

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **PASINEX RESOURCES LIMITED** (the "Issuer").

Trading Symbol: **PSE**

Number of Outstanding Listed Securities: **101,892,309**

Date: **May, 2016**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report 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 Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report 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 items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the 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.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The primary focus for Pasinex Resources is their Horzum AS zinc operations joint venture in the province of Adana, Turkey. This joint venture is a 50 / 50 partnership between Pasinex Turkey and Turkish mining house Akmetal AS. The joint venture has two properties in the northern part of Adana province. These properties are called Pinargozu and Akkaya.

The major focus for Pasinex and the joint venture company is the Pinargozu property. In May the company was both mining and drilling at the Pinargozu property. The mining operations are producing about 60 tonnes per day of high grade zinc mineralisation assaying around 35% Zn. This material is being mined, crushed and the then sold as

direct shipping mineralisation. The Pinargozu mine has about 120 employees currently working there now, mostly underground, involved in mining operations.

During the month of May, 2016 two drills were operational at Pinargozu. One drill is operating underground to continue to look for deeper zinc mineralisation extension of the current known mineralization. The second drill has just started on an another surface drill site (called the Otar Gallery). This site is about 150 meters from the Pinargozu mine and is being drilled to look for possible step out mineralisation.

2. Provide a general overview and discussion of the activities of management.

May 20, 2016 a press release summarized the year-end financial results and Steve Williams, President and CEO of Pasinex Resources Limited commented: "2015 was a great and critical year for Pasinex. We continued to grow the Pinargozu mine. In 2015 we averaged 850 wet tonnes per month of high grade direct shipping zinc product from Pinargozu. In 2016 we are already producing at 1800 wet tonnes per month (though to April 2016). In 2015 all of the surplus operational cash generated was spent on exploration at Pinargozu. As can be seen from our JV company financial results, the company was profitable in 2015. We expect profitability to further strengthen in 2016. Also in 2016, we anticipate being able to fund all our exploration again and to also pay required capital for the mine growth. This is a major step forward for Pasinex. We have now built the Pinargozu mine to sufficient productivity to provide the funds for exploration, as we push hard for the bigger zinc opportunity there."

On May 25, 2016 in a press release announced a non-brokered private placement (the "Private Placement") of up to 6,000,000 units (the "Units") at a subscription price of \$0.05 per Unit to eligible subscribers for gross proceeds of approximately \$300,000. Each Unit consists of one common share and one share purchase warrant (the "Warrant"). Each whole Warrant will be exercisable into one additional common share (the "Warrant Share") of the Company at \$0.07 per Warrant Share for a period of one year from the closing.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Two drills are currently operating on the Pinargozu property. One drill is dedicated to drilling for additional mineralisation underground. The second drill has been allocated to step out drilling on a site about 150 meters south of the Pinargozu mine. Pasinex has no other exploration in this month on either their Akkaya property in Adana province or the Golcuk property in Sivas province, Turkey.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

There were no changes to exploration in May on Pinargozu mine where two drills are running

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture

agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

There were no new business relations entered into in the month of May, 2016.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

There were no contract changes to report during the month.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

There were no new acquisitions or dispositions of properties during the month of May, 2016.

8. Describe the acquisition of new customers or loss of customers.

There were no changes during the month.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

There were no changes during the month.

11. Report on any labour disputes and resolutions of those disputes if applicable.

There are no labour disputes to report.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

A company called CFT (a Turkish corporation) took legal action against Pasinex Turkey entity (Pasinex Arama ve Madencilik AS) in March for unpaid fees of about \$80,000 USD. Pasinex Turkey have contested these proceedings and stayed the court proceedings for up to one year

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

There was no indebtedness incurred during the month.

14. Provide details of any securities issued and options or warrants granted.

There were no changes during the month.

| Security | Number Issued | Details of Issuance | Use of Proceeds ⁽¹⁾ |
|----------|---------------|---------------------|--------------------------------|
| | | | |

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

There are no loans to or by Related Persons.

16. Provide details of any changes in directors, officers or committee members.

John Barry, EurGeol & P.Geo has been appointed as the Qualified Person. Mr. Barry is a Member of Specialist International Technical Committees on Resources. He is one of four representative members of the Institute of Geologists of Ireland (IGI) on the Pan-European Reserves and Resources Reporting Committee (PERC) which instituted and continues to manage and update the PERC Reporting Code. Mr. Barry is also a Member of the Technical Advisory Group to assist the United Nations Economic Commission for Europe (UNECE) Expert Group on Resource Classification (EGRC) which is responsible for the promotion and further development of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources (UNFC-2009).

The current Directors and Officers of the Issuer are:

| | |
|-------------------|------------------------------------|
| Steven Williams | Chairman, Director and President |
| Sven Olsson | Director, member audit committee |
| Victor Wells | Director, Chair of audit committee |
| Jonathan Challis | Director, member audit committee |
| Larry Seeley | Lead Director |
| John Barry | Director |
| Joachim Rainer | Director |
| Cindy Davis | Chief Financial Officer |
| Jo-Anne Archibald | Corporate Secretary |

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The LME price of zinc has continued to look strong in May with the price in the range of around 80 c to 86 c US / lb. Given that the joint venture company, Horzum AS (50% Pasinex owned) is now mining and selling a zinc mineral product this upward trend on the zinc price is a positive.

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 Certificate of Compliance.
2. As of the date hereof there were 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 7 Monthly Progress Report is true.

Dated: June 7, 2016

Steven Williams
Name of Director

"Steven Williams"
Signature

| | | |
|---|--|--|
| Issuer Details Name of Issuer Pasinex Resources Limited | For Month End May 2016 | Date of Report YY/MM/D 2016/06/07 |
| Issuer Address Suite 1000, 36 Toronto Street | | |
| City/Province/Postal Code Toronto, Ontario, M5C 2C5 | Issuer Fax No. n/a | Issuer Telephone No. (416) 861 9659 |
| Contact Name Steven Williams | Contact Position President | Contact Telephone No. (416) 861 9659 |
| Contact Email Address info@pasinex.com | Web Site Address www.pasinex.com | |