

Pasofino Gold Announces a Non-Brokered Private Placement of up to US\$5.5 Million Supported by a Strategic Investment of Approximately US\$4.5 Million Subscription from ESAN

Toronto, Ontario--(Newsfile Corp. - December 6, 2021) - Pasofino Gold Limited (TSXV: VEIN) (OTCQB: EFRGF) (FSE: N07) ("**Pasofino**" or the "**Company**") is pleased to announce a non-brokered private placement of common shares at \$0.70 (or US\$0.55) per share for gross proceeds of up to US\$5.5 million (the "Offering"). Approximately US\$4.5 million of the Offering (being 8,225,092 Common Shares) has been subscribed for by **ESAN**, a leading Turkish mining company. ESAN has been granted the right to nominate one director to the Board of the Company and a right to maintain its shareholding interest in the Company should the Company raise additional funds in the future by way of private placement or prospectus offering.

Highlights

- This round of funding provides sufficient capital to complete the Feasibility Study ("FS").
- With the updated Mineral Resource Estimate just completed, Pasofino is well on-track to deliver a strong FS in Q2/22 and the study includes scheduling of the mine plan to optimize the projects economics by taking advantage of a higher-grade zones carrying 2.9Moz grading 1.58 g/t gold (Measured and Indicated).

Ian Stalker, CEO, commented;

"This strategic investment further confirms our view that the Dugbe project is high quality and has the potential to become a major gold producer within the industry. We look forward to the completion of the FS which will highlight the significant upside that exists at Dugbe given the close proximity to port, the large land package, the high-grade zones, and continued positive relationships with stakeholders in Liberia."

The Offering is expected to close in December 2021 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 Offering is being made by way of private placement in Canada. 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.

Qualified Persons Statement

Scientific or technical information in this disclosure that relates to exploration results was prepared and approved by Mr. Andrew Pedley. Mr. Pedley is a full-time consultant of Pasofino Gold Ltd.'s wholly-owned subsidiary ARX Resources Limited. He is a member in good standing with the South African

Council for Natural Scientific Professions (SACNASP) and is a Qualified Person under National Instrument 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.

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.

About ESAN

Established in 1978, Esan Eczacibasi Endustriyel Hammaddeler Sanayi ve Ticaret Anonim Şirketi ("**ESAN**") is the world's largest producer of sodium feldspar, Europe's leading producer of industrial minerals, and Turkey's foremost industrial mineral and metallic mineral producer and exporter.

ESAN's mission is to explore, process and add value to natural resources in a responsible manner towards people, the environment and the future of the world, and to offer these products globally. ESAN currently operates 40 quarries and nine processing plants that collectively produce 3.5 million tons of high-quality raw materials, including feldspar, quartz, kaolin, ball clay; 135,000 tons of zinc, lead concentrate, and, since 2020, copper concentrate and gold ingots.

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

Ian Stalker, President & CEO

T: 604 367 8110

E: istalker@pasofinogold.com

Neither 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.

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.



PASOFINO GOLD

To view the source version of this press release, please visit
<https://www.newsfilecorp.com/release/106805>