



NEWS RELEASE

Pasofino Gold Announces a US\$2.3 Million Non-Brokered Private Placement To Insiders

1/22/2024

Toronto, Ontario--(Newsfile Corp. - January 22, 2024) - 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 6,291,000 units of the Company (each, a "Unit") at C\$0.50 (or US\$0.37) per Unit for gross proceeds of up to C\$3,145,500 (US\$2,330,000) (the "Offering").

Each Unit will consist of one common share of the Company (each, a "Unit Share") and 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.

As disclosed in the Company's January 4, 2024 and January 11, 2024 press releases, Hummingbird Resources plc (AIM: HUM) ("HB PLC") a shareholder (51%) and control person of the Company has dedicated US\$2 million of the proceeds of its recent fund raise to invest in Pasofino. Accordingly, HB PLC has expressed an interest in subscribing for 5,400,000 Units.

As previously disclosed in the Company's January 17, 2022 press release, Esan Eczacibasi Endustriyel Hammaddeler Sanayi ve Ticaret Anonim Şirketi ("ESAN"), a shareholder (10%) and insider of the Company, has the right, 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. Accordingly, ESAN has expressed its interest in subscribing for 891,000 Units.

Following completion of the Offering, ESAN would own 10% of the issued and outstanding shares of Pasofino and HB PLC would own 53% of the issued and outstanding shares.

The Offering is expected to close in January 2024 and is subject to certain closing conditions including, but not limited to, the receipt of all necessary approvals, 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 advancement of the Dugbe Gold Project and working capital. The funds will be used to optimise the 2022 Definitive Feasibility Study through FY-2024 and further progress the Project. Several opportunities to maximise the value of Dugbe and reduce the overall project capex profile have been identified, including the optimisation of power usage, improvements to the metallurgical recovery rates and additional exploration activities.

ABOUT THE DUGBE GOLD PROJECT

The 2,302 km² Dugbe Gold Project is in southern Liberia and situated within the southwestern corner of the Birimian Supergroup which is host to most West African gold deposits. To date, two deposits have been identified on the Dugbe Gold Project: Dugbe F and Tuzon discovered by Hummingbird entities 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.

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

Related Party Transaction

Each of HB PLC and ESAN are insiders of Pasofino and are participating in the Offering. The Offering is therefore a "Related Party Transaction" under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company relied upon the exemptions from the minority shareholder approval and valuation requirements set out in Sections 5.7(1)(a) and 5.5(a), respectively, of MI 61-101. The Offering including the subscriptions of HB PLC and ESAN, was approved unanimously by the directors of the Company.

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, owns 100% of the Dugbe Gold Project (prior to the issuance of the Government of Liberia's 10% carried interest).

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 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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