



NEWS RELEASE

Pasofino Gold Announces an Updated Mineral Resource Estimate (MRE) for the Dugbe Gold Project Including 3.4 Moz in Measured & Indicated - a One Million Ounce Increase, Paving Way for Completion of the Definitive Feasibility Study Which Is Well Advanced

11/22/2021

Toronto, Ontario--(Newsfile Corp. - November 22, 2021) - Pasofino Gold Limited (TSXV: VEIN) (OTCQB: EFRGF) (FSE: N07) ("Pasofino" or the "Company") is pleased to announce updates to the Mineral Resource Estimates for the Dugbe F and Tuzon deposits on the Dugbe Gold Project ("The Project"), in which the Company has an option to earn a 49% economic interest (prior to the issuance of the Government of Liberia's 10% carried interest).

Highlights

- Using a 1.0 g/t Au cut-off, the Measured & Indicated part of the MRE model boasts 2.88 million ounces (Moz) of gold contained in 56.6 million tonnes (Mt) grading 1.58 grams per tonne (g/t) Au in two deposits:
- Tuzon deposit: 40.2 Mt grading 1.64g/t Au containing 2.11 Moz gold.
- Dugbe F deposit: 16.5Mt grading 1.45g/t Au containing 0.77 Moz gold.

This higher-grade material comprises the bulk of the MRE, and selective processing of it should benefit the project economics.

- Reporting using the 0.5 g/t Au cut-off grade, which was used for the previous (August 2020) MRE:
 - An increase of 1.0 Moz gold in the Measured and Indicated category.
 - Measured and Indicated tonnage is now 75.2 Mt grading 1.37 g/t Au containing 3.31 Moz gold.
 - Plus an Inferred tonnage of 14.9 Mt at 1.23 g/t Au containing 588 thousand ounces (koz) gold.
- Using the lower 'marginal' cut-off grade (0.34 to 0.40 g/t Au) the Total Measured and Indicated Mineral Resource inside of the pit-shell is 81.2 Mt grading 1.30 g/t Au containing 3.40 Moz gold.
- There are clear opportunities to expand the MRE beyond the pit-shell, increase grade and make new discoveries highlighted by recent outcrop sampling returning up to 3.0 g/t on strike from Tuzon and the 100+ targets on the over 2,500 km² land package in Liberia
- Taking advantage of the significantly increased Measured and Indicated gold, DRA Global will now progress with the mine design and Mineral Reserve Estimation for the Feasibility Study (FS) which is on schedule for completion by the end of Q2 2022. It is expected to benefit from the robust and flexible MRE.

Ian Stalker, CEO, commented;

"We have achieved an updated Measured and Indicated Mineral Resource Estimate (MRE) of 3.4 Moz of gold which is the main input for the well-advanced Feasibility Study; of this, 2.88 Moz grading 1.58 g/t Au above a 1.0 g/t Au cut off provides an opportunity to deliver higher grade ore to the plant and should have a knock-on benefit on operating costs and capex, potentially without detriment to planned annual production. It is also important to note that there are avenues for further resource expansion and grade increase which is exciting, and we plan to take advantage of these as we work full speed to finalize the FS in early 2022."

Table 1. MRE for the Dugbe F and Tuzon deposits, with effective date 17 November 2021, using cut-off grade values defined in the footnotes.

Subtotal above 0.5 Au cut-off grade		Classification	Tonnage (Mt)	Grade (Au g/t)	Contained Gold (koz)
		Tuzon deposit	Measured	-	-
		Indicated	53.2	1.40	2,396
		Measured & Indicated	53.2	1.40	2,396
		Inferred	7.5	1.13	270
	Dugbe F deposit	Measured	1.2	1.44	56
		Indicated	20.8	1.28	860
		Measured & Indicated	22.1	1.29	916
		Inferred	7.4	1.34	317
	Subtotal	Measured	1.2	1.44	56
		Indicated	74.0	1.37	3,256

Classification	Tonnage (Mt)	Grade (Au g/t)	Contained Gold (koz)
	75.2	1.37	3,312
	14.9	1.23	588
Subtotal MRE for material above marginal cut-off grade and below 0.5 g/t Au			
Tuzon deposit	Measured	-	-
	Indicated	5.8	81
	Measured & Indicated	5.8	81
	Inferred	2.0	29
Dugbe F deposit	Measured	-	-
	Indicated	0.2	3
	Measured & Indicated	0.2	3
	Inferred	0.01	0.2
Subtotal	Measured	-	-
	Indicated	6.0	84
	Measured & Indicated	6.0	84
	Inferred	2.1	29
Total MRE - all material above the marginal cut-off grade	Tuzon deposit	Measured	
		Indicated	59.0
		Measured + Indicated	59.0
		Inferred	9.5
	Dugbe F deposit	Measured	1.2
		Indicated	21.0
		Measured + Indicated	22.2
		Inferred	7.40
	Total	Measured	1.2
		Indicated	80.0
		Measured + Indicated	81.2
		Inferred	16.9
		1.31	2,477
		1.31	2,477
		0.98	300
		-	56
		1.28	863
		1.29	919
		1.33	318
		-	56
		1.30	3,340
		1.30	3,396
		1.13	617

Notes

1. The effective date of the Mineral Resource Estimate is November 17, 2021.
2. The marginal cut-off grades for Tuzon are 0.34 g/t Au for fresh material and 0.39 g/t Au for weathered material. The marginal cut-off grades for Dugbe F are 0.36 g/t Au for fresh material and 0.40 g/t Au for weathered material.
3. Rounding errors may be evident when combining totals in the table but are immaterial.
4. The Qualified Person is Mr. Martin Pittuck (CEng, MIMMM).
5. The Mineral Resource has been classified under the guidelines of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council (2014), and procedures for classifying the reported Mineral Resources were undertaken within the context of the Canadian Securities Administrators National Instrument 43-101 (NI 43-101).
6. Mineral Resources are not Mineral Reserves and have no demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues.
7. Mineral Resource estimates are stated within conceptual pit shells that have been used to define Reasonable Prospects for Eventual Economic Extraction (RPEEE). The pit shells used the following main parameters: (i) Au price

of US\$1700/ounce; (ii) plant recovery of 90%; and (iii) mean specific gravity of 2.78 t/m³ for fresh rock and 2.1 t/m³ for oxide material.

Clear opportunities for Increase in Grade and Size

The following opportunities are apparent from the MRE and recent fieldwork:

- The higher-grade domain at Tuzon can be followed for most of the length of the deposit and may represent an opportunity for preferential treatment of higher-grade material to maximize project economics.
- Incorporation of internal barren/low-grade intervals into the updated block model contributed to the lower grade than the 2020 estimates but was considered necessary for the Indicated classification - infill drilling may allow some of these intervals to be modelled and excluded from future MRE work, or at mining stage and is therefore an opportunity to increase grade.
- Both deposits extend beyond the MRE pit shell, and there is opportunity to expand the high-grade zone at Tuzon beyond its current modelled extent (Figures 1 and 3). At Tuzon, the 'SE limb' (Figure 2) in particular needs further drilling to follow it further as shown on figure 3. The last drill-hole on this limb was TDC186 which intersected 17.3 m with an average grade of 2.70 g/t Au[1].
- Potential to identify satellite deposits. At a new target on strike from Tuzon, four rock-chip samples from outcrops returned 0.39, 0.72, 2.41 and 3.07 g/t Au. These were collected as part of mapping to finalise the drill-hole location for a hole testing trench TZTR091 which returned an interval of 36m with an average grade of 0.60 g/t Au 6 km to the southwest of Tuzon[2].

Drilling and MRE Objectives Achieved

The updates to the Dugbe F and Tuzon MREs utilized approximately 14,000 m of additional diamond core drilling completed in 2021, adding to the 68,832 m drilled by Hummingbird Resources between 2009 and 2014. The objectives of the 2021 drilling were as follows:

1. To support conversion of Inferred resources to Indicated particularly at Dugbe F.
2. Initial testing of potential extensions of the mineralisation at Tuzon.
3. Targeted holes to firm up on the geological model.
4. To provide holes for geotechnical test work and manual and acoustic televiewer logging for the FS pit-design.

All four objectives were firmly achieved. At Dugbe F the infill drilling converted most of the previous Inferred MRE to Indicated; 73% of the Dugbe F deposit is now in the Measured and Indicated Category. Drilling to test the extension of the 'SE limb' and 'main fold hinge' (Figure 2) at Tuzon was largely limited to 180 m beyond previous drilling to test

the concept before further holes were drilled. The work has shown that further drilling has the potential to expand these parts of the deposit (Figure 3).

Figure 1. Map showing the Dugbe F and Tuzon pits, planned mine infrastructure and 'on-strike' gold targets

To view an enhanced version of Figure 1, please visit:

https://orders.newsfilecorp.com/files/6283/104604_706f45dfd4532ba3_001full.jpg

Geology of the deposits

The Tuzon and Dugbe F deposits are approximately 4 km apart. The hosting mineralised layer at both is orthopyroxene gneiss with increased sulphide (typically 0.1 to 1%) content (visible pyrrhotite, arsenopyrite and pyrite). At Tuzon the mineralised layer is between 2 and approximately 100 m thick at the largest fold hinge ('F2 fold hinge' on figure 2). At Tuzon, the mineralised layer has been folded into a large synform plunging approximately 20 degrees southwest. The synform was later refolded, notably by the 'F3' folds (Figure 2) and so has relatively complex geometry. At Dugbe F the layer is typically 5-10 m thick and gently southeast dipping, and flat to undulating (Figure 4). At both Dugbe F and Tuzon the layer outcrops for most of the length of the deposits. Two localised recumbent folds affect the mineralised layer at Dugbe F causing repetition and thickening of the mineralised layer. The deposits are cut by whitish younger granitic bodies and pegmatites which are generally barren. These intrusions are interpreted to be dominantly parallel with the F3 fold axial planes forming semi-concordant moderately dipping sheets of varying thickness. The base of the oxide zone at both deposits is shallow, rarely more than 10-12m below surface and there is little to no transitional zone.

MRE methodology

The MRE was completed by SRK Consulting UK (Ltd). At both deposits the mineralized envelope is based on an approximate 0.4 g/t Au 'boundary'. SRK used ordinary kriging to generate the block models which were reported with conceptual pit shells created to demonstrate Reasonable Prospects for Eventual Economic Extraction (RPEEE). At Tuzon an approximate 0.8 - 1.0 g/t threshold was used to model an internal higher-grade domain (Figure 2). Where possible granitic and pegmatite intervals have been modelled and excluded from the MRE. Similarly, some internal barren or low-grade 'lenses' of gneiss were modelled and excluded from the MRE if of sufficient thickness and where their continuity is supported by adjacent drillholes. An appreciable number granite, pegmatite and barren gneiss intervals could not be modelled and therefore cause some internal dilution in the MRE - further drilling may help define these so that they can be modelled which would have a positive impact on the MRE grade. At both deposits a thin oxide-transitional domain was modelled which is volumetrically relatively insignificant.

Comparison with previous MRE's

The 2020 Indicated MRE (there was no Measured previously) for the two deposits was 47.7Mt at an average grade of 1.51 g/t Au with 2.3 Moz Au. The updated MRE includes some Measured and the combined Measured & Indicated MRE is now significantly larger at 3.3 Moz Au, using the same cut-of-grade (0.5 g/t Au) as 2020. This is a 44% increase Measured & Indicated MRE ounces. The slightly lower grade of the updated MRE reflects; the inclusion of barren and low-grade material, some lower grade intersections in some areas relative to the previous estimate in areas that were Inferred, an increased relative volume of the low-grade domain at Tuzon.

Figure 2. Typical Cross-section through the Tuzon deposit showing USD 1700 MRE pit shell.

To view an enhanced version of Figure 2, please visit:

https://orders.newsfilecorp.com/files/6283/104604_706f45dfd4532ba3_002full.jpg

Figure 3. 3D view of the Tuzon MRE block model showing the opportunity for expansion of the deposit to the southwest

To view an enhanced version of Figure 3, please visit:

https://orders.newsfilecorp.com/files/6283/104604_706f45dfd4532ba3_003full.jpg

Figure 4. Typical cross-section through the Dugbe F deposit showing USD 1700 MRE pit shellxx

To view an enhanced version of Figure 4, please visit:

https://orders.newsfilecorp.com/files/6283/104604_706f45dfd4532ba3_004full.jpg

Qualified Persons Statement

The independent Qualified Person responsible for the Mineral Resource Estimates at the Dugbe F and Tuzon deposits, is Mr. Martin Pittuck, CEng, MIMMM, FGS, a full-time employee with SRK Consulting (UK) Ltd. By virtue of his education, professional registration and experience, Mr. Pittuck is a Qualified Person for the purpose of NI 43-101 reporting and is independent of Pasofino. Mr. Pittuck consents to the content of this press release relating to the Tuzon Mineral Resource Estimate.

Content in this disclosure that relates to exploration results was prepared and approved by Mr. Andrew Pedley Pr. Sci. Nat FGSSA. Mr. Pedley is a full-time consultant of Pasofino Gold Ltd.'s wholly-owned subsidiary ARX Resources Limited. By virtue of his education, professional registration and experience, Mr. Pedley is a Qualified Person for the purpose of NI 43-101.

About the Dugbe Gold Project

The 2,559 km² Dugbe Project is located in southern Liberia and situated within the south westmost part of the Birimian Supergroup, which is host to the majority of West African gold deposits. To date, two gold deposits have been identified on the Project; Dugbe F and Tuzon. Both deposits outcrop at surface and may be amenable to open-cut mining. 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 including 74,497 m of diamond coring. 70,700 m of this was at the Dugbe F and Tuzon deposits, discovered by Hummingbird in 2009 and 2011 respectively. In 2020 and 2021 Pasofino drilled a further 14,638 m mostly at Dugbe F and Tuzon. Pasofino is well underway with a feasibility study for gold production from these deposits. In addition, there are a number of gold targets within the Project. 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.

Figure 5. Dugbe Gold Project Mineral Development Area.

To view an enhanced version of Figure 5, please visit:

https://orders.newsfilecorp.com/files/6283/104604_706f45dfd4532ba3_005full.jpg

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 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.

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

Ian Stalker, President & CEO

T: 604 367 8110

E: istalker@pasofinogold.com

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 characterized by words such as "aim", "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 file and obtain approval for the Qualifying Prospectus, the ability to obtain all requisite regulatory approvals in respect of the Qualifying Prospectus, 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] Pasofino Gold announcement dated 18th August 2021

[2] Pasofino Gold announcement dated 18th May 2021

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/104604>

SOURCE Pasofino Gold Limited