



NEWS RELEASE

## Pasofino Gold Announces a Non-Brokered Private Placement of up to US\$5 Million

8/8/2022

Toronto, Ontario--(Newsfile Corp. - August 8, 2022) - Pasofino Gold Limited (TSXV: VEIN) (OTCQB: EFRGF) (FSE: N07A) ("Pasofino" or the "Company") is pleased to announce a non-brokered private placement of up to 12,856,000 units of the Company (each, a "Unit") at C\$0.50 (or US\$0.39) per Unit for gross proceeds of up to C\$6,428,000 (US\$5,000,000) (the "Offering").

Each Unit will consist of one common share of the Company (each, a "Unit Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one common share of the Company (each, a "Warrant Share") at a price of C\$0.65 for a period of 18 months following the issue date of the Units.

The Company may, in its sole discretion, increase the Offering by up to an additional 2,571,200 Units for additional gross proceeds of C\$1,285,600 (or approximately US\$1,000,000).

As disclosed in the Company's January 17, 2022 press release, Esan Eczacibasi Endustriyel Hammaddeler Sanayi ve Ticaret Anonim Şirketi ("ESAN"), a shareholder and insider of the Company, has the right to, but not the obligation, to subscribe under any private placement or prospectus offering of the Company in such amount as would permit ESAN to maintain its shareholding interest in the Company.

The Offering is expected to close in mid to late September 2022 and is subject to certain closing conditions including, but not limited to, the receipt of all necessary approvals including the conditional listing approval of the

TSX Venture Exchange and the applicable securities regulatory authorities. The securities issued under the Offering will be subject to a hold period in Canada expiring four months and one day from the closing date of the Offering.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

The net proceeds of the Offering will be used by the Company in connection with the delivery to Hummingbird Resources LLP of the Notice (as defined below) and the related Sole Funding Costs (as defined below) and the Company's previously announced strategic review process led by Ian Stalker.

As published by the Company in its August 1, 2022 press release announcing the filing of the Feasibility Study with respect to the Project under the Company's SEDAR profile, the option exercise conditions have been satisfied such that the Company may, within 120 days of August 1, 2022 deliver the option satisfaction notice (the "Notice") to Hummingbird Resources PLC. Upon delivery of the Notice the Company will acquire its 49% interest in the Dugbe Gold Project (the "Project") in Liberia (prior to the issuance of the Government of Liberia's 10% carried interest)[1]. 30 days after Pasofino provides the Notice it will be responsible for sole funding the first US\$4.71 million of Joint Venture Expenditures (the "Sole Funding Costs") and shall remain as operator during such sole funding period.

## ABOUT THE DUGBE GOLD PROJECT

The 2,559 km<sup>2</sup> 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.

The TSX Venture Exchange has not approved or disapproved of the information contained herein.

#### 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, has satisfied the conditions to earn 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](http://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 ability to successfully complete the Offering, the ability to obtain all requisite regulatory approvals including the approval of the TSX Venture Exchange, the ability to apply the proceeds as intended, the results of business operation, 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.

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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.

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