



NEWS RELEASE

Pasofino Gold Announces Filing of Its Feasibility Study and Confirmation of Satisfaction of the Option Exercise Conditions to Acquire Its Interest in the Dugbe Gold Project

8/1/2022

Pre-Tax NPV of 5% of US\$690 million, Pre-Tax IRR of 26.35% and AISC of US\$1,005/oz

2.27Moz gold production over a 14-year mine life, producing 200,000 oz per annum in the first 5 years

Toronto, Ontario--(Newsfile Corp. - August 1, 2022) - Pasofino Gold Limited (TSXV: VEIN) (OTCQB: EFRGF) (FSE: N07) ("Pasofino" or the "Company") is pleased to announce that it has filed under its profile at www.sedar.com the Feasibility Study in respect of the Dugbe Gold Project in Liberia. Further, the Company is pleased to announce that Hummingbird Resources Plc ("Hummingbird") has confirmed that the option exercise conditions have been satisfied such that the Company may within 120 days from the date of this press release deliver the option satisfaction notice (the "Notice") to Hummingbird. Upon delivery of the option satisfaction notice the Company will acquire its 49% interest in the Project (prior to the issuance of the Government of Liberia's 10% carried interest)[1].

Following acquisition of its 49% interest in the Project, both Pasofino and Hummingbird will have the right to exercise the option to consolidate ownership by converting Hummingbird's 51% ownership of the Project for a 51% shareholding in Pasofino, such that Pasofino would own 100% of the Project (prior to the government of Liberia's 10% carried interest), subject to the receipt of all required approvals including the TSX Venture Exchange.

30 days after Pasofino provides the Notice it will be responsible for sole funding the first US\$4.71 million of Joint Venture Expenditures and shall remain as operator during such sole funding period.

A strategic review of options to best realize the maximum value of the Dugbe Gold Project for all stakeholders is being led by Pasofino with the support of Hummingbird.

Krisztian Toth, Chairman of the Board of Directors of Pasofino, commented:

"We are pleased to advance to this stage, satisfying the requirements to earn our initial 49% interest in the Dugbe project. As we continue in our partnership with Hummingbird, we look forward to jointly exploring strategic opportunities and generating maximum value for each of our stakeholders."

HIGHLIGHTS

- 5Mtpa throughput, for a potential mine life of 14 years.
- Estimated head grade of 1.30 g/t over the life of mine.
- Average annual production of ounces of 200 koz for the first 5 years with a LOM Average of 172koz.
- Average Estimated Recovery of 83% for the combined Tuzon and Dugbe F pits.
- A start-up capital cost of USD 435 million.
- A post tax NPV at 5% of USD 524 million, for a gold price of US\$1,700/oz.
- Life of mine AISC of USD 1005/oz.
- A post tax IRR of 23.6%.
- A 3.3 year payback period.
- The Mineral Reserve Estimate has 66Mt at a grade of 1.30 Au g/t with a total of 2,760koz.
- Life of Mine strip ratio of 4.02.

QUALIFIED PERSONS STATEMENT

Scientific or technical information in this disclosure that relates to processing and related infrastructure results was reviewed by Mr Robin Welsh, a full-time employee of DRA Global. Mr Welsh is a Professional Engineer in good standing with the Engineering Council of South Africa and has sufficient experience that is relevant to the project under consideration which he is undertaking to qualify as a Qualified Person under National Instrument 43-101.

Scientific or technical information in this disclosure that relates to mining results was reviewed by Mr Frikkie Fourie, an independent consultant for DRA Global. Mr Fourie is a Professional Engineer in good standing with the Engineering Council of South Africa, is a Member of the South African Institute of Mining and Metallurgy and has sufficient experience that is relevant to the project under consideration which he is undertaking to qualify as a Qualified Person under National Instrument 43-101.

Scientific or technical information in this disclosure that relates to financial results was reviewed by Mr Juan Kotzee, an independent consultant for DRA Global. Mr Kotzee is a Financial Accountant, and has sufficient experience that is relevant to the project under consideration which he is undertaking to qualify as a Qualified Person under National Instrument 43-101.

ABOUT THE DUGBE GOLD PROJECT

The 2,559 km² Dugbe Gold Project is in southern Liberia and situated within the southwestern corner of the Birimian Supergroup which is host to the majority of West African gold deposits. To date, two deposits have been identified on the Project; Dugbe F and Tuzon discovered by Hummingbird in 2009 and 2011 respectively. The deposits are located within 4 km of the Dugbe Shear Zone which is thought to have played a role in large scale gold mineralization in the area.

A large amount of exploration in the area was conducted by Hummingbird up until 2012 including 74,497 m of diamond coring. Pasofino drilled an additional 14,584 m at Tuzon and Dugbe during 2021. Both deposits have Mineral Resource Estimates dated 17 November 2021. Following the completion of the Definitive Feasibility Study in June 2022 a Mineral Reserve Estimate was declared, based on the open-pit mining of both deposits over a 14-year Life of Mine.

In addition, there are many gold prospects within the Project including the Bukon Jedeh area acquired in late 2020. Here artisanal mining has extracted gold since the 1930's, including from currently active open pits over 20 m deep working fresh-bedrock. At the DSZ target on the Tuzon-Sackor trend Pasofino has discovered a broad zone of surface gold mineralisation in trenches and outcropping along strike from Tuzon. At this and several of the other prospects no drilling has been carried out to date.

In 2019, Hummingbird signed a 25-year Mineral Development Agreement ("MDA") with the Government of Liberia providing the necessary long-term framework and stabilization of taxes and duties. Under the terms of the MDA, the royalty rate on gold production is 3%, the income tax rate payable is 25% (with credit given for historic exploration expenditures), the fuel duty is reduced by 50%, and the Government of Liberia is granted a free carried interest of 10% in the Project.

NATIONAL INSTRUMENT 43-101 TECHNICAL REPORT

A technical report for the Dugbe Gold Project was prepared in accordance with National Instrument 43-101 and filed on SEDAR at www.sedar.com and on the Company's website at www.pasofinogold.com. Readers are encouraged to read the technical report in its entirety, including all qualifications, assumptions and exclusions that relate to the details summarised in the previous news release. The technical report is intended to be read as a whole, and sections should not be read or relied upon out of context. For this reason, information contained in this news release in respect of the Dugbe Gold Project may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

ABOUT PASOFINO GOLD LTD.

Pasofino Gold Ltd. is a Canadian-based mineral exploration company listed on the TSX-V (VEIN).

Pasofino, through its wholly-owned subsidiary, is earning a 49% economic interest (prior to the issuance of the Government of Liberia's 10% carried interest) in the Dugbe Gold Project.

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

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This news release contains "forward-looking statements" that are based on expectations, estimates, projections and interpretations as at the date of this news release. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "seek", "intend", "believe", "anticipate", "estimate", "suggest", "indicate"

and other similar words or statements that certain events or conditions "may" or "will" occur, and include, without limitation, statements regarding the ability to raise the funds to finance its ongoing business activities including the acquisition of mineral projects and the exploration and development of its projects. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and other factors may include, but are not limited to, the results of exploration activities; the ability of the Company to complete further exploration activities; timing and availability of external financing on acceptable terms and those risk factors outlined in the Company's Management Discussion and Analysis as filed on SEDAR. The Company does not undertake to update any forward-looking information except in accordance with applicable securities laws.

[1] Following the issuance to the Government of Liberia of its 10% interest in Hummingbird Liberia, the Company will own a 44.1 economic interest in the Hummingbird Liberia (consisting of a 39% shareholding interest and a 5.1% interest in the economic benefit that Hummingbird is entitled to from its 51% shareholding interest in Hummingbird Liberia).

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/132459>

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