



PASOFINO GOLD

NEWS RELEASE

Pasofino Gold Announces Conversion of Special Warrants

Toronto, Ontario -- (Newsfile Corp. – January 25, 2021) - Pasofino Gold Limited (TSXV: VEIN) (OTCQB: EFRGF) (FSE: N07) ("**Pasofino**" or the "**Company**") is pleased to announce the automatic conversion of 33,400,000 special warrants (the "**Special Warrants**") in the capital of the Company.

In accordance with the terms of the special warrant indenture dated September 22, 2020 between the Company and the special warrant agent (the "**Indenture**"), each Special Warrant was automatically converted into 1.1 units of the Company (each, a "**Unit**") for a total issuance of 36,739,999 Units. Each Unit is comprised of one common share in the capital of the Company (each, a "**Common Share**") and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). The Warrants are issuable pursuant to a warrant indenture dated September 22, 2020 between the Company and the warrant agent. Each Warrant entitles the holder thereof to acquire, subject to adjustment in certain circumstances, one Common Share at an exercise price of \$0.40 until September 22, 2021, being a period of twelve months following the date of issuance of the Special Warrants. Of the Units issued on conversion of the Special Warrants, 3,339,999 Units were issued pursuant to a penalty provision in the Indenture (the "**Penalty Provision**"). Also as a result of the Penalty Provision, the previously issued 2,171,000 Broker Warrants to acquire Units will now entitle the holders thereof to acquire 1.1 Units at a price of \$0.30, resulting in the issuance of an additional 217,100 Units on the exercise thereof. As a result of the automatic conversion of the Special Warrants in accordance with their terms, the Company has withdrawn the preliminary prospectus dated December 2, 2020 and filed in connection with qualifying the distribution of the Units.

About Pasofino Gold Ltd.

Pasofino Gold Ltd. is a Canadian-based mineral exploration company listed on the TSX-V (VEIN) and FSE (N07). Through its wholly-owned subsidiary, ARX Resources Limited, Pasofino has an option to earn a 49% economic interest (prior to the issuance of the Government of Liberia's 10% carried interest) in the Dugbe Gold Project, subject to satisfaction of the terms of the option agreement.

Pasofino is also earning a 50% interest in the advanced-stage Roger Gold-Copper Project located in Quebec's prolific Abitibi Greenstone Belt.

For further information, please visit www.pasofinogold.com or contact:

Ian Stalker, President & Chief Executive Officer

T: 604 367 8110

E: istalker@pasofinogold.com