

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of British Columbia, Alberta, Ontario, New Brunswick and Nova Scotia, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities in those jurisdictions.

The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold to, or for the account or benefit of, persons in the "United States" or "U.S. Persons" (as such terms are defined in Regulation S under the U.S. Securities Act) unless exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of the securities offered hereby to, or for the benefit of, persons in the United States or U.S. Persons. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chairman of Pasofino Gold Limited, Suite 2900 – 550 Burrard Street, Vancouver, BC, V6C 0A3, Telephone: 416-564-7194, and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

December 2, 2020



PASOFINO GOLD

PASOFINO GOLD LIMITED

\$10,020,000

33,400,000 Units Issuable upon Exercise of 33,400,000 Special Warrants

This preliminary short form prospectus (the "**Prospectus**") qualifies the distribution of 33,400,000 units (the "**Units**") of Pasofino Gold Limited (the "**Company**") issuable upon the exercise or deemed exercise of 33,400,000 special warrants (the "**Special Warrants**") previously issued on September 22, 2020 (the "**Closing Date**"), at a price of \$0.30 per Special Warrant (the "**Offering Price**") to purchasers resident in each of the Provinces of British Columbia, Alberta, Ontario, New Brunswick, and Nova Scotia (the "**Qualifying Jurisdictions**"), and outside of Canada on a private placement basis pursuant to prospectus exemptions under applicable securities legislation (the "**Offering**"). Each Unit consists of one common share (a "**Unit Share**") in the capital of the Company and one-half (0.5) of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**").

The Special Warrants were issued pursuant to the terms of a special warrant indenture (the "**Special Warrant Indenture**") dated September 22, 2020 between the Company and Computershare Trust Company of Canada, as special warrant agent thereunder ("**Computershare**") and an underwriting agreement dated September 22, 2020 (the "**Underwriting Agreement**") between the Company and Stifel Nicolaus Canada Inc. (the "**Lead Underwriter**"), Beacon Securities Limited, Clarus Securities Inc., PI Financial Corp., Eight Capital and Haywood Securities Inc. (together with the Lead Underwriter, the "**Underwriters**"). The Offering Price and other terms of the Offering were determined by arm's length negotiation between the Company and the Lead Underwriter (on behalf of the Underwriters). See "**Plan of Distribution**".

The Units will separate into Unit Shares and Warrants immediately upon issue. This Prospectus qualifies the distribution of the Unit Shares and the Warrants. See "Plan of Distribution".

The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Units upon exercise or deemed exercise of the Special Warrants.

The Company's common shares (the "**Common Shares**") are listed and posted for trading on the TSX Venture Exchange ("**TSXV**") under the symbol "VEIN" and on the Frankfurt Exchange under the symbol "N07". On December 1, 2020, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV and the Frankfurt Exchange was \$0.18 and €0.112, respectively.

	<u>Price to the Public</u>	<u>Underwriter's Fee⁽¹⁾</u>	<u>Net Proceeds to the Company⁽²⁾⁽³⁾</u>
Per Special Warrant.....	\$0.30	\$0.019	\$0.281
Total	\$10,020,000	\$646,799.10	\$9,373,200.90

- (1) Pursuant to the Underwriting Agreement, the Company paid the Underwriters a cash commission equal to 6.5% of the gross proceeds of the Offering (the "**Underwriters' Fee**"), subject to a reduced fee of up to 2.0% for Special Warrants sold by the Underwriters to certain purchasers designated by the Company on the president's list (the "**President's List**"), in addition to a financial advisory fee of \$48,102.27 in connection with certain subscriptions (the "**Financial Advisory Fee**"). The Company also issued to the Underwriters broker options on a certain number of Special Warrants sold pursuant to the Offering and advisory fee options in connection with certain subscriptions (the "**Broker Options**"). Each Broker Option entitles the holder thereof to automatically receive one broker warrant (the "**Broker Warrant**"), without any additional consideration or further action of the holder, on the Automatic Exercise Date (as defined herein). Each Broker Warrant will entitle the holder thereof to purchase, subject to adjustment in certain circumstances, one Unit at a price of \$0.30 for a period of 12 months from the Closing Date. Each Unit will be comprised of one Common Share (a "**Broker Underlying Share**") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "**Broker Underlying Warrant**"). Each Broker Underlying Warrant shall entitle the holder thereof to acquire one Common Share (a "**Broker Warrant Share**") at an exercise price of \$0.40 for a period of 12 months from the Closing Date. This Prospectus qualifies the distribution of the Broker Warrants. See "*Plan of Distribution*".
- (2) Taking into account the Underwriters' Fee (including on President's List sales) and the Financial Advisory Fee which has been paid out of the gross proceeds of the Offering, but before deducting the expenses of the Offering and the qualification for distribution of the Units (estimated to be \$325,000.00), which has been or will be paid out of the gross proceeds of the Offering.
- (3) The distribution of the Units upon exercise of the Special Warrants will not result in any proceeds being received by the Company.

Each Special Warrant entitles its holder to receive, upon exercise or deemed exercise, one Unit, subject to adjustment in certain circumstances, at no additional cost. Each Special Warrant is exercisable by its holder at any time after the Closing Date. Each Special Warrant not previously voluntarily exercised by the holder thereof, shall be deemed exercised on behalf of, and without any required action on the part of the holder thereof, on the date (the "**Automatic Exercise Date**") that is the earlier of: (i) the second business day following the date on which final receipt is obtained from the British Columbia Securities Commission, as principal regulator on behalf of the securities regulatory authorities in each of the Qualifying Jurisdictions, for a (final) short form prospectus (the "**Final Prospectus**") filed pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* qualifying the distribution of the Unit Shares and Warrants to be issued upon exercise of the Special Warrants (the "**Qualification Date**"); and (ii) 4:59 p.m. (Toronto time) on January 23, 2021 (the "**Qualification Deadline**").

In the event the Qualification Date does not occur on or before the date that is three months following the Closing Date (the "**Penalty Date**"), each outstanding Special Warrant and Broker Warrant shall thereafter entitle the holder to receive upon the exercise thereof, for no additional consideration, 1.1 Units (the "**Penalty Provision**"). This Prospectus also qualifies the distribution of up to 3,557,100 Unit Shares and 1,778,550 Warrants (which includes those underlying the Broker Warrants) issuable pursuant to the Penalty Provision and all references herein to the Units, Unit Shares, Warrants, Warrant Shares, Broker Warrants, Broker Underlying Shares, Broker Underlying Warrants and Broker Warrant Shares shall be read to include, as the context requires, the securities issuable pursuant to the Penalty Provision. See "*Plan of Distribution*".

The Warrants are issuable pursuant to a warrant indenture dated September 22, 2020 (the "**Warrant Indenture**") between the Company and Computershare, as warrant agent thereunder. Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Common Share (a "**Warrant Share**"), and together with the Unit Shares, the "**Underlying Shares**") at an exercise price of \$0.40 per Warrant Share until 4:00 p.m. (Toronto time) on September 22, 2021 (the "**Expiry Date**"). See "*Description of Securities Being Distributed*".

The following table sets out the securities issuable to the Underwriters:

<u>Underwriter's Position</u>	<u>Maximum size or number of securities available for Offering</u>	<u>Exercise period</u>	<u>Exercise price</u>
Broker Warrants ⁽¹⁾	2,171,000 Broker's Units (2,388,100 if adjusted pursuant to the Penalty Provision)	September 22, 2021	\$0.30 per Broker Warrant

Notes:

1. This Prospectus qualifies the distribution of the Broker Warrants. See "*Plan of Distribution*".

Certain legal matters in connection with the Offering are being reviewed on behalf of the Company by Fasken Martineau DuMoulin LLP and on behalf of the Underwriters by Cassels Brock & Blackwell LLP.

An investment in the securities of the Company is highly speculative and involves significant risks that should be carefully considered by prospective investors before purchasing such securities. The risks outlined in this Prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by prospective investors in connection with an investment in such securities. See "*Risk Factors*" and "*Cautionary Statement Regarding Forward Looking Information*". Potential investors are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal and other aspects of this investment.

Except in respect of certain purchasers of Special Warrants who settled directly with the Company and received physical Special Warrant certificates, the Offering was conducted through the non-certificated inventory system maintained by CDS Clearing and Depository Services Inc. ("CDS") and the Special Warrants issued pursuant to the Offering were registered and deposited with CDS on the Closing Date in electronic form. Except in respect of holders of Special Warrants holding physical certificates or as otherwise agreed to by a holder of Special Warrants and the Company, the Unit Shares and Warrants to be issued upon exercise or deemed exercise of the Special Warrants and the Warrant Shares to be issued upon the exercise of the Warrants will also be registered and deposited in the non-certificated inventory system of CDS and a purchaser of the Special Warrants will not receive a definitive certificate representing the Unit Shares, Warrants or Warrant Shares.

The TSXV has approved the Offering, including the listing of the Underlying Shares, the Broker Underlying Shares, and the Broker Warrant Shares. See "*Plan of Distribution*".

There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants acquired pursuant to the Offering. This may affect the pricing of the Special Warrants and the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Special Warrants and the Warrants and the extent of issuer regulation. An investment in the securities of the Company is speculative and involves a significant degree of risk. See "*Risk Factors*".

Investors should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Underwriters have not authorized anyone to provide investors with information different from that contained or incorporated by reference in this Prospectus. Readers should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover page of this Prospectus.

Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Special Warrants, the Underlying Shares and the Warrants, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires the Special Warrants, the Underlying Shares and the Warrants.

John Sanders, Chief Operating Officer and a director of the Company, and Ian Stalker, President and Chief Executive Officer – Africa, reside outside of Canada. Mr. Sanders and Mr. Stalker have appointed the following agent for service of process: Pasofino Gold Limited, 550 Burrard Street, Suite 2900, Vancouver, British Columbia, V6C 0A3.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

The Company's head office and registered and records office is located at 550 Burrard Street, Suite 2900, Vancouver, British Columbia, V6C 0A3.

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DEFINITIONS

All capitalized terms not defined herein have the meanings ascribed to them in the Annual Information Form (as defined herein).

EXCHANGE RATE INFORMATION

All references to “\$”, “C\$” or “Canadian dollars” included or incorporated by reference into this Prospectus refer to Canadian dollar values. All references to “US\$” or “United States dollars” are used to indicate United States dollar values.

The rate of exchange on December 1, 2020 as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was C\$1.00 equals US\$0.7721 and for the conversion of United States dollars into Canadian dollars was US\$1.00 equals C\$1.2952.

The following table sets forth, for each of the periods indicated, the high, low and average spot rates for US\$1.00 in terms of Canadian dollars, as reported by the Bank of Canada.

	Year ended April 30, 2020 (C\$)	Year ended April 30, 2019 (C\$)
High	1.4496	1.3642
Low	1.2970	1.2775
Average	1.3365	1.3172

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking information and forward-looking statements (collectively, “**forward-looking statements**”) that relate to the Company’s current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “might”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict” or “likely”, or the negative or grammatical variations of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business, prospects and financial needs. These forward-looking statements include, among other things, statements relating to:

- the uncertainties with respect to the effects of COVID-19;
- the Company’s expectations regarding its revenue, expenses and anticipated costs;
- the Company’s anticipated cash needs and its needs for additional financing;
- the Company’s intention to grow its business and operations;
- expectations with respect to future production costs and capacity, including mineral reserve, resources and metal recovery estimates;
- expectations regarding the Company’s growth rates and growth plans and strategies;
- the Company’s competitive position and the regulatory environment in which the Company operates;
- the Company’s business objectives for the next twelve months;
- the Company’s plans with respect to the payment of dividends;
- the Company’s ability to obtain additional funds through the sale of equity or debt instruments;
- the ability of the Company’s products to access markets;
- the Company’s ability to expand into international markets;
- expectations with respect to fluctuations in global commodity prices;
- the Company’s key personnel;
- the Company’s exposure to litigation; and

- the Company's relationship with its distribution partners.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to (i) general business and economic conditions; (ii) the timing of the receipt of required approvals for the Company's operations; (iii) the availability of equity and other financing on reasonable terms; (iv) the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; (v) the Company's ability to attract and retain skilled labour and staff; (vi) the Company's ongoing relations with its employees and with its business/joint venture partners; (vii) future prices of gold; (viii) the timing and results of exploration and drilling programs; (ix) the accuracy of mineral reserve and mineral resource estimates; (x) the geology and geophysical data of the Company's locations; (xi) production costs; (xii) the accuracy of budgeted exploration and development costs and expenditures; (xiii) the price of other commodities such as fuel; (xiv) future currency exchange rates and interest rates; (xv) operating conditions being favourable, including whereby the Company is able to operate in a safe, efficient and effective manner; (xvi) political and regulatory stability; (xvii) the receipt of governmental and third party approvals and permits on favourable terms; (xviii) obtaining required renewals for existing approvals and permits and obtaining all other required approvals and permits on favourable terms; sustained labour stability; (xix) the availability of equipment; (xx) the absence of natural disasters, adverse weather conditions, accidents, unanticipated transport costs or delays in the development of projects and other factors; (xxi) the absence of an outbreak or escalation of infectious diseases or other similar health threats, including the novel coronavirus, that could result in the suspension or shutdown of the Company's operations; and (xxii) the availability of water, gas, electricity or other power supply, chemicals and other critical supplies. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, investors should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Risk Factors*", which include:

- the effect of COVID-19 outbreak on the ability of the Company to carry on business;
- fluctuations in global commodity prices;
- the Company's operations in jurisdictions in West Africa may expose it to varying levels of political, economic and other risks that may be greater than that in other countries;
- the Company's exposure to operating hazards and risks in the mining industry;
- the Company may be unable to obtain additional financing on acceptable terms or not at all;
- uncertainty in the calculation of mineral reserves, resources and metal recovery estimates;
- dependence on adequate infrastructure;
- uncertainty regarding future exploration and development activities;
- health risks associated with the mining workforce in West Africa;
- environmental and reclamation costs, which may be substantial;
- community relations, including with indigenous peoples;
- the Company cannot provide assurance that a market will continue to develop or exist for the Common Shares and, if such market continues to develop, what the market price of the Common Shares will be;
- the market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control;
- the Company is reliant on management. If the Company is unable to attract and retain key personnel, it may not be able to compete effectively;
- the Company's ability to meet contractual obligations under options and joint ventures;
- the Company's ability to obtain certain licenses and permits,
- the Company's title to properties;
- foreign currency fluctuations;
- the Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest;

- the Company faces competition from other companies where it will conduct business and those companies may have a higher capitalization, more experienced management or may be more mature as a business;
- the Company may be subject to uninsurable risks or risks which exceed the limitations on its insurance coverage;
- the Company may become subject to litigation, which may have a material adverse effect on the Company's reputation, business, results from operations and financial condition;
- the Company does not anticipate paying cash dividends;
- the Company is an exploration stage company with little operating history, a history of losses and the Company cannot assure profitability;
- the Company is dependent on a limited number of projects;
- the Company's industry is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition;
- the Company expects to sell additional equity securities or secure debt facilities to fund operations, for capital expansion, and for mergers and acquisitions, which would have the effect of diluting the ownership positions of the Company's current shareholders; and
- uncertainty in feasibility studies.

The above list is not exhaustive of the factors that may affect any of the forward-looking statements of the Company. If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "*Risk Factors*" should be considered carefully by readers.

Certain of the forward-looking statements and other information contained herein concerning the mining industry and the general expectations of the Company concerning the mining industry and concerning the Company are based on estimates prepared by the Company using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the mining industry involves risks and uncertainties that are subject to change based on various factors and the Company has not independently verified such third-party information.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management of the Company to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "*Risk Factors*".

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment.

ELIGIBILITY FOR INVESTMENT

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) and the regulations

thereunder (collectively, the “**Tax Act**”) as of the date hereof, the Unit Shares and Warrants, to be acquired pursuant to the exercise or deemed exercise of the Special Warrants, and the Warrant Shares, issuable upon the exercise of the Warrants, if issued on the date hereof, would be “qualified investments” under the Tax Act for a trust governed by a registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”), registered education savings plan (“**RESP**”), registered disability savings plan (“**RDSP**”), tax-free savings account (“**TFSA**”) (collectively, “**Registered Plans**”) and a deferred profit sharing plan (“**DPSP**”), each as defined in the Tax Act, provided that at such time:

- (i) in the case of the Unit Shares and Warrant shares, the Common Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV and the Frankfurt Stock Exchange) or the Company is otherwise a “public corporation” as defined in the Tax Act, and
- (ii) in the case of the Warrants, the Warrant Shares are a qualified investment as described in (i) above and neither the Company, nor any person with whom the Company does not deal at arm’s length, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of the particular Registered Plan or DPSP.

Notwithstanding that a Unit Share, Warrant, or Warrant Share may be a “qualified investment” for a Registered Plan, the annuitant under an RRSP or RRIF, the holder of a TFSA or RDSP, or the subscriber of an RESP will be subject to a penalty tax if such Unit Share, Warrant or Warrant Share is a “prohibited investment” (as defined in the Tax Act) for the Registered Plan. The Unit Shares, Warrants and Warrant Shares will generally not be a “prohibited investment” for a particular Registered Plan provided that the annuitant, holder, or the subscriber of the particular Registered Plan, deals at arm’s length with the Company for purposes of the Tax Act and does not have a “significant interest” (as defined in the Tax Act) in the Company. In addition, the Unit Shares and Warrant Shares will not be a “prohibited investment” if such securities are “excluded property” (as defined in the Tax Act for purposes of these rules) for the particular Registered Plan.

This summary is of a generally nature only and is not, and is not intended to be, legal or tax advice to any particular investor. Persons who intend to hold Unit Shares, Warrants, or Warrant Shares in a Registered Plan should consult their own tax advisors with respect to the application of these rules in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commission or similar regulatory authority in each of the Provinces of Canada, except Québec are available at www.sedar.com and are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the amended and restated annual information form of the Company for the financial year ended April 30, 2020 dated November 24, 2020 (the “**Annual Information Form**”);
- (b) the audited consolidated financial statements of the Company, for the years ended April 30, 2020 and 2019, together with the auditors’ report thereon and the notes thereto (the “**Annual Financial Statements**”);
- (c) the management’s discussion and analysis of financial condition and results of operations for the year ended April 30, 2020 (the “**Annual MD&A**”);
- (d) the condensed interim consolidated financial statements of the Company for the three months ended July 31, 2020, together with the notes thereto (excluding the notice of no auditor review) (the “**Interim Financial Statements**”);
- (e) the management’s discussion and analysis of financial condition and results of operations for the three-month period ended July 31, 2020 (the “**Interim MD&A**”);

- (f) the management information circular of the Company dated November 9, 2020 distributed in connection with the Company's annual general and special meeting of shareholders to be held on December 21, 2020;
- (g) the material change report dated May 4, 2020 announcing the non-brokered private placement offering of Common Shares for gross proceeds of up \$6 million and board appointment; and
- (h) the material change report dated August 26, 2020 announcing the Offering.

Material change reports (other than confidential reports), business acquisition reports, annual financial statements, interim financial statements, the associated management's discussion and analysis of financial condition and results of operations and all other documents of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and before completion of the distribution of the Units, will be deemed to be incorporated by reference into this Prospectus. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Company and readers should review all information contained in this Prospectus and the documents incorporated or deemed to be incorporated by reference herein.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the statement or document that it modifies or supersedes. The making of such a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Copies of the documents incorporated herein by reference may also be obtained on request without charge from the Chairman of Pasofino Gold Limited, 550 Burrard Street, Suite 2900, Vancouver, British Columbia, V6C 0A3, Telephone: (416) 564-7194.

TECHNICAL INFORMATION

The disclosure in this Prospectus (including in the documents incorporated by reference) of a scientific or technical nature relating to Dugbe gold project (the "**Dugbe Gold Project**") is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in the technical report entitled "Dugbe Gold Project, Liberia NI 43-101 Technical Report" with an Effective Date of August 19, 2020 and a Report Date of September 16, 2020 (the "**Dugbe Gold Technical Report**") in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and other information that has been prepared by or under the supervision of "qualified persons" (as such term is defined in NI 43-101) and included in this Prospectus with the consent of such persons. The Dugbe Gold Technical Report and has been filed on SEDAR and can be reviewed at www.sedar.com. The Company's mineral reserves and mineral resources estimates are classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") adopted by the CIM Council and in accordance with the requirements of NI 43-101.

THE COMPANY

The principal business of the Company is the acquisition, exploration and development of mineral properties. The Company has a right to acquire an interest in one material property, the Dugbe Gold Project, and one non-material property, the Roger Project. The Dugbe Gold Project and Roger Project are exploration properties. The Company is actively exploring for gold on the Dugbe Gold Project.

Dugbe Gold Project

On September 27, 2020, the Company acquired all of the outstanding share capital of ARX Resources Limited (“ARX”), which has an earn-in agreement (the “**Option Agreement**”) with Hummingbird Resources PLC (“**Hummingbird PLC**”) and Hummingbird Resources (Liberia) Inc. (“**Hummingbird Liberia**”) to earn a 49% economic interest (prior to issuance of the Government of Liberia’s 10% carried interest) in the Dugbe Gold Project, which is located in southern Liberia and situated within “Birimian” aged rocks which are host to the majority of West African gold deposits. See “*Recently Completed Acquisition*” below for further information.

When the 10% carried interest is issued by Hummingbird Liberia to the Government of Liberia, the interest of ARX, if earned by ARX in accordance with the terms of the Option Agreement, will be a 44.1% economic interest (consisting of a 39% shareholding interest in Hummingbird Liberia and economic rights in 5.1% of the equity securities of Hummingbird Liberia held by Hummingbird PLC). In addition, in either case, Hummingbird PLC will transfer to ARX 49% of the inter-company loans owing by Hummingbird Liberia to Hummingbird PLC.

In order to earn its interest under the Option Agreement, ARX is required to complete a feasibility study, under joint management committee oversight, on the Dugbe Gold Project, undertake the mutually agreed exploration program, and cover the overhead and operating costs associated with the Dugbe Gold Project during the two year earn-in period.

In addition, ARX is required to fund during the term of the Option Agreement certain payment obligations of Hummingbird Liberia under the mineral development agreement with the Government of Liberia (the “**Mineral Development Agreement**”).

The Dugbe Gold Project is subject to a secured 2% net smelter royalty payable to an affiliate of Anglo Pacific Group PLC (“APG”). This royalty provides that following the date that is six months from the commencement of commercial production in the event that quarterly sales of gold produced are less than 50,000 oz, additional quarterly payments will be required until such time as the cumulative royalty paid is US\$15 million (the maximum total payment in any such quarter is equivalent to the royalty that would have arisen on sales of 50,000 oz of gold). Following this period, the royalty is 2% except where both the average gold price is above US\$1,800 and sales of gold are less than 50,000 oz, in which case it increases to 2.5% in respect of that quarter. US\$15 million is repayable to APG in certain limited circumstances, such as a change in control of Hummingbird Liberia and the concurrent termination of the royalty by APG. Certain events of default under the royalty (e.g. non-payment of the royalty), are secured by legal charges over the assets of Hummingbird Liberia and a legal charge over the shares of Hummingbird Liberia, including the shares of Hummingbird Liberia issuable to ARX under the Option Agreement.

The title of Hummingbird Liberia to the Dugbe Gold Project is held pursuant to the Mineral Development Agreement. The Mineral Development Agreement provides certain stability rights to Hummingbird Liberia and requires Hummingbird Liberia to make certain payments to the Government of Liberia.

The most significant of amounts payable under the Mineral Development Agreement are (i) US\$1.5 million on the grant of a Mining License, (ii) the 10% carried interest of the Government of Liberia, (iii) annual Community Development Fund payments of US\$300,000 until 2023, US\$200,000 until 2029 and US\$250,000 for the remaining term of the Mineral Development Agreement, (iv) 3% royalty on gold to the Government of Liberia, (v) Surface Rentals (exploration phases) payable annually of approximately US\$102,925 and (vi) annual Customs User Fees of US\$300,000 until 2024 on items imported by Hummingbird Liberia and its subcontractors.

Roger Project

The Company has an option to acquire a 50% interest in the advanced-stage Roger Project located approximately 5 kilometres northwest of Chibougamau, Québec, pursuant to a joint venture with SOQUEM Inc. (“SOQUEM”). Under the terms of an option agreement, the Company can earn a 50% undivided interest in the Roger

Project after the Company invests \$2,000,000 in a work program over three years and issues 1,000,000¹ Common Shares to SOQUEM.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated, adjusted to give effect to the Offering, on the share and loan capital of the Company since July 31, 2020, the date of the Company's most recently filed financial statements. This table should be read in conjunction with the Annual Financial Statements and the Interim Financial Statements, and the respective related Annual MD&A and Interim MD&A, that are incorporated by reference in this Prospectus.

	As at July 31, 2020 before giving effect to the Offering	As at July 31, 2020 after giving effect to the Offering	As at July 31, 2020 after giving effect to the Offering and the exercise of the Special Warrants
Common Shares (Authorized: Unlimited)	140,363,795	140,363,795 ⁽¹⁾	173,763,795 ⁽¹⁾ (177,103,795 if adjusted pursuant to the Penalty Provision)
Special Warrants	--	33,400,000	--
Warrants	1,573,333	1,573,333	18,273,333 (19,943,333 if adjusted pursuant to the Penalty Provision)
Broker Options	--	2,171,000	--
Broker Warrants	--	--	2,171,000 (2,388,100 if adjusted pursuant to the Penalty Provision)
Stock Options	275,000	275,000	275,000
Deficit	(\$13,130,867)	(\$13,130,867) ⁽²⁾	(\$13,130,867) ⁽³⁾
Equity Reserves	Nil	Nil	Nil
Total Shareholder's Equity	\$6,279,653	\$16,299,653 ⁽²⁾	\$16,299,653 ⁽³⁾

Notes:

- (1) Subsequent to July 31, 2020, the number of Common Shares increased by 134,860,049 shares upon close of the Company's acquisition of all the issued and outstanding shares of ARX.
- (2) Before deducting the Underwriters' Fee, the Financial Advisory Fee, and the expenses of the Offering, and before deducting the accounting value of the Broker Warrants.
- (3) Before deducting the Underwriters' Fee, the Financial Advisory Fee, the expenses of the Offering, and the qualification for distribution of the Units, and before deducting the accounting value of the Broker Warrants.

USE OF PROCEEDS

The Company has received gross proceeds of \$10,020,000 from the sale of the Special Warrants. The net proceeds to the Company from the Offering is approximately \$9,048,200.90 after deducting the Underwriters' Fee, the Financial Advisory Fee and expenses in connection with the Offering and the estimated expenses of the Company in connection with the qualification for distribution of the Units.

The Company plans to use the net proceeds from the Offering to fund exploration and development work at the Dugbe Gold Project in Liberia in connection with the earn-in arrangement with Hummingbird Resources PLC and for working capital and general corporate purposes as further set out below.

As of the date of this Prospectus, \$838,946 of the proceeds from the Offering have been spent, primarily on preparation for drilling and exploration which is now in effect.

¹ The Company has completed two 3-for-1 Common Share consolidations and the new share equivalent is 111,111.

As of the date of this Prospectus, the working capital of the Company, including the proceeds of the Offering, is \$7,760,804.

Business Objectives and Milestones

Use of net proceeds from the Offering	Amount of proceeds allocated	Milestones for use of proceeds	Timelines by which milestones are expected to occur
Drilling and exploration activities	\$3,442,427.00	Ongoing exploration drilling	Q4 2020 – Q3 2021
Engineering, design, and related costs	\$3,042,922.00	Environmental & social impact assessment and regulatory approval process	Q4 2020 – Q3 2021
Environmental studies and related costs	\$1,881,211.00	Feasibility studies and feasibility option studies	Q4 2020 – Q2 2021
Other project related costs	\$137,255.00	N/A	N/A
Working capital and general corporate purposes	\$544,385.90	N/A	N/A

The Company intends to use the available funds as set forth above based on budgets and consultations with the Board of Directors of the Company. However, there may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. Investors are cautioned that the actual amount the Company spends in connection with each of the intended uses of the proceeds may vary significantly from the amounts specified above and will depend on a number of factors, including those referred to under “Risk Factors” below. See “*Risk Factors – Use of Proceeds*”.

Until utilized for the above purposes, the Company may invest the net proceeds that it does not immediately require in short-term marketable debt securities, cash balances, certificates of deposit, and other instruments issued by banks or guaranteed by the government of Canada. The Chief Financial Officer of the Company is responsible for executing the Company’s investment policies. The Company has no history of revenue from its operating activities. During the three months ended July 31, 2020, the Company had negative cash flow from operating activities. The Company anticipates it will continue to have negative cash flow from operating activities and net losses in future periods unless and until commercial sales are achieved for the Company’s products. A portion of the proceeds from the Offering will be used to fund negative cash flow from operating activities in future periods. See “*Risk Factors – Negative Operating Cash Flow*”.

PLAN OF DISTRIBUTION

This Prospectus is being filed in the each of the Qualifying Jurisdictions to qualify the distribution of 33,400,000 Units issuable upon the exercise or deemed exercise of 33,400,000 Special Warrants issued pursuant to the Offering.

On September 22, 2020, the Company completed the Offering of 33,400,000 Special Warrants pursuant to prospectus exemptions under applicable securities legislation in each of the Qualifying Jurisdictions (and in jurisdictions outside of Canada in compliance with laws applicable therein), on a “bought deal” private placement basis at the Offering Price per Special Warrant, which was determined by arm’s length negotiation between the Company and Lead Underwriter (on behalf of the Underwriters).

The Special Warrants were issued pursuant to the terms of the Special Warrant Indenture. Each Special Warrant entitles its holder to receive, upon exercise or deemed exercise, one Unit, subject to adjustment in certain circumstances at no additional cost. Each Special Warrant is exercisable by its holder at any time after the Closing Date. Each Special Warrant not previously voluntarily exercised by the holder thereof, shall be deemed exercised on behalf of, and without any required action on the part of the holder thereof, on the Automatic Exercise Date. Each Unit consists of one Unit Share and one-half of one Warrant. The Warrants are issuable pursuant to the Warrant Indenture. Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.40 per Warrant until the Expiry Date.

The Company has covenanted to use commercially reasonable efforts to (i) prepare and file a preliminary short form prospectus, qualifying the distribution of the Unit Shares and the Warrants, with the securities regulatory authorities in the Qualifying Jurisdictions, (ii) promptly satisfy all comments of the securities regulatory authorities in the Qualifying Jurisdictions after receipt of such comments, and (iii) prepare and file the Final Prospectus and obtain a final receipt in respect thereof, all as soon as reasonably practicable following the Closing Date, and in any event prior to the Qualification Deadline.

In the event the Qualification Date does not occur on or before the Penalty Date, each outstanding Special Warrant and Broker Warrant shall thereafter entitle the holder to receive upon the exercise thereof, for no additional consideration, 1.1 Units pursuant to the Penalty Provision. This Prospectus also qualifies the distribution of up to 3,557,100 Unit Shares and 1,778,550 Warrants (which includes those underlying the Broker Warrants) issuable pursuant to the Penalty Provision.

Pursuant to the Underwriting Agreement, the Company paid the Underwriters a cash commission equal to 6.5% of the aggregate gross proceeds of the Offering, subject to a reduced fee of up to 2.0% for President's List sales, in addition to the Financial Advisory Fee of \$48,102.27. As additional compensation, the Company also issued to the Underwriters, an aggregate of 2,171,000 Broker Options. Each Broker Option entitles the holder thereof to automatically receive one Broker Warrant, without any additional consideration or further action of the holder, on the Automatic Exercise Date. Each Broker Warrant entitles the holder thereof to purchase one Unit at an exercise price of \$0.30 until the Expiry Date. Each Unit will be comprised of one Broker Underlying Share and one-half of one Broker Underlying Warrant. Each Broker Underlying Warrant shall entitle the holder thereof to acquire one Broker Warrant Share at an exercise price of \$0.40 until the Expiry Date. This Prospectus qualifies the distribution of the Broker Warrants. Pursuant to the terms of the Underwriting Agreement, the Company agreed to reimburse the Underwriters for certain expenses related to the Offering. There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering other than the payments made to the Underwriters in accordance with the terms of the Underwriting Agreement.

The TSXV has approved the Offering and the listing of the Underlying Shares, the Broker Underlying Shares and the Broker Warrant Shares.

Except in respect of certain purchasers of Special Warrants who settled directly with the Company and received physical Special Warrant certificates, the Offering was conducted through the non-certificated inventory system maintained by CDS and the Special Warrants issued pursuant to the Offering were registered and deposited with CDS on the Closing Date in electronic form. Except in respect of holders of Special Warrants holding physical certificates or as otherwise agreed to by a holder of Special Warrants and the Company, the Unit Shares and Warrants to be issued upon exercise or deemed exercise of the Special Warrants and the Warrant Shares to be issued upon the exercise of the Warrants will also be registered and deposited in the non-certificated inventory system of CDS and a purchaser of the Special Warrants will not receive a definitive certificate representing the Unit Shares, Warrants or Warrant Shares.

Pursuant to the Underwriting Agreement, the Company has agreed that it shall not directly or indirectly issue, sell, offer, grant any option or right in respect of any Common Shares or securities convertible or exchangeable into Common Shares (or agree to, or publicly announce any intention to do any of the foregoing) for a period of 120 days following the Closing Date, without the prior written consent of the Lead Underwriter (on behalf of the Underwriters), such consent not to be unreasonably withheld, delayed or conditioned, other than in conjunction with: (i) the Offering; (ii) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plans of the Company existing prior to August 20, 2020 (provided that in the case of new grants, the exercise price of such stock options or compensation arrangement will be no less than the Offering Price); (iii) the issuance of Common Shares upon

the exercise of convertible securities, warrants, options or other commitment or agreement outstanding prior to August 20, 2020.

The Company has also caused its senior officers and directors to enter lock up agreements in favor of the Underwriters, whereby they have agreed that, during the period commencing on the Closing Date and ending 120 days after the Closing Date, it will not, directly or indirectly, sell, offer, grant an option or right in respect of, or otherwise dispose of, or enter into any derivative transaction that has the effect of the foregoing (or agree to or announce any intention to do any of the foregoing), any additional Common Shares or any securities convertible into or exchangeable for such shares, and with respect to the Company, without the prior written consent of the Lead Underwriter (on behalf of the Underwriters), such consent not to be unreasonably withheld or delayed, or pursuant to certain permitted exceptions set out in the lock-up agreements.

The Special Warrants issued under and governed by the Special Warrant Indenture were sold in the Qualifying Jurisdictions through the Underwriters pursuant to exemptions from applicable prospectus and registration requirements. Special Warrants were sold to, or for the account or benefit of, persons in the United States and U.S. Persons through United States registered broker-dealer affiliates of the Underwriters to a limited number of “accredited investors”, as such term is defined in Rule 501(a) of Regulation D under the U.S. Securities Act (“**U.S. Accredited Investors**”) and “qualified institutional buyers”, as such term is defined in Rule 144A under the U.S. Securities Act (“**Qualified Institutional Buyers**”) pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. Special Warrants were also sold in jurisdictions outside of Canada and the United States pursuant to applicable securities law exemptions therein.

The Special Warrants, the Unit Shares, the Warrants and the Warrant Shares have not been, and will not be, registered under the U.S. Securities Act or any state securities laws and the Special Warrants and the Warrants may not be exercised by or on behalf of a U.S. Person or a person in the United States unless an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available. Accordingly, the Unit Shares, the Warrants and the Warrant Shares issued to, or for the account or benefit of, persons in the United States and U.S. Persons will be “restricted securities” (as such term is defined in Rule 144 under the U.S. Securities Act) and may bear appropriate legends evidencing the restrictions on the offering, sale and transfer of such securities.

The Company has agreed, pursuant to the Underwriting Agreement, to indemnify and hold harmless each of the Underwriters and each of their respective affiliates and their respective directors, officers, employees, partners, agents and shareholders their affiliates and directors, officers, employees, shareholders, partners, advisors and agents and each other person, if any, controlling the Underwriters or their affiliates and against certain liabilities, including liabilities under Canadian securities legislation in certain circumstances or to contribute to payments the Underwriters may have to make because of such liabilities.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Description of Special Warrants

The Special Warrants are governed by the terms and conditions set forth in the Special Warrant Indenture. An aggregate of 33,400,000 Special Warrants are outstanding as of the date of this Prospectus. The material terms and conditions of the Special Warrants are summarized below:

- each of the Special Warrants entitles the holder thereof to acquire, for no additional consideration to the Company, one Unit for each Special Warrant, subject to adjustment as provided for in the Special Warrant Indenture;
- in the event the Qualification Date does not occur on or before the Penalty Date, each Special Warrant shall thereafter entitle the holder thereof to receive without payment of any additional consideration or further action on the part of the holder thereof, 1.1 Units (in lieu of 1.0 Unit) upon exercise or deemed exercise thereof;

- the Special Warrants will be deemed to be exercised into the Units on the date which is the earlier of: (i) the second business day following the Qualification Date, and (ii) the Qualification Deadline;
- the Special Warrant Indenture provides for and contains provisions designed to keep the holders of the Special Warrants unaffected by the possible occurrence of certain corporate events, including the amalgamation, merger or corporate reorganization of the Company;
- the holders of Special Warrants do not have any right or interest whatsoever as shareholders of the Company, including but not limited to any right to vote at, to receive notice of, or to attend, any meeting of shareholders or any other proceedings of the Company or any right to receive any dividend or other distribution;
- the rights of holders of Special Warrants may be modified by extraordinary resolution at a meeting of Special Warrant holders or by written resolution. The Special Warrant Indenture provides for meetings by holders of Special Warrants and the passing of resolutions and extraordinary resolutions at such meetings which are binding on all holders of Special Warrants, whether present at or absent from such meetings. Certain amendments to the Special Warrant Indenture may only be made by “extraordinary resolution”, which is defined in the Special Warrant Indenture as a resolution proposed at a meeting of Special Warrant holders duly convened for that purpose at which there are present in person or by proxy at least two (2) Special Warrant holders holding at least 20% of the aggregate number of the then outstanding Special Warrants passed by the affirmative votes of Special Warrant holders holding not less than 66⅔% of the aggregate number of the then outstanding Special Warrants represented at the meeting and voted on the poll upon such resolution or passed by written resolution by Special Warrant holders holding not less than 66⅔% of the aggregate number of the then outstanding Special Warrants;
- Computershare and the Company, without the consent of the holders of Special Warrants, may be able to amend or supplement the Special Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Special Warrant Indenture or in any deed or indenture supplemental or ancillary to the Special Warrant Indenture, provided that, in the opinion of Computershare, relying on the opinion of legal counsel, the rights of the holders of Special Warrants, as a group, are not prejudiced thereby; and
- the Company has agreed to provide to the holders of the Special Warrants a contractual right of rescission. See “*Statutory and Contractual Rights of Withdrawal and Rescission*”.

The foregoing is a summary description of certain material provisions of the Special Warrant Indenture, it does not purport to be a comprehensive summary and is qualified in its entirety by reference to the more detailed provisions of the Special Warrant Indenture between the Company and Computershare, as Special Warrant Agent, a copy of which may be obtained on request without charge from the Company at its registered office or electronically on SEDAR at www.sedar.com.

Common Shares

Each Common Share carries the right to attend and vote at all general meetings of shareholders. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Company’s board of directors at its discretion from funds legally available for the payment of dividends and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Warrants

The Warrants will be governed by the terms and conditions of the Warrant Indenture. The following summary of certain provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference is made to the Warrant Indenture for the full text of the attributes of the Warrants which was filed by the Company under its corporate profile on SEDAR following the closing of the Offering. A register of holders is maintained at the principal offices of Computershare in Vancouver, British Columbia.

The Unit Shares and the Warrants comprising the Units will separate upon issue. Each Warrant will entitle the holder to acquire, one Warrant Share at an exercise price of \$0.40 until the Expiry Date, after which time the Warrants will be void and of no value.

The Warrant Indenture provides for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- (i) the issuance of Common Shares or securities exchangeable or exercisable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of any outstanding warrants or options of the Company);
- (ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;
- (iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable or exercisable for or convertible into Common Shares, at a price per Common Share to the holder (or at an exchange, exercise or conversion price per share) of less than 95% of the “current market price”, as defined in the Warrant Indenture, for the Common Shares on such record date (a “**Rights Offering**”); and
- (v) the issuance or distribution to all or substantially all of the holders of Common Shares of (i) securities of any class, whether of the Company or any other entity (other than Common Shares), (ii) rights, options or warrants to subscribe for or purchase Common Shares (or other securities convertible into or exchangeable for Common Shares), other than pursuant to a Rights Offering, (iii) evidences of its indebtedness, or (iv) any property or other assets.

The Warrant Indenture also provides for adjustments in the class and/or number of securities issuable upon exercise of the Warrants and/or exercise price per security in the event of the following additional events: (a) reclassifications of the Common Shares or exchange or change of the Common Shares into other shares, or capital reorganization of the Company (other than as described in clauses (ii) or (iii) above), (b) consolidations, amalgamations, arrangements, mergers of the Company with or into another entity (other than a consolidation, amalgamation, arrangement, merger or other business combination which does not result in any reclassification of the Company’s outstanding Common Shares or an exchange or change of the Common Shares into other shares), or (c) any sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, in which case each holder of a Warrant which is thereafter exercised will receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Warrants prior to the event.

The Company has covenanted in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, not less than 14 days prior to such applicable record date or effective date, as the case may be, of such events.

No fractional Common Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant Indenture. Holders of Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

The Warrant Indenture provides that, from time to time, Computershare and the Company, without the consent of the holders of Warrants, may be able to amend or supplement the Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Warrant Indenture or in any deed or indenture supplemental or ancillary to the Warrant Indenture, provided that, in the opinion of Computershare, relying on the opinion of legal counsel, the rights of the holders of Warrants, as a group, are not prejudiced thereby.

The Warrant Indenture contains provisions making binding upon all holders of Warrants resolutions passed at meetings of such holders in accordance with such provisions or by instruments in writing signed by holders of Warrants holding a specified percentage of the Warrants. Any amendment or supplement to the Warrant Indenture that is prejudicial to the interests of the holders of Warrants, as a group, and certain other amendments or other actions, will be subject to approval by an “Extraordinary Resolution”, which is defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66^{2/3}% of the aggregate number of Warrants represented at the meeting in person or by proxy and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66^{2/3}% of the number of all of the then outstanding Warrants.

The Warrants and the Warrant Shares have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state of the United States. The Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, unless the holder: (i) (A) is a Qualified Institutional Buyer that first purchased Special Warrants on the date of original issuance of the Special Warrants by the Company, or (B) is a U.S. Accredited Investor that first purchased Special Warrants on the date of original issuance of the Special Warrants by the Company and that signs and delivers an exercise form in the form attached to the Warrant Indenture confirming that the representations, warranties and covenants of the holder set forth in the original subscription agreement with the Company continue to be true and correct; or (ii) delivers an opinion of counsel or other evidence reasonably satisfactory to the Company to the effect that the exercise of the Warrants and the issuance of the Warrant Shares are exempt from registration under the U.S. Securities Act and any applicable U.S. state securities laws. The Warrants issued to, or for the account or benefit of, persons in the United States and U.S. Persons upon exercise of the Special Warrants will be “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and may be offered, sold, pledged or otherwise transferred only pursuant to an applicable exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws (and in compliance with the provisions of the Warrant Indenture and the terms of the original subscription agreement with the Company, if applicable).

The principal transfer office of Computershare in Vancouver, British Columbia is the location at which Warrants may be surrendered for exercise or transfer.

PRIOR SALES

The following table sets forth the details regarding all issuances of Common Shares, including issuances of securities convertible or exchangeable into Common Shares, during the twelve-month period prior to the date of this Prospectus.

Issuance Date	Type of Securities	Price per Security	Number of Securities
January 8, 2020	Common Shares	\$0.12	27,778
April 30, 2020	Options	\$0.05	275,000
May 25, 2020	Common Shares	\$0.05	120,000,000
June 8, 2020	Common Shares	\$0.11	2,727,272
May 1 to July 31, 2020	Common Shares	Exercise of warrants ⁽¹⁾	4,426,667
August 11, 2020	Common Shares	Exercise of warrants ⁽²⁾	100,000
August 18, 2020	Common Shares	Exercise of warrants ⁽²⁾	270,000
September 17, 2020	Common Shares	Share exchange ratio ⁽³⁾	134,860,049
September 22, 2020	Special Warrants ⁽⁴⁾	\$0.30	33,400,000
September 22, 2020	Broker Options ⁽⁵⁾	Underwriters' commission ⁽⁵⁾	2,171,000

Notes:

- (1) 4,426,667 warrants were exercised for aggregate gross proceeds of \$531,200.
- (2) Common share purchase warrants were exercised at a price of \$0.12 per Common Share.
- (3) Shares issued in connection with the Company's acquisition of ARX at a ratio of 5.1578 shares of the Company for each outstanding share of ARX.
- (4) Each Special Warrant consists of one Unit.
- (5) Each Broker Option consists of one Broker Warrant.

TRADING PRICE AND VOLUME

The Common Shares are listed on the TSXV under the symbol VEIN. On December 1, 2020, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was \$0.18. The following table sets out the high and low trading price, and volume of trading on a monthly basis, of the Common Shares on the TSXV from December 1, 2019 to December 1, 2020 (Source: TMX Data):

Month	High (\$)	Low (\$)	Volume
December 2019	0.095	0.085	82,637
January 2020	0.12	0.07	489,654
February 2020	0.075	0.045	381,342
March 2020	0.055	0.035	967,861
April 2020	0.09	0.04	609,187
May 2020	0.29	0.065	5,513,427
June 2020	0.28	0.19	3,425,109

Month	High (\$)	Low (\$)	Volume
July 2020	0.41	0.20	5,544,637
August 2020	0.42	0.31	5,987,356
September 2020	0.32	0.23	1,514,502
October 2020	0.22	0.15	1,707,403
November 2020	0.22	0.15	2,625,258
December 1, 2020	0.20	0.18	66,111

RECENTLY COMPLETED ACQUISITION

On September 17, 2020, the Company acquired all of the outstanding share capital of ARX, which has the Option Agreement with Hummingbird PLC and Hummingbird Liberia to earn a 49% economic interest (prior to issuance of the Government of Liberia's 10% carried interest) in the Dugbe Gold Project.

Pursuant to the transaction, the Company issued an aggregate of 134,860,049 Common Shares (the "Consideration Shares") to the shareholders of ARX (the "Vendors"). The Consideration Shares issued to the Vendors will be subject to a two-year contractual lock-up, released in 25% installments every six months, with the release of the first 25% of the Consideration Shares to occur six months from closing of the ARX acquisition. Prior to the closing, the Company advanced approximately US\$2.2 million to ARX pursuant to a secured loan in order to fund the deposit of US\$2 million required under the Option Agreement and to cover certain expenses related to the Dugbe Gold Project.

In addition to the Dugbe Gold Project, Hummingbird Liberia has exercised its option to acquire the "Central License" located and encompassed centrally within the Dugbe Gold Project. The Company has an earn-in option for a 49% economic interest into the Dugbe Gold Project (prior to the issuance of the Government of Liberia's 10% carried interest) once defined feasibility studies and exploration commitments have been met.

RISK FACTORS

An investment in the securities of the Company is speculative and subject to risks and uncertainties. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position, financial condition or operating results of the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations.

Prospective investors should carefully consider all information contained in this Prospectus, including all documents incorporated by reference, and in particular should give special consideration to the risk factors under the section titled "Risk Factors" in the Annual Information Form, which is incorporated by reference in this Prospectus and which may be accessed on the Company's SEDAR profile at www.sedar.com, and the information contained in the section entitled "Cautionary Statement Regarding Forward-Looking Information". Additionally, purchasers should consider the risk factors set forth below.

The risks and uncertainties described or incorporated by reference in this Prospectus are not the only ones the Company may face. Additional risks and uncertainties that the Company is unaware of, or that the Company currently deems not to be material, may also become important factors that affect the Company. If any such risks actually occur, the Company's business, financial condition or results of operations could be materially adversely affected, with the result that the trading price of the Common Shares could decline and investors could lose all or part of their investment.

Risks Related to the Offering

Use of Proceeds

The Company intends to use the net proceeds from the Offering as described under "Use of Proceeds". However, management will have discretion in the actual application of the proceeds, and may elect to allocate proceeds differently from that described under "Use of Proceeds" if it believes that it would be in the best interests of the

Company to do so or if circumstances change. Management may spend a portion or all of the net proceeds from the Offering in ways that shareholders of the Company may not desire or that may not yield a significant return or any return at all. Purchasers may not agree with the manner in which management chooses to allocate and spend the use of proceeds. The failure by management to apply these funds effectively could have a material adverse effect on the business of the Company.

Negative Operating Cash Flow.

The Company has no history of revenue from its operating activities. During the three months ended July 31, 2020, the Company had negative cash flow from operating activities. The Company anticipates it will continue to have negative cash flow from operating activities and net losses in future periods unless and until commercial sales are achieved for the Company's products. A portion of the proceeds from the Offering will be used to fund negative cash flow from operating activities in future periods.

Dilution

Upon the exercise or deemed exercise of the Special Warrants, shareholders of the Company will suffer immediate dilution. The Company may issue additional securities in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of further issuances. Moreover, additional Common Shares will be issued by the Company on the exercise of options under the Company's stock option plan and upon the exercise of outstanding warrants, including the Warrants, Broker Warrants and Broker Underlying Warrants.

Market Price of Common Shares

The trading prices of TSXV-listed companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada, North America and globally, and market perceptions of the attractiveness of particular industries. The trading price of the Common Shares is also likely to be significantly affected by changes from time to time in the Company's operating results, financial condition, liquidity and other internal factors. If a holder of Common Shares sells its Common Shares, the price received may be more or less than the original investment. The Common Shares may trade at a discount from their book value or at a price that is less than the Offering Price.

No Market for Warrants

The Company has not applied to list the Warrants on the TSXV. There is currently no market through which the Warrants may be sold. Accordingly, the purchasers may not be able to resell the Warrants qualified under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. Moreover, following the issuance of the Warrants upon the exercise or deemed exercise of the Special Warrants, the market value of the Warrants, if any, is uncertain and there can be no assurance that the market value of the Warrants will equal or exceed their imputed offering price. There can be no assurance that the market price of the Common Shares will ever equal or exceed the exercise price of the Warrants, and consequently, whether it will ever be profitable for holders of the Warrants to exercise the Warrants.

Holders of Special Warrants and Warrants Have no Rights as a Shareholder

Until a holder of Special Warrants or Warrants acquires Unit Shares or Warrant Shares, respectively, upon the due exercise of Special Warrants or Warrants, such holder will have no rights with respect to the Unit Shares or Warrant Shares underlying such Special Warrants or Warrants, respectively. Upon due exercise of such Special Warrants or Warrants, such holder will be entitled to exercise the rights of a holder of Common Shares only as to matters for which the record date occurs after the exercise date.

EXPERTS

Scientific or technical information in this Prospectus that relates to the Dugbe Gold Project has been reviewed and approved by Martin Pittuck, CEng, FGS, MIMMM, a Corporate Consultant (Mining Geology) with SRK Consulting (UK) Limited. Mr. Pittuck is a qualified person as defined by NI 43-101.

Andrew Pedley, a full-time consultant of Pasofino, reviewed and approved the disclosure related to the Dugbe Gold Project in the Annual Information Form. Mr. Pedley is a member in good standing with the South African Council for Natural Scientific Professions (SACNASP) and is a qualified person as defined by NI 43-101

Laury Schmitt, Eng., of SOQUEM, is a qualified person as defined by NI 43-101 and has reviewed and approved the scientific and technical information incorporated by reference in this Prospectus as it relates to the Roger Project.

As of the date hereof, none of Mr. Pittuck, Mr. Pedley, nor Mr. Schmitt beneficially own more than one percent of the outstanding Common Shares of the Company.

AUDITORS, TRANSFER AGENT, REGISTRAR AND WARRANT AGENT

The auditors of the Company are McGovern Hurley LLP, Chartered Professional Accountants, Toronto, Ontario. McGovern Hurley LLP is independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. and the warrant agent for the Warrants is Computershare Trust Company of Canada at its principal offices in Vancouver, British Columbia.

LEGAL MATTERS

Certain legal matters in connection with this Offering will be passed upon by Fasken Martineau DuMoulin LLP, on behalf of the Company, and by Cassels Brock & Blackwell LLP on behalf of the Underwriters. As at the date hereof, the partners and associates of Fasken Martineau DuMoulin LLP, as a group, other than Krisztian Toth, and the partners and associates of Cassels Brock & Blackwell LLP, as a group, each beneficially own, directly or indirectly, less than one percent of the outstanding Common Shares of the Company. Krisztian Toth, Chairman and Director of the Company, currently holds 3,000,000 Common Shares, representing 1.09% of the outstanding share capital of the Company.

STATUTORY AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, revisions of the price or damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this short form prospectus is limited, in certain provincial securities legislation, to the price at which the Warrants are offered to the public under the Offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the Warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

Pursuant to the terms of the Underwriting Agreement, the Special Warrant Indenture, and the subscription agreements between the Company and the purchasers of Special Warrants, the Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires Units on the exercise or deemed exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this prospectus or an amendment to this prospectus containing a misrepresentation, (a) the holder is entitled to rescission of both the holder's exercise or deemed exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrant, and (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

The contractual rights of action described above are in addition to and without derogation from any other right or remedy that a purchaser of Special Warrants may have at law.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

John Sanders, Chief Operating Officer and a director of the Company, and Ian Stalker, President and Chief Executive Officer – Africa, reside outside of Canada. Mr. Sanders and Mr. Stalker have appointed the following agent for service of process: Pasofino Gold Limited, 550 Burrard Street, Suite 2900, Vancouver, British Columbia, V6C 0A3. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

CERTIFICATE OF THE COMPANY

Dated: December 2, 2020

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the Provinces of British Columbia, Alberta, Ontario, New Brunswick and Nova Scotia.

(Signed) "Stephen Dunn"
Chief Executive Officer

(Signed) "Lincoln Greenidge"
Chief Financial Officer

On Behalf of the Board of Directors

(Signed) "Krisztian Toth"
Director

(Signed) "Darryl Levitt"
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: December 2, 2020

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the Provinces of British Columbia, Alberta, Ontario, New Brunswick and Nova Scotia.

STIFEL NICOLAUS CANADA INC.

(Signed) "Matthew Gaasenbeek"
Co-Head, Investment Banking

BEACON SECURITIES LIMITED

(Signed) "Justin Gilman"
Vice President, Investment Banking

CLARUS SECURITIES INC.

(Signed) "Robert Orviss"
Managing Director

PI FINANCIAL CORP.

(Signed) "Dan Barnholden"
Managing Director, Co-Head of Investment
Banking

EIGHT CAPITAL

(Signed) "John Sutherland"
Managing Director, Investment Banking

HAYWOOD SECURITIES INC.

(Signed) "Kevin Campbell"
Managing Director, Investment Banking