



PASOFINO GOLD

NEWS RELEASE TSX-V:VEIN

PASOFINO GOLD LIMITED ANNOUNCES UPDATED MINERAL RESOURCE ESTIMATES FOR THE DUGBE GOLD PROJECT IN LIBERIA

TORONTO, ONTARIO – 5th August 2020 – Pasofino Gold Limited (“**Pasofino**” the “**Company**”) (TSX-V:VEIN) is pleased to announce the delivery of updated Mineral Resource estimates for the Tuzon deposit (‘Tuzon’) and the Dugbe F deposit (‘Dugbe F’) located on the Dugbe Gold Project (‘the Project’) in Liberia. The project is owned by Hummingbird Resources Limited (Hummingbird). Pasofino, through its recently announced proposed acquisition of ARX Resources Limited (the “Acquisition”), will upon completion of such acquisition, have an option to earn a 49% economic interest (net of the Government of Liberia’s carried interest) in the Project. The updated Mineral Resource estimates are a key step for the Company towards the target of delivering a multi-million ounce gold producing operation.

HIGHLIGHTS

- Total Indicated Mineral Resource has increased by 13% to 2.3 million ounces (Moz), hosted by the Tuzon and Dugbe F deposits, with an average grade of 1.51 g/t Au; and an increase in grade of the Inferred Mineral Resource from 1.29 g/t Au to 1.47 g/t Au for 1.3 Moz.
- The Dugbe F deposit now has an Indicated Mineral Resource of 5.8 Mt at 1.46 g/t Au, this deposit was previously all Inferred. This was achieved by incorporating additional drilling data.
- Potential to increase the gold resources at both deposits- at Tuzon the last drill holes testing ‘zone B’ were encouraging leaving it open on strike. Dugbe F is open on strike at its southern end.
- The updated Mineral Resources are based pit shells using conceptual costs and a gold price of US\$1700/oz, providing a firm basis for the planned feasibility study (‘DFS’).
- The two deposits are less than 4 km apart and partially outcrop at surface over most of their length.
- Planned DFS objective to investigate the potential to produce between 200 and 250 thousand ounces of gold per annum.
- US\$70m spent to date on the project providing a wealth of exploration data: 100+ exploration targets recognised on the 2,355 km² property including Sackor and other priority targets, providing significant growth potential beyond the existing deposits.

Ian Stalker ARX’s CEO, and post completion of the Acquisition, the Company’s CEO of Africa Operations – commented; “A very positive start to the work on our Liberian gold project. We have closed in on the required scale of Indicated resources to potentially support production of up to 250,000 ounces per year for our planned DFS, and we have identified where additional ounces are expected to be found. Tuzon and Dugbe F are both ‘open’ on strike and there are a wealth of targets that require drilling. Our task is now to implement the exploration programme which will be conducted concurrently with a feasibility study which is planned to be completed during the second half 2021”.

Table 1. Updated Mineral Resource estimate for the Dugbe Gold Project using a 0.5 g/t Au cut-off grade

Category	Tonnes (million)	Au Grade (g/t)	Contained Gold (thousand ounces)
Tuzon Deposit			
Indicated	41.9	1.51	2,032
Inferred	10.4	1.31	439

Dugbe F Deposit

Indicated	5.8	1.46	273
Inferred	16.3	1.57	823

Totals			
TOTAL INDICATED	47.7	1.51	2,304
TOTAL INFERRED	26.7	1.47	1,262

- Rounding errors may be evident when combining totals in the table but are immaterial.
- The Mineral Resources have been classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves and are reported under NI 43-101 requirements.
- 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.
- Both Mineral Resource estimates are stated within conceptual pit shells that have been used to define Reasonable Prospects for Eventual Economic Extraction (RPEEE)
- The Tuzon estimate was completed by SRK Consulting (UK) Limited with effective date of 30 July 2020. The Independent and Qualified Person responsible for the Mineral Resource Estimate is Mr. Martin Pittuck (CEng, MIMMM). The pit shell used the following main parameters: (i) Au price of US\$1700/ounce (ii) plant recovery of 90% (iii) mean specific gravity of 2.78 t/m³ for fresh rock and 1.56 t/m³ for oxide material. The estimate is stated using a 0.5 g/t cut-off grade.
- The Dugbe F estimate was completed by CSA Global (South Africa) Pty Limited, with effective date of 15 July 2020. The Independent and Qualified Person responsible for the Mineral Resource Estimate is Mr. Anton Geldenhuys (MEng, Pr. Sci. Nat.) The pit shell used the following main parameters: (i) Au price of US\$1700/ounce (ii) plant recovery of 90%; and (iv) mean specific gravity of 2.73 t/m³. The estimate is stated using a 0.5 g/t cut-off grade.

Tuzon Mineral Resource Estimate

SRK Consulting (UK) Limited ('SRK') have updated the estimate for the Tuzon deposit by applying a US\$1700 pit shell to define an Indicated Mineral Resource of 41.9 Mt with an average grade of 1.51 g/t Au. The previous estimate (dated 5 March 2014) used US\$1500 gold price for the pit shell, but the increase in gold price is balanced by the increase in operating costs; as a result the resources are not materially changed from the 2014 estimate (a difference of only 5 thousand Oz). No additional exploration data was acquired since the previous estimate. The deposit is hosted by an overturned fold which results in thick and repeated mineralized layers (as illustrated in figure 1) with good continuity of grade above 1 g/t. The northern two-thirds of the deposit (approximately 900 m) 'crops-out' at surface.

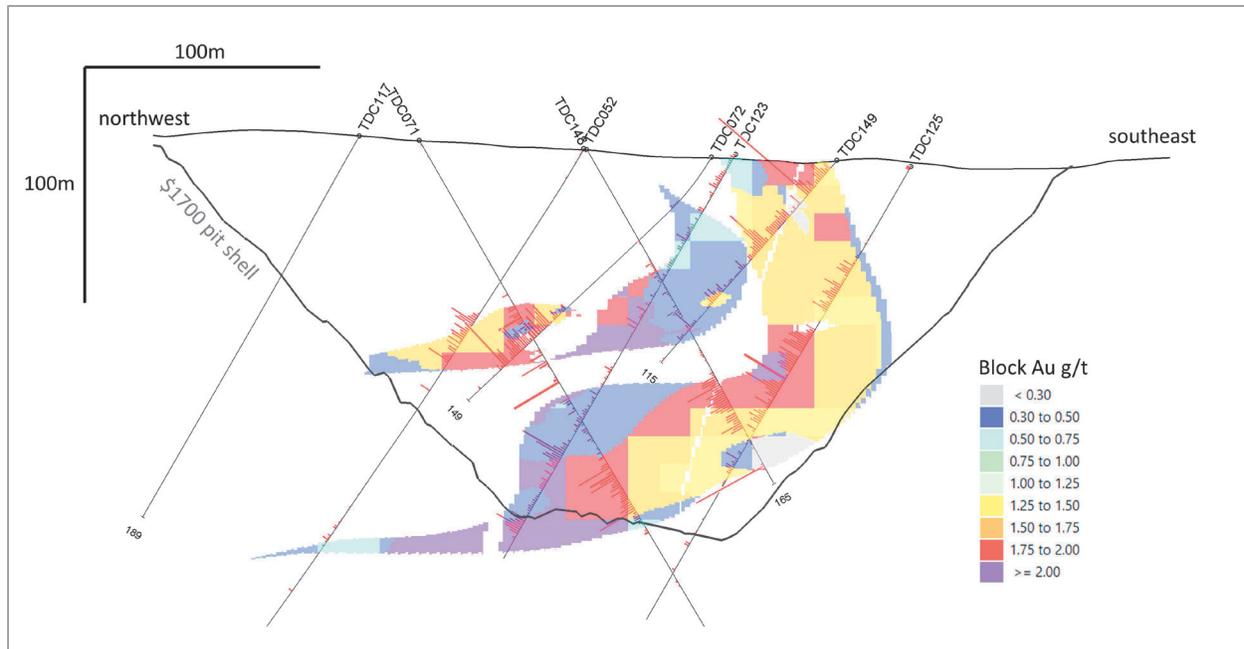


Figure 1. Typical cross-section through the Tuzon deposit showing the block model

Dugbe F Mineral Resource Estimate

The updated Mineral Resource estimate was completed by CSA Global (South Africa) Pty Limited ('CSA') and was also constrained by a pit shell based on a gold price of US\$1700. The pit shell is required for determination of 'reasonable prospects for eventual economic extraction' (RPEEE), based on conceptual mining and cost inputs.

The previous estimate by Wardell Armstrong International was 43 Mt grading 1.28 g/t Au all within the Inferred category and reported without application of a pit shell. The updated estimate is an improvement on this in terms of classification and grade. The increased grade compared to the previous estimate reflects more constrained modelling of the mineralized envelope. The new estimate is based on 333 drillholes completed by Hummingbird between 2009 and 2014, of which 53 holes were drilled after the previous estimate¹. CSA used ordinary kriging to estimate grade into blocks of 40 x 40 x 5 m. A 5% loss was applied to the estimate to reflect the expected occurrence of barren pegmatite dykes.

The Inferred Mineral resource at Dugbe F has an average grade of 1.57 g/t. It is reasonably expected that the majority of this could be upgraded to Indicated Mineral Resources with continued exploration. The Company aims to infill drill this during the coming dry season. Between 80 and 100 holes are planned.

¹ Hummingbird Resources plc. First Quarter Operational Update (2014). 8 April 2014

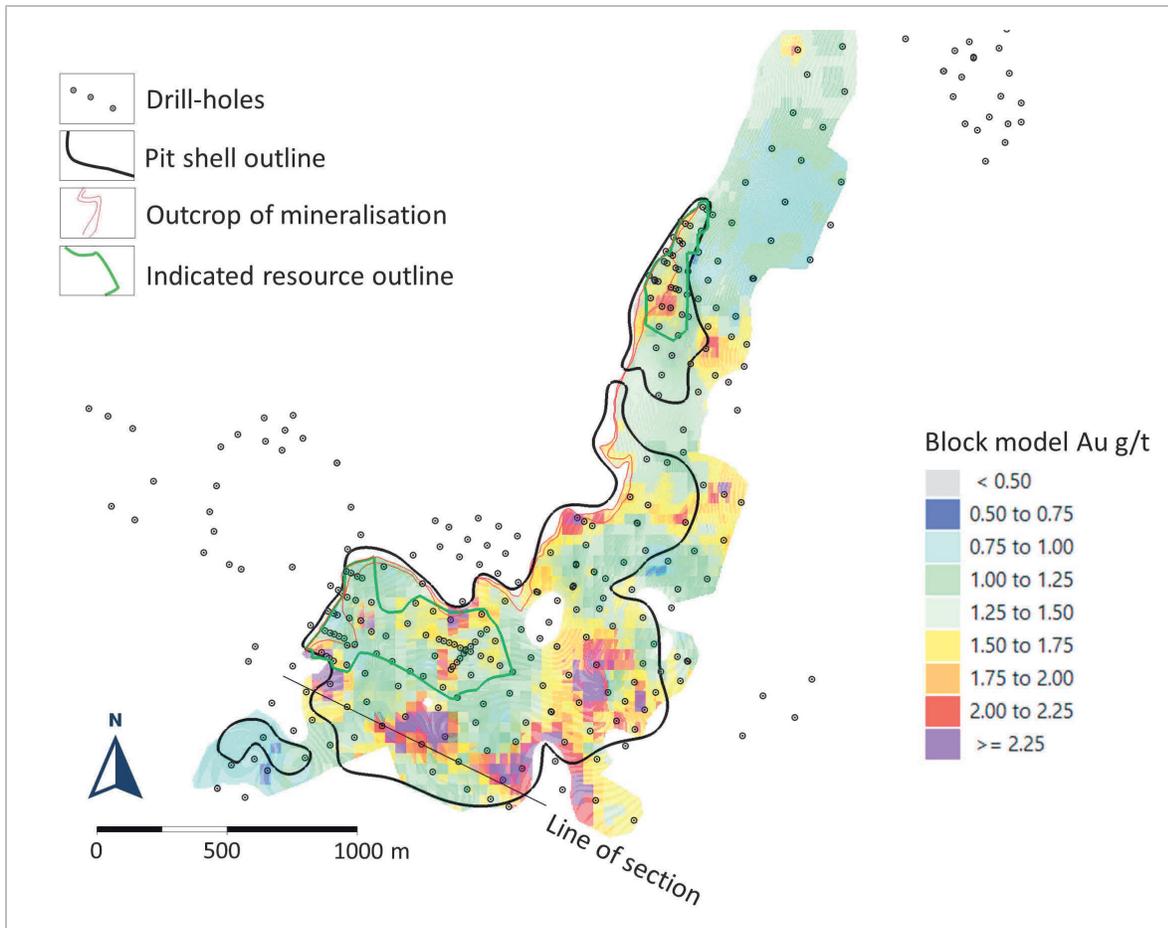


Figure 2. Plan view of the Dugbe F block model showing the approximate RPEEE pit-shell outline and surface outcrop of mineralisation. Line of section refers to figure 3.



Figure 3. Typical cross-section through Dugbe F along line of section marked on figure 2.

Potential for additional ounces

Both deposits are 'open'

Potential to Expand Tuzon: The southern end of 'zone B' at Tuzon is open on strike/plunge (figure 4). The last and southern-most holes drilled into this zone were TDC082 and TDC084 which intersected 131 m grading 1.2 g/t Au and 50 m grading 2.0 g/t respectively². The Company has developed a drilling programme to test the extension of the deposit, along with drilling to infill on the existing resource.

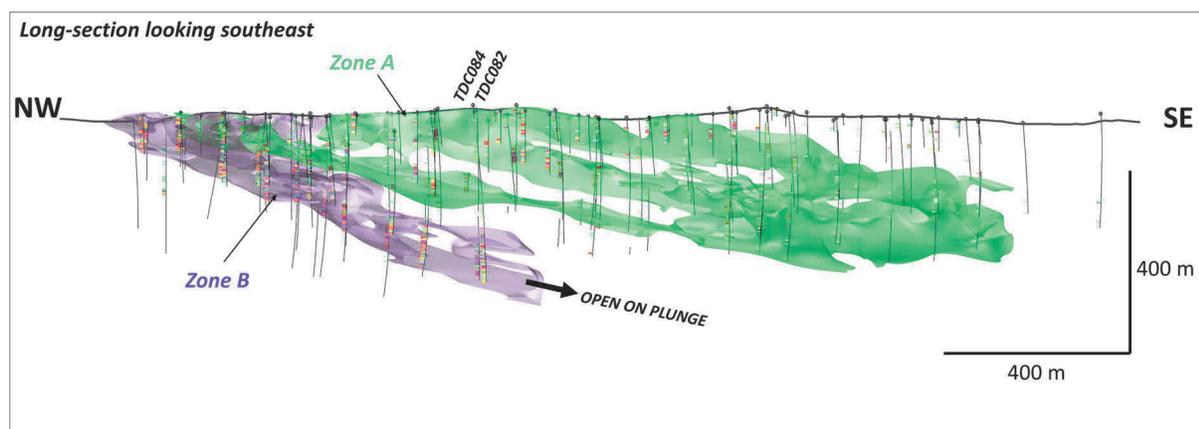


Figure 4. Long section through Tuzon showing zone B open on strike and the position of holes TDC082 and TDC084 referenced in text.

Potential to Expand Dugbe F: At the southern end of the deposit drilling has not adequately 'closed-off' an area of relatively high grade and thickness as intersected by DFDC169 (16.5 m grading 1.53 g/t Au) and DFDC163 (15.8 m grading 1.64 g/t Au) both within 70 m of surface as shown in figure 3. Holes will be drilled to test this area in addition to an infill drilling programme.

Other Targets

The Company plans to test a 'pipeline' of new drilling targets. The project area is large, being up to 90 km wide and with an area of 2,355 km² (figure 5). Much of the project area appears to be prospective for gold mineralisation; small scale artisanal gold production is widespread. Between 2006 and 2014 Hummingbird collected approximately 1,400 stream sediment samples, 25,000 soil samples and completed 33,600 m of trenching. In addition, 13,274 km of airborne magnetic and radiometric data was acquired. This data reveals a large number of targets yet only Tuzon, Dugbe F and the Sackor target were drill-tested by Hummingbird; other areas were left without being drill-tested by the time Hummingbird ceased work in the area in early 2014. The Company is planning an exploration programme to test these targets beginning with those with existing anomalous gold in trench samples. An initial 4,000 m of drilling has been allocated to this.

² Hummingbird Resources plc. Further Positive Results from Infill Drilling Campaign at Tuzon. 3 February 2014

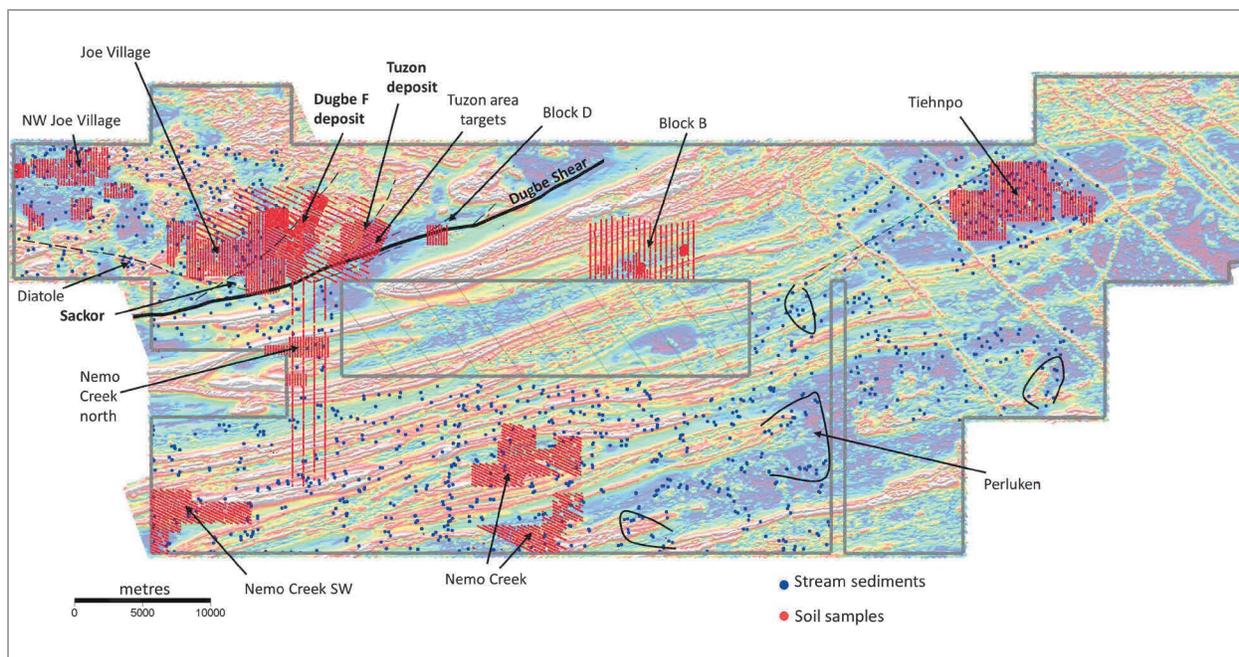


Figure 5. Map of the Project Area showing deposits Hummingbird sampling and some of the targets identified to date over a background of airborne magnetic data. The cross-hatched area central to the area is not part of the project.

At the Sackor target, 15 of the 20 holes drilled intersected gold mineralisation³; a selection based on minimum grade and thickness criteria are provided below. Further drilling is required to follow-up on these results.

Table 2. All intersections from the 20 holes drilled at Sackor which meet the criteria: intersections of at least 10 metres of mineralisation with a minimum average grade of 0.5 g/t and with maximum internal waste of 2 metres. While attempts were made to orient holes orthogonally to the mineralized layer, the intersections may not reflect the true width of the mineralisation.

Drillhole ID	mFrom	mTo	Interval Width (m)	Grade (Au g/t)
SKDC002	97.3	111.4	14.1	0.95
SKDC007	8.0	21.0	13.0	1.33
SKDC004	1.0	14.0	13.0	0.84
SKDC008	61.2	74.0	12.8	1.90
SKDC003	12.0	24.0	12.0	1.08
SKDC007	38.8	50.0	11.2	1.05
SKDC003	72.0	83.0	11.0	3.21
SKDC006	38.8	49.0	10.2	0.81

Feasibility Study

The Company is finalizing the selection of the lead engineers to complete a feasibility study on the project. This newly announced Mineral Resource estimate for the Tuzon and Dugbe F deposits forms a firm inventory which the Company aims to expand further, to support a study focused on a low

³ Hummingbird Resources plc. Hummingbird Resources Q2 Exploration Update

operating cost mine producing over 200,000 ounces per annum. The Company plans to complete the study during the second half of 2021.

Qualified Persons Statements

The independent Qualified Person for the issuer, responsible for the estimation of Mineral Resources at the Dugbe deposit, is Mr Anton Geldenhuys (MGSSA, MGASA, Pr.Sci.Nat) who is Principal Mineral Resource Consultant at CSA Global South Africa Pty Ltd. Mr Geldenhuys declares that he has read this press release and that the scientific and technical information relating to the Dugbe Mineral Resource estimate is factually correct. Mr Geldenhuys, by virtue of his education and experience, is a Qualified Person for the purpose of NI 43-101.

The Tuzon Mineral Resource estimate has been completed by Mr. Martin Pittuck, CEng, MIMMM, FGS who is a full-time employee with SRK Consulting (UK) Ltd and is fully independent of Pasofino, ARX and Hummingbird. Mr. Pittuck is the Qualified Person for the Tuzon Mineral Resource Estimate and has approved the relevant content of this press release relating to the Tuzon Mineral Resource Estimate. Mr. Pittuck, by virtue of his education and experience, is a Qualified Person for the purpose of NI 43-101.

Mr. Andrew Pedley (MGSSA, Pr.Sci.Nat) is the Qualified Person relating to the exploration results and information that relates to the exploration targets *outside* of the Tuzon and Dugbe F deposits and has approved the relevant content of this press release that relates to the exploration related content. Mr. Pedley, by virtue of his education and experience, is a Qualified Person for the purpose of NI 43-101. Mr. Pedley is a full-time employee of ARX Resources Limited and is not independent of the issuer.

About the Dugbe Gold Project

The Dugbe Project is located in southern Liberia and situated within 'Birimian' aged rocks which are host to the majority of West African gold deposits. To date two gold deposits have been identified; Dugbe F and Tuzon. The deposits are located within 4 km of the Dugbe Shear Zone which is thought to have played a role in large scale gold mineralisation in the area. The Project comprises an area of 2,355 km². A large amount of exploration in the area was conducted by Hummingbird between 2006 and 2014 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. To date over \$70 million has been spent by Hummingbird on the Project. In 2014 Hummingbird stopped work on the Project focusing instead on their smaller new (at that time) Yanfolila acquisition. No exploration has been carried out since March 2014. Hummingbird have a 100% interest in a Mineral Development Agreement (MDA) which is a Class A mining license and is valid for 25 years thereafter renewable for a further 25 years. The MDA was signed on the 10th of January 2019.

About Pasofino Gold Ltd.

Pasofino Gold Ltd. is a Canadian-based mineral exploration company listed on the TSX-V (VEIN). Pasofino is earning a 50% interest in the advanced-stage Roger Gold-Copper Project located in Quebec's prolific Abitibi Greenstone Belt.

Through its recently announced proposed acquisition of ARX Resources Limited Pasofino will upon completion of such acquisition, have an option to earn a 49% economic interest (net of the Government of Liberia's carried interest) in the Dugbe Gold Project.

For further information, please visit www.pasofinogold.com

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