A, the Company has 265,611,697 issued and outstanding common shares and an aggregate of 9,400,000 stock options outstanding.

Related Party Transactions

The Company lists its related party transactions in Note 16 of its audited consolidated financial statements for the fifteen months ended March 31, 2026.

Selected Quarterly Financial Information

The following table provides a summary of audited financial data for the last eight quarters:

		Three Months Ended			
		Mar 2026	Dec 2025	Sep 2025	Jun 2025
Equity gain (loss) from joint venture	\$	(60,030)	(777,722)	(77,708)	18,633
Consolidated net loss	\$	(2,461,574)	(1,840,332)	(282,935)	(282,935)
Basic and diluted net loss per share	\$	(0.017)	(0.009)	0.000	(0.002)
		Mar 2025	Dec 2024	Sep 2024	Jun 2024
		Mar 2025	Dec 2024	Sep 2024	Jun 2024
Equity gain (loss) from joint venture	\$	42,780	(912,565)	112,432	309,802
Consolidated net loss	\$	(888,477)	(2,394,375)	(245,877)	(296,550)
Basic and diluted net loss per share	\$	(0.004)	(0.017)	(0.002)	(0.002)

- See *Review of Quarterly Results – Equity (loss) gain from Horzum* for an explanation of Equity gain (loss). The quarterly equity gains (losses) were calculated by taking 50% of Horzum A.Ş.'s net income, which includes hyperinflationary adjustments, less dividends issued by Horzum A.Ş.
- Quarterly consolidated net income or loss has varied primarily due to the variability of the equity gain or loss recorded from the joint venture.
- The consolidated net loss in the last two quarters were primarily due to increased general and administrative costs related to Horzum and Aydin Teknik acquisitions and equity loss in the fourth quarter compared with equity gains in the prior quarters.

Risks and Uncertainties

The Company's business contains significant risk due to the nature of mining, exploration and development activities. In addition to the usual risks associated with an investment in a junior resource company, management and the directors of the Company believe that, in particular, the following risk factors should be considered by prospective investors. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors below that have affected, and which in the future are reasonably expected to affect the Company and its financial position.

Pasinex Resources Limited

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For the fifteen months ended March 31, 2026

Risks to Profitability

The Company is a junior resource company focused primarily on the acquisition, exploration and development of mineral properties located in the United States and Türkiye. The Company's properties have no established mineral reserves and there is no assurance that any of the Company's projects can be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability from the business of the Company will be dependent upon developing and commercially mining an economic deposit of minerals, which in itself is subject to numerous risk factors.

The profitability of the Company's current operations will be directly related to the performance of the Pinargozu zinc mine located in Türkiye, which operates without a technical report or established mineral reserves. The development of a mining operation typically involves large capital expenditures and a high degree of risk and uncertainty. Mining operations put into production without first establishing mineral reserves supported by a NI 43-101 technical report and completed feasibility study are subject to much higher risk of economic or technical failure. As the Pinargozu mine (held by Horzum AS) was put into production without a feasibility study or mineral reserves demonstrating economic and technical viability, there is increased uncertainty. The economic and technical risk of failure at the Pinargozu mine is increased by operating without a technical report, and the ore grade, estimated mineral resources, profitability of the mine, the life of the mine, the difficulty in mining zinc ore, the cost in maintaining the mine and any other economic or technical projection may differ materially from the Company's estimates, which would have a material and adverse effect on the Company's results.

Moreover, the ability of the Pinargozu mine to generate positive cash flow for the Company has been impacted by the ability of Horzum AS to collect receivables from Akmetal, the Company's distribution partner. To date, the loan receivables owing to the Company from Akmetal were unrecoverable, and as a result the Company's business, results of operations and financial condition have experienced a material adverse impact.

Reliability of Mineral Resource Estimates

As the Company has not established mineral reserves supported by a NI 43-101 technical report, there is no assurance that the Company's resource or production estimates can be relied upon. The Company currently relies on internal mineral resource estimates for the basis of its projections and forward-looking information. Mineral resources are estimates based on sampling of the mineralized material in a deposit and such estimates may not be found to be accurate. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimation of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

The Company's mineral resource estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, all of which may prove to be unreliable. Furthermore, there are risks related to the reliability of analytical results and unforeseen possible variations in grade or other considerations.

Exploration Risk

The exploration and development of mineral deposits involves a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. While discovery of ore-bearing structures may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current mining, exploration and development programs of the Company will result in profitable commercial mining operations.

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Commodity Markets

The price of the Company's securities, its financial results, and its access to the capital required to finance its production and exploration activities may in the future be adversely affected by declines in the price of zinc. Zinc prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of zinc by various dealers, financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, and international political and economic trends, conditions and events. If these or other factors adversely affect the price of zinc that are the subject of the Company's production and exploration efforts, the market price of the Company's securities may decline.

Market Fluctuation and Commercial Quantities

The market for minerals is influenced by many factors beyond the Company's control, including without limitation, the supply and demand for minerals. In addition, the metals industry in general is intensely competitive and there is no assurance that, even if apparently commercial quantities and qualities of metals are discovered, a market will exist for their profitable sale. Commercial viability of zinc and other mineral deposits may be affected by other factors that are beyond the Company's control, including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure, the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, and environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability such that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital or having its mineral projects be rendered uneconomic. These risks are accentuated because of the lack of a NI 43-101 technical report on mineral reserves at the Pinargozu mine. Without a NI 43-101 technical report, economic and technical viability of the Pinargozu mine cannot be assured.

Option and Joint Venture Agreements

The Company has and may continue to enter into option agreements and/or joint ventures as a means of acquiring property interests. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations could have a material adverse effect on the Company's rights under such agreements. Furthermore, the Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying mineral claims.

Property Titles

The principal property interests that the Company owns, controls or has the right to acquire by option or agreement come variously under the *3213 Turkish Mining Law* (Türkiye), the *Federal Land Policy and Management Act* (United States), and the *General Mining Law of 1872* (United States), each of which has its own registration and management systems. Although the Company has either obtained title opinions or reviewed title for the material properties that it owns, controls or has the right to acquire by option or agreement, there is no guarantee that title to such mineral property interests will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects. The Company may also experience challenges in effecting the transfer of title to certain of its mineral properties. There may be valid challenges to the title of the mineral property interests which, if successful, could impair development and/or operations.

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Financing Risks

Although the Company currently generates operating cash flow from the Pinargozu mine, the Company's distribution partner, Akmetal, has been slow to pay Horzum AS. The Company has no other source of operating cash flow and there is no assurance additional funding will be available for further exploration, development and maintenance of its projects. Further exploration and development of the Company's properties may be dependent upon its ability to obtain financing through equity or debt, and although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's projects, the loss of right to the Company's properties, or the ability to finance the continued operation of the Pinargozu mine.

Mining Risks and Insurance

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, catastrophic equipment failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or that it may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Risks Related to Operations in a Foreign Jurisdiction

The Company's business operates in a foreign jurisdiction where there are added risks and uncertainties due to the different economic, cultural and political environments. The Corporation's mineral exploration and mining activities may be adversely affected by political instability and changes to government regulation and policy relating to the mining industry. Other risks of foreign operations include political unrest, labour disputes and unrest, invalidation of governmental orders and permits, corruption, war, civil disturbances and terrorist actions, arbitrary changes in law or policies of particular countries (including nationalization of mines), foreign taxation, price controls, delays in obtaining or renewing or the inability to obtain or renew necessary permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on mineral exports and increased financing costs. Local economic conditions can also adversely affect the security of the Company's operations and the availability of supplies. In addition, risks of operations in Türkiye include fluctuations in currency exchange rates, inflation, and significant changes in laws and regulations including but not limited to tax regulations, permitting and expropriation. These risks may limit or disrupt the Company's projects, reduce financial viability of local operations, restrict the movement of funds or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation. There can be no assurance that changes in the government or laws or changes in the regulatory environment for mining companies or for non-domiciled companies will not be made that would adversely affect the Company's business, financial condition, results of operation and prospects.

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Government Regulations, Permitting and Taxation

The Company's production and exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its activities, its various licenses and permits must be obtained and kept current. There is no guarantee that the Company's licenses and permits will be granted, or that once granted will be extended. In addition, the terms and conditions of such licenses or permits could be changed and there can be no assurances that any application to renew any existing licenses will be approved. There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development or maintenance of its properties. The Company will also have to obtain and comply with permits and licenses that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions. Future taxation of mining operators cannot be predicted with certainty so planning must be undertaken using present conditions and best estimates of any potential future changes.

Health, Safety and Community Relations

The Company's operations are subject to various health and safety laws and regulations that impose various duties on the Company's operations relating to, among other things, worker safety and obligations in respect of surrounding communities. These laws and regulations also grant the relevant authorities broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance with such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Company's operations. The Company has made, and expects to make in the future, expenditures to comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and other special status species, and, to the extent reasonably practicable, to create social and economic benefit in the surrounding communities near the Company's mineral properties.

Environmental Protection

The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds. There is also a risk that environmental and other laws and regulations may become more onerous, making it more costly for the Company to remain in compliance with such laws and regulations.

Reliance on Key Personnel

The Company's development to date has largely depended and in the future will continue to depend on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. Further, with respect to future development of the Company's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Company's ability to employ the specific personnel required. The failure to retain or attract a sufficient number of key skilled personnel could have a

Pasinex Resources Limited

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material adverse effect on the Company's business, results of operations and financial condition. The Company has not taken out and does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

Competitive Industry Environment

The mining industry is highly competitive, both domestically and internationally. The Company's ability to acquire properties and develop mineral reserves in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration, of which there is a limited supply. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. The Company may also encounter competition from other mining companies in its efforts to hire experienced mining professionals. Competition could adversely affect the Company's ability to attract necessary funding or acquire suitable producing properties or prospects for mineral exploration in the future. Competition for services and equipment could result in delays if such services or equipment cannot be obtained in a timely manner due to inadequate availability, and could also cause scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project development, exploration or construction costs and result in project delays.

Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing, particularly for junior mining companies. These conditions may affect the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all. If such conditions continue, the Company's operations could be negatively impacted. See discussion related to the ongoing Ukraine conflict in the Cautionary Note Regarding Forward-Looking Statements.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, power sources and water supply are important determinants affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Use of Accounting Judgements and Estimates

The Company prepares its consolidated financial statements in conformity with IFRS Accounting Standards. The preparation of the Company's consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Material accounting policy information and critical accounting estimates and judgments are described in Notes 3 and 4 of the Company's audited consolidated financial statements.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

Pasinex Resources Limited

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In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Management's Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management and have been approved by the board of directors. The consolidated financial statements were prepared by the Company's management in accordance with IFRS Accounting Standards. The consolidated financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner in order to ensure the financial statements are presented fairly in all material respects.

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 for all information in this MD&A. Mr. Challis is a director of the Company and Chair of the Pasinex Arama.

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.

July 29, 2026

"Larry Seeley"
Larry Seeley
Executive Chairman

"Ian Atacan"
Ian D. Atacan
Director and Chief Financial Officer