



## **SONORO ANNOUNCES POSITIVE PEA RESULTS FOR CERRO CALICHE GOLD PROJECT: PRE-TAX NPV OF USD \$71.4 MILLION AND PRE-TAX IRR OF 59%**

**VANCOUVER, Canada, August 28, 2023 – Sonoro Gold Corp.** (TSXV: SGO | OTCQB: SMOFF | FRA: 23SP) (“Sonoro” or the “Company”) is pleased to announce the positive results of an independent Preliminary Economic Assessment (“PEA”) on the Company’s Cerro Caliche gold project located in Sonora State, Mexico. The PEA demonstrates the potential viability for a nine-year life of mine (“LOM”), open pit, heap leach mining operation with an initial two-year production rate of 4,000 metric tonnes per day (“mtpd”) and an increase to 12,000 mtpd for the remaining LOM.

The PEA has been prepared in accordance with the requirements of National Instrument 43-101 (“NI 43-101”) by D.E.N.M. Engineering Ltd. of Burlington, Ontario (“D.E.N.M.”) and Micon International Limited of Toronto, Ontario (“Micon”) with confirmation of the applicable resource estimates prepared by SRK Consulting (U.S.) Inc. of Denver, Colorado (“SRK”).

### **Updated PEA Highlights:**

- Pre-Tax net present value discounted at 5% (“NPV<sub>5</sub>”) of USD \$71.4 million
- Pre-Tax Internal Rate of Return (“IRR”) of 59%
- After-Tax NPV<sub>5</sub> of USD \$47.7 million with an IRR of 45%
- Gold recovery of 72% and silver recovery of 27%
- 9-year LOM with 297,575 ounces (“oz”) of gold equivalent (“AuEq”)
- LOM annual average production of 33,000 oz AuEq at 0.45 g/t AuEq
- Initial CAPEX costs of USD \$15.5 million, including USD \$1.83 million in contingency
- Sustaining capital costs of USD \$15.5 million
- Cash<sup>(1)</sup> operating costs of USD \$1,295/oz AuEq
- AISC<sup>(2)</sup> of USD \$1,395/oz AuEq
- Payback period of 2.9 years

*Note: All currencies are reported in U.S. dollars. Base case parameters assume \$1,800/oz gold and \$23/oz silver.*

*(1) Cash operating costs include mining, crushing, processing, assaying, and administration.*

*(2) All-in-Sustaining Costs include cash costs plus sustaining, refining and reclamation costs, as well as 2% royalty buyout.*

*“This PEA draws on the extensive expertise of our technical team in Mexico under the direction of our VP Operations, Jorge Diaz, who designed a mine plan which materially reduces upfront capital costs and increases throughput after year two with capital cost expansion financed exclusively from cash flow,” stated Ken MacLeod, President and CEO of Sonoro Gold. “This aligns with our objective to bring Cerro Caliche into production to allow potential resource expansion with minimal dilution to our shareholders.”*

John Darch, Sonoro's Chairman added, *“To date, only 30% of Cerro Caliche’s known mineralized zones have been mapped and assayed. In addition to the upcoming targeted infill drilling program at El Colorado and Guadalupe vein zones where our May 2022 drilling campaign demonstrated multiple high-grade ore shoots, we recently identified future expansion targets in the northwest region of the property. These campaigns will proceed alongside the proposed development of the mining operation and have been designed to materially expand the project’s oxide gold mineralization and potentially enhance the overall economics of the project.”*

### **Mineral Resource Estimate**

The PEA utilizes the updated Mineral Resource Estimate (MRE) prepared by SRK and, as announced on February 7, 2023, the MRE highlights include:

- Indicated Mineral Resources (cut-off of 0.20 g/t AuEq) of 19.9 million tonnes (“Mt”) at 0.44 g/t Au and 3.5 g/t Ag grade;
- Contains within an optimized pit shell:
  - 280,000 oz of Au
  - 2,240,000 oz of Ag
  - 290,000 oz of AuEq
- Inferred Mineral Resources (cut-off of 0.20 g/t AuEq) of 10.5 Mt at 0.42 g/t Au and 4.0 g/t Ag grade;
- Contains within an optimized pit shell:
  - 140,000 oz of Au
  - 1,345,000 oz of Ag
  - 150,000 oz of AuEq

The SRK report comments favorably on the upside potential of the project in terms of exploration. The current geological volumes and grade estimates, located outside of the pit shells, are considered too limited to establish grade continuity to meet the present requirements for Reasonable Prospects of Eventual Economic Extraction (RPEEE) for the mineralized area to be considered Mineral Resources. SRK has defined the ranges for the potential exploration targets outside of the current pits shell which are within the current modelled mineralized zones.

Based on the analysis, SRK considers the exploration potential (cut-off of 0.20 AuEq) within drilled areas for Cerro Caliche to be from 15,000,000 to 22,000,000 tonnes containing:

- 120,000 to 275,000 oz of Au at 0.25 to 0.38 g/t Au
- 1,045,000 to 2,350,000 oz of Ag at 2.2 to 3.2 g/t Ag
- 125,000 to 285,000 oz of AuEq at 0.26 to 0.39 g/t AuEq

The reader is cautioned that the potential quantity and grade ranges noted above are conceptual in nature and insufficient exploration has been conducted to define this material as a Mineral Resource. It is uncertain if further exploration will result in these exploration target estimates being delineated as Mineral Resources or converted to Mineral Reserves in the future. SRK cautions that estimates of exploration targets are not a CIM-defined category, are not Mineral Resources and are too speculative to fulfill the definition of Mineral Resources.

There are additional opportunities along strike and parallel to the current vein trends and this potential may be quantified through additional drilling. In addition to drilling, surface mapping and sampling suggests that several mineralized trends have potential for additional resources along-strike. Further exploration drill programs are warranted.

### **PEA Summary**

The PEA is preliminary in nature and includes inferred resources that are considered too speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty the estimates presented in the PEA will be realized.

The full PEA will be filed on SEDAR at [www.sedar.com](http://www.sedar.com) and Sonoro’s website [www.sonorogold.com](http://www.sonorogold.com) within 45 days of the issuance of this news release.

**Table 1: Key Economic Parameters**

Assumption / Results	PEA Value
Pre-Tax NPV <sub>(5)</sub> (USD)	\$71.4M
Pre-Tax IRR	59%
After- Tax NPV <sub>(5)</sub> (USD)	\$47.7M
After- Tax IRR	45%
Revenues (USD)	\$535.6M
Total Tonnes Processed	28.6M
Total Tonnes Waste	60.0M
Mine Life	9-Years
Strip Ratio	2.10
Gold Recovery	72%
Silver Recovery	27%
Gold Price (USD \$/Au oz)	\$1,800
Silver Price (USD \$/Ag oz)	\$23.00
Gold Grade (g/t Au)	0.43
Gold Equivalent Grade	0.45
Silver Grade (g/t Au)	3.75
Total Gold Equivalent Recovered (oz)	297,575
Initial CAPEX Costs (USD)	\$15.5M
Sustaining Capital Costs (USD)	\$15.5M
LOM Operating Costs (USD)	\$385.4M
Cash Operating Cost (USD \$/ AuEq oz)	\$1,295
AISC (USD \$/ AuEq oz)	\$1,395

**Table 2: Gold & Silver Price Sensitivity Analysis**

Sensitivity	\$1,600 Au \$20 Ag	\$1,700 Au \$22 Ag	\$1,800 Au \$23 Ag	\$1,900 Au \$26 Ag	\$2,000 Au \$28 Ag
After-Tax NPV (5%)	\$19.14m	\$33.65m	\$47.68m	\$62.57m	\$77.02m
Pre-Tax NPV (5%)	\$27.34m	\$49.71m	\$71.42m	\$94.46m	\$116.84m
After-Tax IRR	23%	35%	45%	54%	63%
Pre-Tax IRR	30%	45%	59%	72%	85%
After-Tax Payback	4.1-Years	3.4-Years	2.9-Years	2.6-Years	2.4-Years

**Table 3: Operating & Capital Sensitivity Analysis**

Sensitivity	-20%	-10%	Base Case	10%	20%
Operating Costs – Pre-tax NPV (US\$ million)	\$128.33	\$99.87	\$71.42	\$42.97	\$14.51
Operating Costs – IRR	90%	75%	59%	41%	20%
Capital Costs – Pre-tax NPV (US\$ million)	\$76.20	\$73.81	\$71.42	\$69.03	\$66.64
Capital Costs – IRR	73%	65%	59%	54%	49%

## Capital Costs

The estimated capital costs for the Cerro Caliche Gold Project are based on an open pit, heap leach operation with contract mining. Initial capital expenditures of USD \$15.5 million, including 15% contingency, contemplates an initial two-year production rate of 4,000 mtpd with an increase to 12,000 mtpd in the third year of production. Costs include direct facility costs such as processing facilities and leach pad impoundment as well as infrastructure, EPCM, site preparation and indirect facility costs such as technical studies, office equipment and light vehicles. Initial capital costs also include USD \$1.8 million for a down payment on a crushing circuit including equipment and related earthworks.

An additional USD \$15.5 million is estimated for sustaining capital, including the expansion costs and lease-to-own payments on the crushing circuit as well as expansion costs on the heap leach pad. Power transmission line and equipment replacement costs are also included. Reclamation costs are estimated at USD \$2.9 million.

Capital cost estimates are based on industry standards and were developed using quotes provided by mining contractors and specialists experienced in mining development in Mexico.

**Table 4: Initial Capital Costs**

<b>Initial Capital Costs</b>	<b>Costs (USD)</b>
Direct Facility Costs	\$7.5M
Infrastructure	\$3.0M
Engineering and Procurement	\$1.8M
Indirect Facility Costs	\$1.1M
Pre-Stripping and Mine Development	\$0.4M
Contingency	\$1.8M
<b>Total</b>	<b>\$15.5M</b>

**Table 5: Sustaining Capital Costs**

<b>Sustaining Costs</b>	<b>Costs (USD)</b>
Leach Pad Expansion	\$3.5M
Crusher Expansion	\$3.6M
Crusher Lease	\$4.5M
Powerline	\$1.9M
Equipment	\$2.0M
<b>Total</b>	<b>\$15.5M</b>

**Table 6: Reclamation Costs**

<b>Capital Costs</b>	<b>Costs (USD)</b>
Environmental	\$2.3M
Engineering and Procurement	\$0.3M
Contingency	\$0.3M
<b>Total</b>	<b>\$2.9M</b>

## Operating Costs

Cash operating costs for Cerro Caliche's LOM are estimated at USD \$385.4 million or USD \$1,295 per gold equivalent ounce and include mining, crushing and processing, as well as maintenance and administration costs. All-in Sustaining Costs ("AISC") for LOM are estimated at USD \$415.1 million or US\$1,395 per gold equivalent ounce and include operating costs, sustaining capital, reclamation, royalties, and refining charges.

Royalties include a 2% Net Smelter Return ("NSR") buyout to certain landholders and taxes include payments to the Mexican government for mining royalty and specific mining related taxes. Refining costs include carbon processing and production of doré bars.

Open pit mining will be undertaken by a contractor and carried out by drill and blast conventional loading and truck haulage to the crushing facility. An estimated mining cost of USD \$1.99 per tonne processed includes drilling, blasting, and hauling mineralized feed to the heap leach area. Waste mining is forecast to cost a further USD \$4.17 per tonne processed.

The processing facilities at Cerro Caliche will be comprised of a crushing circuit where mineralized material is processed through a three-stage crushing plant to produce material that is p80 of ½" (80% passing) method. The material is then conveyed and stacked in a conventional heap leach pad and irrigated with a low concentrate cyanide solution. An estimated crushing cost of USD \$0.87 per tonne includes the cost of crushing and conveying.

Solution collected from the leach pad is then directed through a system of channels to the processing ponds where it passes through a series of carbon columns. Gold and silver impregnated carbon is collected periodically from the columns and then dried and stripped for doré bar production. An estimated processing cost of USD \$5.72 per tonne includes leaching, assaying, labour and production of doré bars.

Operating cost estimates are based on industry standards and were developed using quotes provided by mining contractors and specialists experienced in mining development in Mexico.

**Table 7: Operating Costs**

Operating Costs	LOM (USD)	\$/oz AuEq
Mining	\$201.4M	\$677
Processing	\$163.8M	\$550
Administration	\$20.1M	\$68
<b>Total</b>	<b>\$385.4M</b>	<b>\$1,295</b>

**Table 8: All-in-Sustaining Costs**

AISC Costs	LOM (USD)	\$/oz AuEq
Cash Costs	\$385.4M	\$1,295
Refining	\$7.3M	\$25
Royalties	\$4.0M	\$13
Sustaining	\$15.5M	\$52
Closure	\$2.9M	\$10
<b>Total</b>	<b>\$415.1M</b>	<b>\$1,395</b>

### **Qualified Person Statement**

David Salari, P.Eng. of D.E.N.M. Engineering Ltd., Christopher Jacobs, CEng, MIMMM, Kerrine Azougarh, P.Eng. and William Lewis, P.Geo. of Micon International Limited, and Doug Reid, P. Eng. of SRK Consulting (U.S.) Inc. are independent of the Company and are Qualified Persons as defined in NI 43-101.

Sonoro Director Stephen Kenwood, P.Geo., is a Qualified Person within the context of NI 43-101 and has read and approved this news release.

### **About D.E.N.M. Engineering Limited**

D.E.N.M. Engineering Ltd. is a niche engineering company servicing the mining / mineral processing sector that specializes in Engineering & Design, Equipment Supply, Project & Construction Management, Commissioning and Operations Support. D.E.N.M. Engineering Ltd. has proven success while championing projects for over fifteen years in Canada, USA, Mexico and Central America.

In addition, D.E.N.M. Engineering, with its principal and independent specialists, performs NI 43-101 compliant assessments and studies in the sections of mineral processing metallurgical design, process design, capital and operating costing and cash flow analysis.

### **About Micon International Limited**

Micon International Limited (Micon) has provided consulting services to the worldwide mining industry since 1988 from its offices in Canada and the UK. Micon comprises a multi-disciplinary group of highly qualified and experienced professionals who are guided by the Company principles of Integrity, Competence and Independence.

Micon's experience in Mexico ranges from exploration programs and resource estimation to technical studies on operating mines, as well as due diligence for precious metals and base metals projects. Micon has worked in most of the major mining districts throughout Mexico, as well as some lesser-known historical districts. In northern Mexico, assignments have been undertaken in the gold and silver districts of Sonora, Durango, Zacatecas, Chihuahua and Baja California.

### **About SRK Consulting (U.S.), Inc.**

SRK Consulting is an independent international mining consultancy firm, which provides focused advice and solutions to clients in the earth and water resource industries. The company has contributed to its clients' success for over 45 years in over 20,000 projects globally. It is based across 45 offices worldwide with leading mining specialists in fields such as due diligence, technical studies, mine waste and water management, permitting and mine rehabilitation.

### **About Sonoro Gold Corp.**

Sonoro Gold Corp. is a publicly listed exploration and development Company holding the near-development-stage Cerro Caliche project and the exploration-stage San Marcial project in Sonora State, Mexico. The Company has highly experienced operational and management teams with proven track records for the discovery and development of natural resource deposits.

On behalf of the Board of Sonoro Gold Corp.

Per: "*Kenneth MacLeod*"

Kenneth MacLeod  
President & CEO

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**Forward-Looking Statement Cautions:**

*This press release may contain "forward-looking information" as defined in applicable Canadian securities legislation. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the future exploration and development on the Cerro Caliche project, and future plans and objectives of the Company, constitute forward looking information that involve various risks and uncertainties. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information, but which may prove to be incorrect, including, but not limited to, assumptions in connection with the continuance of the Company and its subsidiaries as a going concern, general economic and market conditions, mineral prices and the accuracy of Mineral Resource Estimates. There can be no assurance that such information will prove to be accurate and actual results and future events could differ materially from those anticipated in such forward-looking information. Important factors that could cause actual results to differ materially from the Company's expectations include exploration and development risks associated with the Company's projects, the failure to establish estimated Mineral Resources, volatility of commodity prices, variations of recovery rates, and global economic conditions. The forward-looking information contained in this release is made as of the date of this release. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the policies of the TSX Venture Exchange. Readers are encouraged to review the Company's complete public disclosure record on SEDAR at [www.sedar.com](http://www.sedar.com).*

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