

## EARLY WARNING REPORT PURSUANT TO NATIONAL INSTRUMENT 62-103

### 1. Name and address of Offeror:

1514341 Ontario Inc., 1284 Birchview Road, R.R. #4, Lakefield, ON L0L 2H0

### 2. Designation and number or principle amount of securities and the Offeror's security holding percentage in the class of securities of which the Offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances:

Pursuant to a non-brokered private placement by Pasinex Resources Limited (the "Issuer"), the Offeror proposes to acquire from the Issuer **1,000,000** common shares of the Issuer \$0.05 per share and **1,000,000** warrants ("Warrants") to acquire common shares of the Issuer at a price of \$0.07 per share expiring 12 months from the closing of the private placement.

### 3. The designation and number or principle amount of securities and the Offeror's security holding percentage in the class of securities and the Offeror's security holding percentage in the class of securities immediately after the transaction or occurrence giving rise to obligation to file the report:

As set out in item 2 above.

### 4. The designation and number or principle amount of securities and percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:

#### a. The Offeror, either alone or together with any joint actors, has ownership and control;

After the transaction, the Offeror owns:

- **22,015,815** common shares, representing 20.40% of the Issuer's outstanding common shares
- 1,500,000 Warrants to purchase common shares at a price of \$0.10 expiring December 11, 2016.
- 200,000 Warrants to purchase common shares at \$0.20 per share expiring August 18, 2017.
- 500,000 Warrants to purchase common shares at \$0.18 per share expiring December 19, 2016
- 100,000 Stock Options to purchase common shares at \$0.14 per shares expiring on December 19, 2019
- 4,013,657 Warrants to purchase common shares at \$0.10 per share expiring December 31, 2016.
- 1,000,000 Warrants to purchase common shares at \$0.07 per share expiring one year from the close of this proposed private placement.

Larry Seeley owns all of the common shares of the Offeror being 1,000,000 and will own a total of **22,015,815** at closing. Members of the family of Larry Seeley own a further **3,948,718** common shares. An aggregate of **24,964,533** common share of the Issuer are owned or controlled, directly or indirectly, by the Offeror. All percentages are based on the number of outstanding common shares reported as at May 25, 2016 plus the projected issuance of the additional 6,000,000 at closing of the private placement.

If all of the warrants and options of the Issuer held by the Company, Larry Seeley and members of his family were exercised, the aggregate number of common shares owned or controlled, directly or indirectly, by the Company, Larry Seeley and members of his family would be **33,278,191** common shares, representing **30.84%** of the common shares of the Issuer that would then be outstanding.

- b. The Offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the Offeror or any joint actor; and**

Not applicable

- c. The Offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership;**

Not applicable

- 5. Name the market in which the transaction or occurrence took place:**

Not applicable

- 6. The value, Canadian dollars, of any consideration offered per security if the Offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file the report:**

The offeror will acquire units from the Issuer consisting of a common share and one warrant to purchase a common share at a price of \$0.05 per share for an aggregate of \$50,000.

- 7. The purpose of the Offeror and any joint actors in effecting the transaction or occurrence, including any future intention to acquire ownership of, or control over, additional securities of the reporting Issuer:**

The securities were acquired and are held for investment purposes and the Offeror and Larry Seeley intend to evaluate the investment and to increase or decrease holdings as circumstances warrant.

- 8. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the Offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence, including agreements with respect to the acquisition, holding, disposition or voting of any securities:**

Not applicable

- 9. The names of any joint actors in connection with the disclosure required herein:**

Larry Seeley

- 10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the Offeror:**

The offeror paid cash of \$50,000.

**11. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or part of National Instrument 62-103 in respect to the reporting issuer's securities:**

Not applicable

**12. If applicable, a description of the exemption from securities legislation being relied on by the Offeror and the facts supporting that reliance:**

The securities were issued pursuant to the accredited investor exemption in section 2.3 of National Instrument 45-106 Prospectus and Registration Exemptions.

**Dated:** May 25, 2016.

**1514341 ONTARIO INC.**

**"Larry Seeley"**

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**Larry Seeley, President.**