



P A S O F I N O G O L D

ANNUAL INFORMATION FORM

For the year ended April 30, 2020

Pasofino Gold Limited
550 Burrard St Suite 2900
Vancouver, British Columbia V6C 0A3

Dated: November 9, 2020

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PRELIMINARY NOTES AND CAUTIONARY STATEMENTS

Date of Information

In this Annual Information Form (“AIF”), information is given as at April 30, 2020, unless stated otherwise.

Currency and Exchange Rates

All currency references in this AIF are in Canadian dollars unless otherwise indicated. Reference to “US dollars” or the use of the symbol “US\$” refer to United States dollars.

Forward-Looking Information

This AIF may contain “forward-looking information”, as defined in applicable Canadian securities legislation. Forward-looking information typically contains statements with words such as “plans”, “expects”, “anticipates”, “budgets”, “forecasts”, “strategy”, “goals”, “objectives”, “could”, “would”, “should”, “may”, “might”, “intends”, “believes”, “potential”, “target”, “targeting” or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information is based on the current estimates, opinions and beliefs of Pasofino Gold Limited (“**Pasofino**” or the “**Company**”), as well as various assumptions and information currently available to Pasofino. Although Pasofino believes the expectations expressed in such forward-looking information are based on reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. Forward-looking information in this AIF includes, among other things, the ability to raise the funds to finance the Pasofino’s ongoing business activities including the earning into, and acquisition of, mineral projects, statements regarding Pasofino’s business objectives and strategies, plans and expectations for exploration and development of Pasofino’s mineral projects, including those described under the heading “*Description of the Business - Mineral Projects - Objectives and Strategic Plan*” and the impact of COVID-19 on the Pasofino’s future cash flows. 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 Pasofino and its subsidiaries as a going concern, general economic and market conditions, mineral prices, and the accuracy of mineral resource estimates (“**MREs**”).

Factors that could cause actual results to differ materially from those in forward-looking information include the effects of the global COVID-19 pandemic, fluctuation in commodity prices, operating hazards and risks, availability of funding, uncertainty of feasibility and other studies, uncertainty in the calculation of mineral reserves, resources and metal recovery estimates, exploration risk, dependence on adequate infrastructure, inaccuracies in production and cost estimates, future exploration and development activities, substantial environmental and reclamation costs, community and government relations, liquidity, price and volume volatility and market price fluctuations, dependence on key employees and ability to meet contractual obligations under options and joint ventures. For additional information with respect to risk factors applicable to Pasofino, reference should be made to the section in this AIF entitled “*Description of the Business - Risk Factors*”, as well as Pasofino’s continuous disclosure materials filed from time to time with Canadian securities regulatory authorities, including, but not limited to, Pasofino’s annual and interim management discussion and analysis.

Any financial outlook or future-oriented financial information in this AIF, as defined by applicable securities legislation, has been approved by management of Pasofino as of the date of this AIF. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management’s current expectations and plans relating to the future. Readers are cautioned that such outlook or information should not be used for purposes other than for which it is disclosed in this AIF.

The forward-looking information contained in this AIF are made as of the date of this AIF and Pasofino does not undertake to update publicly or revise the forward-looking information contained in this AIF, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Technical Information

Laury Schmitt, Eng., of SOQUEM Inc. (“**SOQUEM**”), is a qualified person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) and has reviewed and approved the scientific and technical information contained in this AIF as it relates to the Roger Gold-Copper project (the “**Roger Project**”).

Scientific or technical information in this disclosure that relates to the Dugbe gold project (the “**Dugbe Gold Project**”) has been reviewed and approved by Andrew Pedley. Mr. Pedley is a full-time consultant of Pasofino Gold Ltd. He 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.

Abbreviations

Precious Metals		Measurements	
Ag	Silver	g/t	grams per tonne
Au	Gold	Kt	thousand tonnes
		Mt	million tonnes
		Mt/a	million tonnes per annum
		t/d	tonnes per day
		t/m ³	tonnes per cubic metre
		m	metres
		oz	ounces
		Koz	thousand ounces
		Moz	million ounces
		ppb	parts per billion
		ppm	parts per million
Base Metals			
Co	Cobalt		
Cu	Copper		
Mo	Molybdenum		
Ni	Nickel		
Pb	Lead		
Pd	Palladium		
Zn	Zinc		
Other			
AgEq	silver equivalent		
AuEq	gold equivalent		

CORPORATE STRUCTURE

Pasofino Gold Limited (formerly Enforcer Gold Corp.) was incorporated on August 18, 2010 under the *Business Corporations Act* (British Columbia) (“**BCBCA**”). On January 31, 2013, Pasofino entered into an agreement to acquire all the issued and outstanding common shares of Bethlehem Iron Ore Corp., a private company incorporated in Nevada. On April 19, 2013, Pasofino completed its qualifying transaction under the policies of the TSX Venture Exchange (“**TSXV**”), and as a result, Pasofino ceased to be a capital pool company and commenced trading as a Tier 2 Mining Issuer on the TSXV under the new trading symbol “**NRL.V**”. In early 2017, the ticker was changed to “**VEIN**”.

The principal business of Pasofino is the acquisition, exploration and development of mineral properties.

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

As at April 30, 2020, the Company had no subsidiaries. Following completion of all the shares of ARX Resources Limited (“**ARX**”) on September 17, 2020, Pasofino has one direct wholly-owned subsidiary, being ARX, which is incorporated under the laws of the British Virgin Islands.

GENERAL DEVELOPMENT OF THE BUSINESS

Pasofino is a Canadian-based mineral exploration company and trades on the TSXV under the symbol VEIN and on the Frankfurt Exchange under the symbol N07.

Pasofino has an option to acquire a 50% interest in the advanced-stage Roger Project located 5 kilometres northwest of Chibougamau, Québec.

In addition, on September 27, 2020, Pasofino acquired all of the outstanding share capital of 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. 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.

The following is a description of the general development of Pasofino’s business over the last three financial years. Pasofino’s history prior to 2018 is available on the Company’s profile on SEDAR (www.sedar.com).

Year Ended April 30, 2020

On June 20, 2019, the Company announced that it planned to consolidate its issued and outstanding common shares (the “**Common Shares**”) on the basis of one post-consolidation Common Share for every three pre-consolidation Common Shares. The consolidation took effect on July 25, 2019.

On August 14, 2019, the Company announced a proposed private placement of up to 6,000,000 units at a price of \$0.075 per unit. The private placement closed on September 13, 2019.

On October 7, 2019, the Company announced the final drill results from the Phase 2 drilling program at the Roger Project in Québec. Results can be found in the news release dated that day on the Company’s website.

On October 15, 2019, the Company changed its name from Enforcer Gold Limited to Pasofino Gold Limited.

On February 28, 2020, Fiona Fitzmaurice resigned as Chief Financial Officer of the Company. Stephen Dunn, director, was appointed interim Chief Financial Officer and Darryl Levitt was also appointed as a director.

On April 30, 2020, the Company announced a private placement of \$6 million of Common Shares at a price of \$0.05 per share and also announced the appointment of Krisztian Toth as a director and Chairman of the Board. On May 25, 2020, the Company announced the completion of the \$6 million offering.

On June 8, 2020, the Company announced a private placement of \$300,000 of Common Shares at a price of \$0.11 per share.

On June 11, 2020, the Company announced the entering into of an exclusivity agreement to acquire all the shares of ARX, and on July 9, 2020, the Company announced the execution of a definitive agreement to acquire all the shares of ARX.

On August 21, 2020, the Company announced a \$10,020,000 bought deal private placement led by Stifel GMP involving the issuance of 33,400,000 special warrants (a “**Special Warrant**”) at a price of \$0.30 per special warrant (the “**Offering**”), with each special warrant being comprised of one unit (a “**Unit**”). Each Unit consists of one (1) Common Share (a “**Unit Share**”) and one-half (0.5) of one common share purchase warrant (each whole common share purchase warrant, a “**Warrant**”). Each Warrant will entitle the holder thereof to purchase one Common Share (a “**Warrant Share**”) at a price of \$0.40 for a period of 12 months following September 22, 2020 (the “**Closing Date**”). The Special Warrants shall be deemed exercised on behalf of, and without any required action on the part of, the holders (including payment of additional consideration) on the earlier of: (i) the second business day following the date on which a 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 qualifying for distribution the Unit Shares and Warrants underlying the Special Warrants (the “**Qualification Date**”); and (ii) 4:59 p.m. (Vancouver time) on the date which is four months and a day following the Closing Date. In the event the Qualification Date has not occurred on or before the date that is three (3) months following the Closing Date, each Special Warrant shall thereafter entitle the holder to receive, upon the exercise or deemed exercise of each Special Warrant, for no additional consideration, 1.10 Units.

On September 17, 2020, the Company announced the completion of the acquisition of ARX and the issuance of 134,860,049 Common Shares to the shareholders of ARX. The Common Shares issued to the ARX Vendors are subject to a lock-up agreement which provides that such Common Shares are released in equal 25% increments every six months, with the first release to occur March 17, 2021 (such Common Shares the “**Locked-Up Shares**”).

On September 22, 2020, the Company announced the closing of the Offering.

On September 24, 2020 the Company announced that it selected the drilling contractor for the Dugbe Gold Project and appointed the consultants to lead the Feasibility Study on the Dugbe Gold Project.

On September 30, 2020, the Company announced the appointment of John Sanders as the Chief Operating Officer and as a director of the Company and the appointments of Ian Stalker as President and Chief Executive Officer - Africa and Steven Dunn as Chief Executive Officer - North America.

On October 20, 2020, Pasofino announced commencement of the Exploration Program on the Dugbe Gold Project.

Year Ended April 30, 2019

On August 17, 2018, Pasofino announced its election not to proceed with the option agreement with Globex Mining Enterprises Inc. (“**Globex**”) to earn a 100% interest in the Montalembert gold project (the “**Montalembert Gold Project**”) and provided 90 days written notice to Globex to terminate the option, effective November 15, 2018. The Montalembert Gold Project is located 125 kilometres west of Chibougamau and 230 kilometres northeast of Val d’Or in the Abitibi greenstone belt of central Québec.

On September 18, 2018, Pasofino and SOQUEM announced an updated and revised MRE prepared by GeoPointCom of Val-d’Or, Québec. See “*Mineral Projects - The Roger Project*”.

On October 29, 2018 the Company announced that it planned to consolidate its issued and outstanding Common Shares on the basis of one post-consolidation Common Share for every three pre-consolidation Common Shares. The consolidation took effect on November 26, 2019.

On January 23, 2019, Steve Roebuck resigned as President, Chief Executive Officer and director of the Company. Stephen Dunn, director, was appointed Chief Executive Officer and Edward Milewski was also appointed as a director. The Company also announced that it was no longer pursuing the Red Lake property acquisition, nor the proposed financing announced on October 29, 2018.

Year Ended April 30, 2018

On September 1, 2017, the Company formerly terminated the option agreement dated July 26, 2016 entered into by the Company with Critical Elements Corporation (“**Critical Elements**”) to acquire up to a 70% interest in the Duval lithium property (the “**Duval Property**”).

In February 2018, the Company acquired a 100% interest in its Waswanipi Gold Project, a 19,352-hectare (47,818-acre) property that adjoins to the west and northeast of the Montalembert property (the “**Montalembert Property**”). The land position covers a classic Abitibi greenstone belt sequence of deformed intermediate to mafic volcanics, felsic to mafic intrusive rocks and feldspar porphyry. Based on government assessment files, very limited exploration for gold has been conducted over the project area. Of this land package, Globex retains a 1.5% net smelter royalty on all claims acquired within 3 kilometres of the external boundary of the Montalembert Property.

DESCRIPTION OF THE BUSINESS

General

The principal business of Pasofino is the acquisition, exploration and development of mineral properties. Pasofino has a right to acquire an interest in two material properties: the Dugbe Gold Project, and the Roger Project, each as further described below under “*Mineral Projects*”. The Roger Project and Dugbe Gold Project are exploration

properties and are being explored by Pasofino for gold and copper, and gold deposits, respectively.

Products

The Company is in the mineral exploration business, does not have any marketable products at this time and is not distributing any products at this time. In addition, the Company does not know when or if it will fully earn into its properties, and if they do so earn in, when and if its properties will reach the development stage and if so, what the estimated costs would be to reach commercial production.

Specialized Skill and Knowledge

As a company focused on mineral exploration, development and production, Pasofino requires specialized skills and knowledge in many areas, including geology, drilling, logistical planning and implementation of exploration and development programs. It may be difficult to locate and retain qualified employees and consultants due to increased activity in the resource mining industry, which may affect Pasofino's activities.

Competitive Conditions

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. In the event that Pasofino intends to acquire additional properties in connection with its exploration and development activities, it will be in competition with other mining companies. Competitors for these interests may have greater financial resources and technical facilities than Pasofino. As a result, Pasofino may not be able to acquire desired properties in the future on acceptable terms. Pasofino also competes with other mining companies to attract and retain qualified employees.

A number of companies have been engaged in exploration in Liberia in recent years. Recently there has been increased investment activity in Liberia and there is accordingly increased competition for mining services, plant and machinery. There can be no assurance that the Company will be able to successfully compete against such companies.

Raw Materials

The raw materials and services that are required by Pasofino to carry on its business are available through normal supply or business contracting channels. Due to increased mineral exploration activity, certain services may be difficult to procure. This may result in delays or increased costs in connection with undertaking exploration and development activities on Pasofino's projects.

Cycles

The precious metals mining business is subject to mineral price cycles and the marketability of minerals and mineral concentrates is also affected by worldwide economic cycles.

Changes to Contracts and Sub-Contracts

It is not expected that the business of Pasofino will be affected in the current financial year by the renegotiation or termination of contracts or sub-contracts.

Environmental Protection

The exploration and development activities of Pasofino are subject to environmental regulations in the jurisdictions where its properties are located, including requirements for environmental baseline studies and environmental assessments, which may materially affect Pasofino's operations, and in turn, its capital expenditures, profit, loss or competitive position.

Employees

There are no employees of the Company.

Foreign Operations

The Corporation is partly dependent upon foreign operations due to the fact that one of its earn-in exploration projects is located in Liberia.

Bankruptcy and Similar Procedures

There are no bankruptcies, receivership or similar proceedings against Pasofino or any of its subsidiaries, nor is Pasofino aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceedings by Pasofino nor any of its subsidiaries since incorporation.

Social or Environmental Policies

The Company has no social or environmental policies that are fundamental to the to its operations.

Mineral Projects

As of the date of this AIF, the Company has two material mineral projects, being the Dugbe Gold Project, located in Liberia, and the Roger Project, located in Canada. Below is a summary of each respective project:

	Roger Project	Dugbe Gold Project
Location	Canada	Liberia
Earn-in Agreement Potential Ownership	50%	49% ⁽¹⁾
Primary metal	Gold	Gold
Secondary metal	Copper	N/A
Status	Exploration – Earn In	Exploration – Earn In

Note:

- 1) Prior to the issuance to the Government of Liberia of its 10% carried interest. After issuance of the 10% carried interest to the Government of Liberia, ARX can earn 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, Hummingbird PLC will transfer to ARX 49% of the inter-company loans owing by Hummingbird Liberia to Hummingbird PLC.

The Dugbe Gold Project

ARX is party to the Option Agreement whereby, in accordance with the Option Agreement, ARX is entitled to earn a 49% interest (not including the 10% carried interest issuable to the Government of Liberia) in Hummingbird Liberia, which owns 100% of the Dugbe Gold Project and is subject to various conditions. These include the payment by ARX to Hummingbird Liberia of a non-refundable deposit of US\$2 million (“**Deposit**”) with the Deposit funds to be used in connection with the Dugbe Gold Project. When the 10% carried interest is issued by Hummingbird Liberia to the Government of Liberia, the interest to be earned or held by ARX 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, 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 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 2022, US\$200,000 until 2027 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.

The technical information in this section regarding the Dugbe Gold Project is extracted from 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**”) prepared by SRK Consulting (UK) Limited (“**SRK**”). Martin Pittuck, the coordinating author of the Dugbe Gold Technical Report, is a “qualified person” and “independent” of the Company, as these terms are defined in NI 43-101.

The following summary text has been reproduced from the Dugbe Gold Technical Report and the Dugbe Gold Technical Report is incorporated into this AIF by reference. The full text of the Dugbe Gold Technical Report is available for review on SEDAR at www.sedar.com under the Company’s profile. Supplementary information regarding this disclosure is contained in the notes at the end of the summary below.

1.1 Overview

SRK Consulting (UK) Limited (“**SRK**”) is an associate company of the international group holding company, SRK Consulting (Global) Limited (the “**SRK Group**”). SRK has been asked by Pasofino Gold Limited (“**Pasofino**” or the “**Client**” or the “**Issuer**”), a TSX Venture exchange listed entity (TSXV: VEIN), to prepare an up-to-date NI 43-101 Technical Report for the 2,355 km² Dugbe Gold Project (“**the Project**”) in Liberia, West Africa. The Project comprises the Tuzon deposit, (“**Tuzon**”), the Dugbe F deposit (“**Dugbe F**”) and several gold ‘prospects’.

Pasofino recently announced their agreement to wholly acquire ARX Resources Limited (“**ARX**”). In turn, ARX has an agreement to earn a 49% economic interest in the Project over a two-year period. Key elements of the earn-in include the delivery of a Definitive Feasibility Study (“**DFS**”) within the two-year period, as well as increasing the Mineral Resources at the Project. ARX will make an initial USD2M payment with a further investment of at least USD8M over a two-year period to complete a USD10M exploration and resource expansion programme and a Feasibility Study for the Project; all under the management of ARX. The Feasibility Study will consider gold production from both the Tuzon and Dugbe F deposits.

SRK visited the site and produced a Mineral Resource Estimate (“**MRE**”) for Tuzon in March 2014 on behalf of Hummingbird. Since that time no further work has been conducted at Tuzon. SRK updated the Tuzon MRE in July 2020, in line with current long-term gold price forecasts.

CSA Global (South Africa) Pty Limited (“**CSA**”) produced an MRE for the Dugbe F deposit in July 2020. SRK has audited the CSA MRE for Dugbe F and has reviewed the ARX description of exploration targets in order to take responsibility for the Technical Report for the overall Project with an effective date of 19 August 2020.

1.2 Project Description and Location

The Project is located in south-eastern Liberia, about 60 km east of Greenville and about 240 km southeast of the capital Monrovia, see Figure 1-1. The combined Project covers an area of 2,355 km² and is defined within a single Mineral Development Agreement (“MDA”), issued to Hummingbird in January 2019, valid for 25 years. The centre of the Project has an approximate latitude of 5.093° and longitude of -8.502°. The Tuzon and Dugbe F deposits are approximately 4 km apart. The Sackor prospect is located 2.5 km SW of Dugbe F.



Figure 1-1: Location of the Project area in Liberia

1.3 Geology and Mineralisation

The Project is located close to the suspected boundary between the Archaean-aged Liberian Province and the Paleoproterozoic Eburnean Metamorphic Terrane (2.2-2.0 Ga), which is generally considered to be contemporaneous with the Birimian rocks (2.2-1.9 Ga) in the rest of West Africa. Probable interleaving of Archean and Birimian supracrustals during the Eburnean Orogeny further complicates the interpretation.

The Dugbe Shear Zone (“DSZ”) is a major WSW-ENE oriented shear zone that crosses the area and is thought to have been an important control on gold mineralisation in the area. The Tuzon and Dugbe F deposits occur 0.5 and 2 km to the north of the DSZ, respectively.

The gold mineralisation at Tuzon and Dugbe F is hosted by granulite-facies, orthopyroxene gneiss and predominantly localised within a single layer, sub-parallel to the contact with adjacent feldspar-biotite gneiss or orthopyroxene-garnet gneiss. The deposits are cross-cut by at least two distinct phases of pegmatitic dyke. The gold mineralisation is typically hosted by orthopyroxene-gneiss and is spatially associated with elevated levels of sulphide; principally pyrrhotite and arsenopyrite. The gold mineralogy consists of four main types; electrum (Au, Ag), gold amalgam (Au, Ag, Hg), native gold and maldonite (Au₂Bi).

The Dugbe F deposit has a surface footprint of approximately 3,400 m by 1,500 m, with a dominant strike direction of 020°. The mineralisation outcrops over most of this strike length, along the western parts of the deposit. The mineralised zone comprises a generally gently southeast dipping (5°- 20°) tabular unit characterised by occasional “rolls” or undulations. The

mineralised zone ranges in thickness from less than 1 m to 25 m, averaging 6 m. It thickens and thins, both along strike and down dip but displays good geological continuity overall.

The overall form of the Tuzon deposit is that of a SW plunging refolded recumbent fold, with closure at the northeast end. The average plunge over the length of the deposit is approximately 12°. It has a length of approximately 1,800 m and an average strike of 030°. The mineralised footprint is typically over 150 m and up to 375 m wide. The deposit outcrops at surface over much of the strike length. The deepest part of the current deposit model is 350 m below surface. The refolded contact closes at the northeast end of the deposit where the mineralisation outcrops. The western fold limb is approximately 1,800 m in length and between 10 m and 30 m thick and the eastern fold limb is 1,000 m in length and between 30 m and 120 m thick. Four other smaller lenses also occur in the central and southern part of the deposit parallel to the western limb of the deposit as selvages of orthopyroxene gneiss within the feldspar-biotite gneiss. Within the major fold limbs, the mineralisation is divided into high grade (>0.8 g/t Au) zones within a surrounding low grade (0.3-0.8 g/t Au) domain.

The oxidation profile at both deposits has an average thickness of less than 5 m and there is no documented transitional/saprolitic zone.

At the Sackor Prospect, the gold mineralisation is also hosted by sulphide-bearing orthopyroxene gneiss interpreted as an overturned fold with closure to the southeast. In the absence of drilling, the geology of the other prospects is less well understood.

1.4 Deposit types

The deposit type is different from others in the region. It may be broadly classified as a highly metamorphosed ‘orogenic type’ gold deposit although it is atypical in some respects (CSA, 2020), particularly the high metamorphic grade of the host rocks and lack of visible structure- related control on this mineralisation, and the apparent absence of well-developed alteration assemblages. The deposits are relatively stratiform, largely hosted by a single lithology. The deposits may more appropriately be compared to granulite facies gold deposits, which are known from cratonic regions in Canada, Australia and China. Notably, both Tuzon and Dugbe F display evidence of gold predating peak metamorphic conditions and therefore differ from most typical Birimian deposits where mineralisation is largely associated with late transcurrent shearing. In the absence of direct evidence in support of an Archaean origin, a Birimian age is proposed for these deposits.

1.5 Project History

Small-scale artisanal gold mining has taken place at many sites across the Project for an unknown length of time. There are no records of gold production.

Aside from modest, reconnaissance style work carried out under the United Nations Development Programme (“UNDP”) in the 1990s, Hummingbird is the only company to have conducted systematic exploration in the combined Project area. The original Dugbe Mineral Exploration Agreement (“MEA”) was granted to Hummingbird in 2005; by 2009, Hummingbird held interests in 13 MEA in central and southern Liberia which were relinquished over the following years apart from the four MEA that then became the current MDA comprising the Project area.

A large amount of gold exploration was carried out by Hummingbird across the Project between 2006 and 2014. Exploration led to the discovery of the Dugbe F deposit and the Tuzon deposit by Hummingbird in 2009 and 2011, respectively. Extensive drilling programmes were completed at each deposit. Hummingbird’s exploration activities were run from the Dugbe exploration camp, which remains in operational condition. Exploration work on the project includes but is not limited to the following;

- collection of approximately 1400 stream sediment samples and 25,000 soil samples;

- 258 trenches totalling 33,600 m;
- drilling of 499 diamond core holes totalling 74,497 m, of which 70,700 m was at Dugbe F and Tuzon;
- acquisition of 13,274 km of airborne magnetic and radiometric surveying;
- extensive LiDAR surveys over the deposits and their surrounds and the road from Greenville; and
- geological mapping, petrological studies and mineralogical work.

Historical MRE were first completed for Dugbe F and Tuzon in 2011-2012 by ACA Howe International (“**ACA Howe**”). The Dugbe F MRE was updated by Wardell Armstrong International (“**WAI**”) in March 2013. The Tuzon MRE was updated by SRK in March 2014.

These historical estimates are replaced by the current MRE presented in this Technical Report. In addition to the Tuzon and Dugbe F deposits, Hummingbird identified several other promising gold prospects. Of these, only the Sackor Prospect was drilled; most holes had gold bearing intersections. There has been no attempt to date to define an MRE for Sackor.

1.6 Exploration

The Issuer has not completed any exploration on the Project.

1.7 Drilling

The drilling completed to date at the Project was undertaken by Hummingbird. Exploration and resource related drilling on the Project was almost entirely by diamond coring. Most holes were drilled with an azimuth perpendicular to the strike of the deposits with inclination typically between -70° and -60°, although some drillholes near the fold nose in Tuzon intersected at shallower angles. The drilling history and quantum for Tuzon and Dugbe F is summarised by campaign in Table 1-1 and Table 1-2, respectively. In addition, 20 diamond drillholes have been completed at the Sackor Prospect.

A small reverse circulation (“**RC**”) drilling programme at each deposit was completed but data were found to be unreliable and were not used for resource estimation work. Hummingbird also completed drilling for geotechnical studies, hydrogeological testing, and sterilisation drilling, which are not listed here.

SRK considers that the core drilling and sampling procedures used have resulted in reliable and accurate data, are in line with industry best practice, and have produced data suitable for Mineral Resource estimation. The density of the drilling and trenching is suitable for confident interpretation of the geometry and boundaries of the gold mineralisation.

Table 1-1: Summary of Drilling at Tuzon

Drilling Phase	Dates	Holes	Type	No. Holes	Metres
1	Aug 2011 - April 2012	TDC001 - TDC072	DD	73	15,994
2	Jul 2012	TDC072 - TDC077	DD	5	1,253
3	Jan 2013 - May 2013	TDC078 - TDC139	DD	61	15,586
4	Jul 2013 - Jan 2014	TDC140 - TDC157	DD	18	2,663
Total				157	35,496

Table 1-2: Summary of Drilling at Dugbe F

Drilling Phase	Dates	Holes	Type	No. Holes	Metres
1	Feb 2009 - May 2009	DFDC001 - DFDC007	DD	7	520
2	Mar 2010 - Oct 2010	DFDC008 - DFDC093	DD	86	13,562
3	Feb 2011 - Sep 2011	DFDC094 - DFDC264	DD	171	18,656
4	Jun 2012 - Jul 2012	DFDC265 - DFDC280	DD	16	1,135
5	Feb 2014 - Mar 2014	DFDC281 - DFDC333	DD	53	1,200
Total				333	35,073

At Dugbe F, most holes were drilled with a PQ core diameter (85 mm) through the thin soil/oxide zone, for not more than 5-10 m downhole, then HQ3 core diameter (61.1 mm) to the end of the hole. A number of holes reduced down to NQ2 core diameter (50.7 mm) several metres after entering hard rock. At Tuzon, all except 12 holes were drilled with HQ3 until fresh rock then NQ2 until the end of hole. At the Sackor prospect, drilling was also by HQ3 then NQ2.

The drillhole collars have been surveyed using a Differential Global Positioning System (“DGPS”) Leica Total Station, into the regional UTM29N grid. The azimuth and inclination of holes was measured using a Reflex EZ-SHOT camera. Core orientation was recorded using a spear tool then later using a Reflex ACT II RD orientation tool.

1.8 Sample Preparation, Analysis and Security

Across the drilling campaigns an average core recovery of over 95% was achieved.

Core logging was undertaken onto paper log sheets that were ultimately captured into a Maxwell Dashed relational database. Sampling was initially guided by elevated arsenic values, determined using a handheld X-ray Fluorescence (“XRF”) device, based on arsenic acting as a reasonable pathfinder for gold at the Project. It has been realised subsequently that gold may be present even if arsenic is not anomalous.

Samples of half core were bagged at the logging facility at Dugbe Camp. Core sampling was undertaken using a nominal 1 to 2 m sampling interval that could be adjusted to accommodate lithological boundaries and geochemical changes determined by portable XRF. Core was split using a diamond saw and Quality Assurance / Quality Control (“QAQC”) samples were inserted into the sampling stream at a nominal 15% insertion rate.

For Dugbe F and Tuzon, samples were either prepared at ALS Monrovia and assayed at ALS Ireland or prepared and assayed at SGS Monrovia. In both cases, a 500 g subsample was prepared from the crushed sample material and milled to 85% passing 75 μm . A 200 g subsample of this pulverised sample was used for assay purposes, either being airfreighted to ALS in Ireland or retained for assay at SGS Monrovia. Gold analyses were by Fire Assay and ICP-AES multi-element analyses carried out on some samples. A selection of pulp duplicates was also sent for umpire analysis at Genalysis in Perth, Australia.

Density determinations were carried out on site, using the Archimedes principle. Fractured or brecciated samples were coated in paraffin wax or wrapped in plastic film prior to immersion. Density determinations were carried out every 10 m down the drillholes on a core sample of 10-15 cm. At Dugbe F, the main mineralised layer is represented by 51 density samples with an average density of 2.73 t/m^3 , which may be slightly lower than would be expected of a mafic gneiss. At Tuzon, the average density of the mineralised domains is 2.78 t/m^3 .

A review of the QAQC results associated with the drilling phases reveals acceptable results and the Qualified Persons are of the view that the data are of sufficient quality to support the MRE. Logging, sampling and data management practices are aligned with best practice. The QAQC associated with the trench data has not been reviewed as part of this Technical Report.

1.9 Data Verification

Reviews of the databases for Tuzon and Dugbe F have been completed and found to be acceptable by the Independent Qualified Person, Mr. Martin Pittuck. A selection of Hummingbird's Standard Operating Protocols ("SOP") were reviewed and are considered fit for purpose and aligned with best practice. The Hummingbird fieldwork and data capture practices are well documented and their implementation was reportedly supervised by senior experienced staff familiar with international best practice.

A site visit by the Independent Qualified Person was made in 2013 to observe the drilling and sampling procedures used by Hummingbird at the Tuzon deposit. These procedures are considered to be relevant and representative of the drilling and sampling procedures employed at Dugbe F. Mr. Pittuck observed core and reviewed the geology of the Tuzon deposit. Raw QAQC data were provided and reviewed.

1.10 Mineral Processing and Metallurgical Testing

Several testwork campaigns have been completed between 2009 and 2014, for a number of composite samples from both deposits. Samples collected for testwork are considered to be representative of the deposits. Mineral Processing is expected to be similar for both deposits supported by the results of the testwork to date and the close similarities of the host lithologies and mineralogy. Two principal process routes have been considered: conventional tank Carbon in Leach (CIL) and Heap Leach using sodium cyanide with subsequent gold recovery. Gold recoveries of up to 90% are anticipated with Tank Leach based on metallurgical test work.

1.11 Mineral Resource Estimates

SRK originally produced an MRE for Tuzon in March 2014. Since that time no further exploration work has been conducted at Tuzon. SRK updated the Tuzon MRE with an effective date initially reported as 30 July 2020 (revised in this report to 19 August 2020 to align both deposit estimates) using SRK's 2014 model but using updated economic parameters.

CSA produced an updated MRE for the Dugbe F deposit with an effective date of 15 July 2020 (revised in this report to 19 August 2020 to align both deposit estimates). SRK has reviewed the CSA MRE for Dugbe F and takes responsibility for it for the purposes of this Technical Report.

Table 1-3 provides the updated MRE for the Dugbe Gold Project which has been prepared in accordance with the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards for Mineral Resources and Mineral Reserves (May 2014) and has been reported in accordance with National Instrument ("NI") 43-101 Standards of Disclosure for Mineral Projects.

The Qualified Person for both estimates is Martin Pittuck (CEng, FGS, MIMMM). Martin Pittuck is an independent Qualified Person as defined by the Canadian National Instrument NI 43-101.

No mining other than very minor artisanal workings has taken place at the deposits and therefore no depletion of the estimates was required. For both deposits, the Mineral Resource is restricted to a conceptual pit shell, as is required to establish Reasonable Prospects for Eventual Economic Extraction ("RPEEE"). Both estimates are reported at a 0.5 g/t Au cut-off. Other parameters used for the conceptual pit-shell are provided in Section 14.2.11.

Table 1-3: Mineral Resource for the Dugbe Gold Project

Category	Tonnes (Mt)	Grade (Au g/t)	Contained Gold (koz)
Tuzon Deposit			
Indicated	41.9	1.51	2,032
Inferred	10.4	1.31	439
Dugbe F Deposit			
Indicated	5.8	1.46	273
Inferred	16.3	1.57	823
Totals			
TOTAL INDICATED	47.7	1.51	2,304
TOTAL INFERRED	26.7	1.47	1,262

Notes:

1. The effective date of the Mineral Resource is 19 August 2020.
2. The Mineral Resource assumes open pit mining at a cut-off grade of 0.5 g/t Au and within a USD1700 /oz gold conceptual pit shell
3. A geological loss of 5% has been applied to the mineralised volumes at Dugbe F due to barren late stage intrusive pegmatites.
4. Figures have been rounded to the appropriate level of precision for the reporting of Mineral Resources.
5. The Mineral Resources are stated as in situ dry tonnes. All figures are in metric tonnes.
6. The Mineral Resource has been classified under the guidelines of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council (2014), and procedures for classifying the reported Mineral Resources were undertaken within the context of the Canadian Securities Administrators National Instrument 43-101 (NI 43-101).
7. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

SRK is not aware of any unusual legal, political, environmental, or other risks that could inhibit the development of the Mineral Resource. Several environmental and social risks have been identified; these are common to many mineral development projects and will need to be carefully managed going forwards.

1.11.1 Dugbe F MRE

The MRE for Dugbe F was updated in July 2020, with an effective date of 15 July 2020, by CSA to include additional drillholes postdating the previous Mineral Resource reported by WAI in April 2013 (WAI, 2013). . SRK audited the CSA MRE during August 2020 as preparation for this Technical Report and an updated effective date of 19 August 2020 has been assigned by SRK to reflect this.

The geological model for Dugbe F was constructed in Leapfrog Geo from manually assigned zone codes in the 333 available diamond drillholes, some of which are beyond the deposit extent. Five domains were modelled; namely: Hangingwall, Main Mineralised, Internal Waste, Internal Mineralisation, and Footwall. The grade distributions for the mineralised domains are constrained within a reasonably tight range relative to other gold deposits (CSA, 2020). Most gold values are <6.0 g/t Au, and approximately 90% of the values are <3.0 g/t Au. Additional minor gold mineralisation is present (typically <0.4 g/t Au) which requires infill drilling to better define it. This mineralisation is not yet included in the current MRE.

Samples were composited to 1.5 m lengths for variography and estimation. An omni-directional variogram was modelled to 100 m range and applied to the estimation of the Main Mineralised domain for ordinary kriging. The Internal Waste and Internal Mineralised domains were estimated by inverse distance weighting squared (IDW²). The estimates were validated by means of visual inspection, statistics, and swath plots (CSA 2020).

The block model was classified according to data quality, geological continuity, grade continuity and confidence in the estimate. Indicated and Inferred Mineral Resources were classified.

A 5% geological loss was applied to the Mineral Resource to account for as yet unmodelled barren pegmatite bodies intersecting the mineralisation.

RPEEE was applied for the reporting of Mineral Resources. RPEEE made use of a pit shell based on a USD1,700/oz gold price with extraction being by open pit mining.

1.11.2 Tuzon MRE

The geological model for the Tuzon MRE was created by SRK in 2014; since then, there have been no new data or changes of interpretation; however, it has been re-reported based on an updated pit-shell reflecting the higher forecast gold price prevailing in 2020 and updated operating costs. Both the original work and the updated reporting was completed under the supervision of the Qualified Person Martin Pittuck (CEng, MIMMM).

For Tuzon, a three-dimensional model honouring the drilling and trenching data was constructed in collaboration with Hummingbird geologists which delineated six mineralized zones defined by a 0.3 g/t Au grade boundary. A high grade subdomain was then constructed in Zone A and Zone B to delineate mineralisation above and below 0.8 g/t Au.

The model was unfolded in GoCAD to facilitate block model grade estimation which was completed in Isatis. Each of the Major Zones (Zone A high grade, Zone A low grade, Zone B high grade, and Zone B low grade) were estimated separately. The Minor Zones were estimated using a rotated block model aligned along the strike of the Tuzon fold structure.

Variography was completed in unfolded space, variograms were fitted with two spherical structures using nugget values of 40-60% and maximum ranges of between 160 m and 400 m. The gold grade was interpolated by ordinary kriging in a three -pass search.

An Indicated classification was assigned to contiguous volumes of mineralisation informed by drillholes spaced at 40 m along section and 80 m between sections confirmed by surface trenching that delineates the outcrop boundaries. In addition, the average slope of regression is above 0.5 and there is good representation of relative density samples. Inferred classification was applied to other mineralisation defined with up to 160 m spaced sections containing appropriate density samples and informed by at least two drillholes.

SRK considers the gold mineralisation located within a conceptual pit based on a USD1,700/oz gold price, above a cut-off grade of 0.5 g/t Au, satisfies the condition RPEEE and can therefore be reported as a Mineral Resource.

1.12 Adjacent Properties

An area of approximately 30 km by 7 km, referred to as the Bukon Jedeh or ‘Government Camp’ area, is enclosed by and is excluded from the Hummingbird MDA; it is held by parties unrelated to the Issuer. Central to this area are some large-scale artisanal gold mining operations that have reportedly extracted gold for decades. Mineralisation at Bukon Jedeh is known to occur both within a well-developed regolith cap as well as in fresh bedrock as vein-hosted mineralisation. Small-scale mining of both the auriferous regolith and primary mineralisation has occurred, with gold being found as native gold and in association with sulphides.

Surface exploration, culminating a drilling programme was carried out by Bentley International Trading Corporation and then Equator Resources (“**Equator**”), during the period 2006 to 2013. Work involved soil and stream geochemical sampling, trenching and reverse circulation drilling of 79 holes. Gold mineralisation was intersected in drillholes but Equator did not carry out follow up drilling. The results of the drilling programmes were reported by Equator on the Australian Stock Exchange (ASX) (Equator, 2012 and Equator, 2013).

SRK has not made any attempt to verify the information reported from the adjacent properties, nor is any reliance placed on these accounts insofar as being representative of mineralisation at the Dugbe Gold Project.

1.13 Interpretation and Conclusions

The Dugbe F and Tuzon gold deposits are hosted within granulite rocks that are most likely part of the Birimian geological province.

Both deposits are relatively large and of favourable grade. Being only 4 km apart, it is likely processing operations may be centralised in close proximity to both. They comprise Indicated and Inferred Mineral Resources. A review of the QAQC associated with the support data indicates the data to be acceptable for use in the MRE.

SRK considers the exploration risk at both deposits to be low to moderate, given the volume of work carried out to date and the demonstrated geological continuity. Inferred parts of the MRE require infilling to add confidence to the grade estimation and to firm up on the geological models for the domains. Infill drilling may support better understanding and delineation of pegmatite within the modelled mineralised zones, particularly at Dugbe F. There is potential to extend both the Dugbe F and Tuzon deposits on strike. There is no guarantee that more drilling will convert Inferred to Indicated Mineral Resources or better.

SRK concludes that the Mineral Resource classifications for both deposits can potentially be improved through infill drilling. Based on the data reviewed SRK considers that at Tuzon, a spacing of 40 x 40 m or less will improve confidence in geological and grade continuity potentially to achieve Measured classification. The Inferred Mineral resource at Dugbe F has an average grade of 1.57 g/t Au. It is reasonably expected, but not guaranteed, that the majority of this could be upgraded to Indicated Mineral Resources with continued exploration.

SRK is confident that the Indicated portions of the MRE are sufficiently reliable to support mine planning and allow evaluation of the economic viability of the mining project as part of the next phase of development.

The Project includes a number of prospective gold exploration targets. At the Sackor prospect, significant gold intersections were encountered in several of the holes drilled and these are considered to be worthy of follow-up drilling to test the dip extension. Within the rest of the Project MDA there are a number of quality exploration targets identified following extensive surface geochemical sampling programmes by Hummingbird between 2009 and 2014. Some of these, such as Tiehnpo where 3 km of gold mineralised strike is delineated by trench data, are considered to be 'drill-ready' targets. Two moderate gold anomalies in the immediate vicinity of Tuzon present additional attractive exploration targets. In other areas, clusters of anomalous soil or stream sediment anomalies are present. An area without soil sampling 'coverage' along the northern side of the DSZ has been identified as prospective, based on its position.

1.14 Recommendations

On the basis of the studies conducted, SRK summarised the recommendations for the project as follows:

- Infill drilling aimed at upgrading Mineral Resource classification, particularly the Inferred Mineral Resources at the Dugbe F deposit. Infill drilling also to further resolve the geological model at the Tuzon deposit.
- Drilling to test the potential extension of certain parts of the deposits.
- An assessment of the quantity of unsampled, but potentially mineralised drill core, that could have a positive influence on the MRE.

- Possible inclusion into the MRE of minor amounts of low grade mineralisation in the hangingwall and footwall of the Dugbe F deposit, if infill drilling supports this.
- Further work on establishing and understanding oriented structural data in core and using it in the modelling.
- Some work to improve the modelling of barren pegmatites at both deposits.
- Re-compilation and analysis of QAQC data
- A review of possible slight underreporting of certified reference materials.
- Further work to advance the numerous gold prospects and targets, prioritising the Tiehnpo and Sackor prospects.

Supplementary Notes

The following notes supplement the disclosure in the above summary of the Dugbe Gold Technical Report:

The Roger Project

The technical information in this section regarding the Roger Project is extracted from the technical report entitled "NI 43-101 Technical Evaluation Report on the Roger (1206) Property" dated October 9, 2018 ("**Roger Project Technical Evaluation Report**") prepared by Alain-Jean Beauregard and Daniel Gaudreault of Geologica Groupe-Conseil Inc. ("**Geologica**") and Christian D'Amours of GeoPointCom Inc. ("**GeoPointCom**"). Each of Alain-Jean Beauregard, Daniel Gaudreault and Christian D'Amours is a "qualified person" and "independent" of the Company as these terms are defined in NI 43-101. The following summary text has been reproduced in part from the Roger Project Technical Evaluation Report and the detailed disclosure in the Roger Project Technical Evaluation Report is incorporated into this AIF by reference. The full text of Roger Project Technical Evaluation Report is available for review on SEDAR at www.sedar.com under the Company's profile. Supplementary information regarding this disclosure is contained in the notes at the end of the summary below.

Project Description, Location and Access

The Roger Project property is located approximately five kilometres northwest of Chibougamau. The Roger Project property is part of McKenzie Township in National Topographic System (NTS) map sheet 32G16. The center of the Roger Project is located at Nad 83 UTM Zone 18N coordinates 542 200 mE and 5 534 100 mN.

The Roger Project consists of 28 map designated mineral claims covering a total area of 986.54 hectares. All claims are in good standing and are 100% registered to SOQUEM. The status of the claims was validated using "GESTIM", the official Québec government system for mining titles management, easily available on the Québec Energy and Natural Resources Ministry Website (www.gestim.mines.gouv.qc.ca) and no surface rights are associated to the land holdings.

Under the terms of an option agreement (the "**Option**"), 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 1,000,000* Common Shares to SOQUEM as follows:

1. Financing \$2,000,000 in work program investments as follows:

- \$500,000 by the end of year 1 (January 8, 2019)
- \$750,000 by the end of year 2 (January 8, 2020)
- \$750,000 by the end of year 3 (January 8, 2021)

2. Issuing a total of 1,000,000* Common Shares as follows:

- 250,000* by the end of year 1 (January 8, 2019)
- 250,000* by the end of year 2 (January 8, 2020)
- 500,000* by the end of year 1 (January 8, 2021)

Note:

* The Company has completed two 3-for-1 Common Share consolidations and the new share equivalents are as follows: 111,111, 27,778, 27,778 and 55,555, respectively.

The Option can be earned prior to the end of the three-year period if the Company completes the work requirement and issues the Common Shares earlier.

SOQUEM will act as the sole manager of the Roger Project prior to the exercise of the Option and will add a 10% management fee to the funds they manage, or in the case of third party work a 5% management fee. Upon exercise of the Option, a joint venture (the “**Joint Venture**”) will be established to continue the exploration and potential development, construction, commercial production, mine closure and rehabilitation. Prior to the establishment of the Joint Venture, it is deemed that each party has contributed \$2,000,000 to the Roger Project. Subsequent contributions to the Roger Project will determine the interest of each party moving forward. If both parties agree to spend their relative proportion, the Joint Venture will continue on a 50-50 basis.

The Roger Project is clear of any encumbrances, underlying royalties, mortgage and environmental liability.

To date the Company has spent \$1.78 million towards the \$2 million earn in requirement.

The Roger Project is easily accessible using graveled secondary road linking downtown Chibougamau to the dump site (approximately 5 kilometres) and by several logging roads and ATV trails.

The region is served by a regional airport, located between Chibougamau and Chapais, or by two other airports located in Val-d’Or and Rouyn-Noranda, offering regular flights to Montréal, Toronto and the northern part of eastern Canada (Nunavik and Nunavut).

The available infrastructure consists of an excellent electricity network with the Obalski distribution station, located four kilometers south of Chibougamau. The power line, which was used for power at the Troilus mine, crosses the Roger Project at 1.3 kilometers east of MOP-II deposit. In Chibougamau, there is a railway communicating with the network and has the necessary infrastructure to transport ore from the mines.

History

To the extent known, the following is a summary of the history of the Roger Project.

Work on the Roger Project commenced in 1905 with district scale mapping by the Québec Ministry of Mines. This work continued into the 1940s to define stratigraphic and structural frameworks. From the 1960s to 1987 mapping by the Ministère de l’Énergie et des Ressources (MERN) continued. Several exploration companies including SOQUEM have realized exploration surveys (compilation, mapping, geophysical surveys and drilling) between 1949 and recently in 2018.

In particular, Mattagami Lake Exploration Ltd., Flanagan Inc., and Muscocho Exploration Ltd. completed 27,100 m of surface drilling on the project, followed by an underground exploration program that included 832 m of ramp development, 82 m of cross-cuts, 124 m of drifting, 139 m in raises, over 1,000 m of chip sampling and 1,400 m of underground drilling in 23 holes. Exploration ceased in 1989 due to low gold prices and the property lay dormant until staked by SOQUEM in 1997. From 2000 to 2005, SOQUEM carried out magnetic and IP geophysical surveys, trenching, mapping, sampling and 7,500 m of diamond drilling. In 2006, resource estimates on the MOP-II deposit is completed by Scott Wilson Roscoe Postle Associates Inc. for SOQUEM, who drilled an additional 60 holes on the Roger Project totaling 15, 456 m from 2008 to 2013.

Most recently, from 2018 to present, the Company and SOQUEM have completed Phase 1 drilling totaling 3,044 m in 11 holes, Phase 2 drilling totaling 7,643 m in 34 holes. Company and SOQUEM also completed an updated resource estimate for the Roger Project in 2018.

Geological Setting

The Chibougamau-Chapais mining camp is located in the northeast corner of the Matagami Chibougamau Greenstone Belt of the Abitibi Subprovince of the Archean Superior Province. The Chibougamau area includes the rock units of the Neoproterozoic age (2730 to 2691 million years ago (“**Ma**”), some shreds of erosion of sedimentary rocks and Proterozoic gabbro-diabase dykes, as well as coverage of Quaternary deposits. The basis of the stratigraphic stacking is formed by the Roy Group which includes two volcanic cycles. The first cycle includes the Obatogamau and Waconichi Formations (2730-2726 Ma) and the second cycle consists of Bruneau, Blondeau and Bordeleau Formations (2724-2717 Ma). At the base of volcanic cycles, mafic volcanic rocks present a tholeiitic affinity and rise to the top at volcanoclastic rocks and metasediments of the transitional to calc-alkaline affinity.

The Roger Project is located on the north flank of the Chibougamau anticline, approximately 1 kilometer north of the Chibougamau syncline. The polymetallic deposit MOP-II (Au-Cu ± Mo) is located 3 kilometers southeast of the former Gwillim mine (production: 247,787 tonnes at 3.69 g/t Au and one historical potential of 300,000 tonnes at 10.3 g/t Au). Different units are observed: basaltic and andesitic lavas, gabbroic dykes, porphyry felsic dykes, tuffs and breccia horizons. The major Gwillim Lake fault separates the Gwillim deposit from the MOP-II deposit. This fault was recognized over a distance of 100 kilometres and shows a sinistral apparent movement of a few kilometers on both sides of the fault, this fault is synorogenic to the mineralization described at the Gwillim mine. In the area of the MOP-II deposit, the stratigraphy is poorly defined due to the low percentage of outcrops. The east, north and west borders of the porphyry intrusive, in which the MOP-II deposit is enclosed, are described (in drilling) as complex zones. The mineralization consists of varied porphyry felsic dykes that cross the volcanic and pyroclastic units from the Bruneau and Blondeau formations.

Mineralization

The MOP-II deposit presents seven (7) types of Cu-Au mineralizations enclosed within a felsic quartz-feldspar porphyry intrusion (Lepine, 2009):

1. Quartz-Pyrite-Chalcopryrite-Sericite veins;
2. Quartz-Chlorite-Pyrite-Chalcopryrite veins;
3. Pyrite-Chalcopryrite±Biotite veins;
4. Disseminated Pyrite-Chalcopryrite within strongly silicified zones;
5. PY-CP within strongly chloritized zones;
6. Quartz veins;
7. Brecciated units with mineralized porphyry intrusive fragments and mineralized quartz vein fragments.

The auriferous mineralization of the MOP-II deposit occupies the heart of the deposit characterized by phyllic alteration (sericite and chlorite). Copper and molybdenum mineralization (traces to 1%) is at the periphery, in a zone of propylitic alteration (chlorite and carbonates). Finally, the other portion of the deposit is characterized by a pyritic halo (Lépine, 2009). Shear zones associated with deformation are late compared to mineralized veins. The mineralized veinlets of the deposit are completely transposed into the main schistosity near the shear zones which are located at the top the Roberge sill.

Exploration, Drilling and Analysis

Exploration and Drilling

In 2014, a total of 312 samples of pulp from the old drillholes were sent in an independent laboratory, by SOQUEM, to verify the accuracy of the results and thus completing the QA/QC verification requirements. The density tests have also been determined on 155 samples of core samples. The density of volcanic units was estimated at 2.85 g/m³, for the intrusive unit was 2.78 g/m³ and the ultramafic unit of the Roberge Sill was 3.06 g/m³.

Between 2010 and 2018, SOQUEM has completed four drilling programs totalling 16,360.4 meters (65 DDHs). These drilling campaigns have permitted to validate the mineralization and identify the lateral extension to the east and west.

The recent updated resource calculation was completed by GeoPointCom. Based on the recent resource estimate, the Roger Project offers a significant mining potential.

Recent Sampling and Analysis and Security of Samples

All samples taken from a multi-element analysis (gold + 33 elements) come from a half-portion of the core that was split using a saw with a diamond blade. Generally, the samples are 1.5 m long, except in the case of exception (respect of contracts and other samples. etc.) Between each sample, a neutral rock (building brick) is sawn. The core was divided in two parts as evenly as possible so that the main foliation was cut perpendicularly and the sample was as representative as possible. The sample was subsequently placed in a plastic bag with an identification tag. The other half of the core was returned to the right place in the box to serve as a control with the other part of the label that was stapled in the box under the core. Samples were sent to ALS Minerals facilities in Val-d'or, Abitibi, for preparation. Samples are logged, weighed and dried. They are then crushed to 70%- 2mm and then a fraction of 250g is pulverized up to 85%-75 µm. Gold was analyzed with fire assay pre-concentration on a 30-gram pulp and a spectral atomic absorption assay technique. Silver, copper, zinc and multi-elements were analyzed with four acid extractions and an inductively coupled plasma atomic emission spectrometry (“**ICP-AES**”) technique. At all times, the laboratory is required to pulverize a sample of pure silica between each of SOQUEM samples.

For quality control, samples with Au, Pt and/or Pd contents ranging from 0.5 g/t to 2 g/t (500 to 2000 ppb) are re-analyzed by fire assay with finishing atomic absorption on a duplicate of the pulp and on the reject. For samples with Au, Pt and Pd contents greater than 2 g/t (2,000 ppb), SOQUEM requires fire assay with gravimetric finishing on a duplicate of the pulp and on the reject. For samples with Ag contents between 20 and 100 ppm, four acids digestion with ICP-AES finishing on a duplicate of the pulp and on the reject. For metals such as Cu, Co, Ni, Mo, Pb and Zn, 10,000 ppm (1%), Pasofino asks for a four acids digestion and a ICP-AES finish on a duplicate of the pulp and on the reject.

For internal laboratory quality control, each set of 24 samples must include a standard, a method blank, and a duplicate sample.

For all exploration work, SOQUEM inserts in the shipments to the laboratory, every 25 samples, a method blank (large fragments of pure Sitec silica) and a certified commercial standard to ensure a control of quality during analyzes.

Mineral Processing and Metallurgical Testing

No mineral processing and metallurgical testing has been undertaken on the Roger Project by SOQUEM recently.

Mineral Resource and Mineral Reserve Estimates

The resource estimate of the polymetallic MOP-II deposit was performed by SOQUEM from July 4, 2018 to August 10, 2018. The database cut-off date is July 4, 2018. The last drillhole included and considered is 1206-18-94. The effective date for the resource estimate is July 4, 2018. The current estimate was prepared by GeoPointCom. GeoPointCom was mandated by Olivier Grondin and Yan Ducharme, President and Chief Executive Officer and Exploration manager for SOQUEM, respectively.

The modeling was done in the GeoticMine (V.1.2.8) software, while the MRE and geostatistical study, detailed in this section of the report, was performed using the Isatis software. The method involves 3D block modeling, with blocks of 10 m X 10 m X 10 m in size, estimated by Ordinary Kriging.

With the parameters listed above and in the Roger Project Technical Evaluation Report, at a cut-off grade of 0.45 g/t AuEq, indicated resource can be estimated at 10,900,000* metric tonnes at a grade of 0.85 g/t of gold, 0.80 g/t of silver and 0.06% of copper for a total of 333,000 oz* of AuEq (the “**Indicated Resource**”), while the inferred resource can be estimated at 6,569,000* metric tonnes at a grade of 0.75 g/t of gold, 1.18 g/t of silver and 0.11% of copper for a total of 202,000 oz* of AuEq (the “**Inferred Resource**”). GeoPointCom is of the opinion that the MRE is accurate and representative of what is currently known for this deposit. This estimate is compliant with Canadian Institute of Mining, Metallurgy and Petroleum (“**CIM**”) standards and guidelines for reporting mineral resources and reserves.

Mining Operations

* The total tonnes and ounces are rounded to the nearest thousand; numbers might not add up to the exact same amount if used for calculations.

Geologica and GeoPointCom recommend the following exploration program on the Roger Project.

In the first phase (“**Phase 1a**”), a definition drilling program should be carefully completed using thorough sampling protocol to validate the open-pit potential. Also, a second drilling program (“**Phase 1b**”), will verify the lateral and depth continuities of the mineralized zones followed by geoscientific compilation and modelization of all available information.

In the second phase (“**Phase 2**”), a complementary drilling program is recommended to verify all other zones and/or geophysical and geological anomalous targets in order to outline new mineralizations on the Roger Project followed by a metallurgical study, an update of the resource estimate and a Preliminary Economic Assessment (“**PEA**”).

PHASE 1a: INFILL DRILLING

Drilling (NQ type) to validate the open-pit potential:	\$750,000
<i>5,000 m @ \$150 / m (all included)</i>	

PHASE 1b: COMPILATION, MODELLING AND EXPLORATION DRILLING

Complementary Drilling (NQ type) to verify the lateral and depth extensions of mineralized zones:	\$1,500,000
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10,000 m @ \$150 / m (all included)

Geological, Geophysical, Geochemical Geoscientific compilation and Metallogenic Modelling	\$50,000
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Sub-total:	\$2,300,000
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Administration (~5%):	\$115,000
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Contingencies (~10%):	\$241,500
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TOTAL PHASE 1:	\$2,656,500
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PHASE 2: EXPLORATION DRILLING, UPDATED RESOURCES AND PEA (if warranted by Phase 1)

Exploration Drilling (NQ type) on prioritized and significant geophysical, geochemical and geological targets over the whole Roger Project:	\$750,000
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5,000 m @ \$150 / m (all included)

Metallurgical study	\$100,000
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Updated Resources estimate of the open-pit mineralized zones	\$50,000
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Preliminary Economic Assessment (PEA):	\$200,000
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Sub-total Phase 2:	\$1,100,000
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Administration (~5%):	\$55,000
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Contingencies (~10%):	\$115,500
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TOTAL PHASE 2:	\$1,270,500
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TOTAL PHASES 1 AND 2:	\$3,927,000
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Roger Project Updates

The resource model is currently being updated to include the 34 drillholes from late 2018. The results of that update, including a new resource will be available by the end of the second quarter (October). Future work programs will depend on analysis of these results.

RISK FACTORS

The Company is exposed to a number of risks and uncertainties that are common to other mineral exploration and development companies. The mining industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation, production, and other risks. This discussion, by its nature, is not all-inclusive, nor is it a guarantee that other factors will or will not affect the Company in the future.

The risks discussed below also include forward-looking information and the Company’s actual results may differ substantially from those discussed in these forward-looking statements. See “*Preliminary Notes and Cautionary Statements - Forward-Looking Information*”.

The effects of the global COVID-19 pandemic

On March 11, 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, was classified as a global pandemic, which has resulted in governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity and capital markets have also experienced significant volatility and weakness. Governments have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government’s interventions.

The duration of the outbreak and economic impacts are uncertain and there may be impacts in the future on the Company’s operations and cash flows, the Company’s ability to raise financing or the pricing of such financing.

Fluctuation in commodity prices

The Company’s prospects, prospects for financing and future revenue, if any, are primarily dependent on the price of gold or sale of gold, as applicable, and movements in the spot price of gold have a direct and immediate impact on the Company’s prospectus, future income or the value of its related financial instruments. The Company’s future sales, if any, are directly dependent on commodity prices that have shown volatility and are beyond the Company’s control. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company’s control including international economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional supply and demand, consumption patterns, speculative market activities, worldwide production and inventory levels and sales programs by central banks. Movements in the price of metal, such as movements in the spot price of gold, have a direct and immediate impact on the Company’s prospects and future income, if any) and may affect the marketability of minerals already discovered and any future minerals to be discovered. Mineral estimates on the Company’s properties have been calculated on the basis of gold and other commodity prices and economic factors at the time of calculation; variations in such factors may have an impact on the amount of the Company’s mineral estimates and future price declines could cause any future development of and future commercial production, in each case if any, from the Company’s properties to be impracticable.

Future production from the Company’s mining properties is dependent on gold prices that are adequate to make these properties economic. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Although metal prices declined significantly during the period from 2013 onward, the relative strength of metal prices for several years preceding 2013 and the relative strength of metal prices in the second half of 2020 led to increased mining exploration, development and construction activities around the world, which in turn resulted in increased demand for, and cost of, exploration, development and construction services and equipment. Future increases in metal prices may lead to renewed increases in demand for services and equipment which could result in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability and may cause scheduling difficulties due to the need to coordinate the availability of services or equipment, any of which could materially decrease project exploration and development and/or increase construction costs.

The Company operates in jurisdictions in West Africa that expose it to varying levels of political, economic and other risks that may be greater than that in other countries

The Company’s operations in West Africa are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risk of terrorism, terrorist actions; sabotage or other security risks; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licences, permits and contracts; the failure of foreign parties or governments to honour contractual relations; illegal mining; changes in tax policies; unexpected changes in mining codes and mining laws; restrictions on foreign exchange and repatriation of funds; restrictions on the Company’s ability to access or deal with its assets; opposition to mining from environmental or other non-governmental organizations; health risks associated with the mining workforce; increased financing costs; and

changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. The Company's operations may also be adversely affected in varying degrees by economic instability; economic or other sanctions imposed by other nations; terrorism; crime; and risk of corruption, including violations under U.S. and Canadian foreign corrupt practices statutes, as well as comparable legislation in other jurisdictions. The economy and political systems of West Africa should be considered by investors to be less predictable and less stable than in countries such as Canada and the United States.

Changes, if any, in natural resource or investment policies and accompanying mining laws or shifts in political attitude may adversely affect the Company's business, financial conditions, results of operations and prospects. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety, as well as known or unknown or unexpected changes in law to any of the foregoing matters. The Company does not currently maintain "political risk" insurance.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in the loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The political risk in Liberia is significant due to prolonged periods of economic and political instability. Two civil wars were fought in Liberia from 1989-1996 and 1996-2003. Whilst the country has undergone democratic elections, future civil unrest remains a possibility and no assurances can be made that political stability will be maintained. Although since 2006 Liberia has made considerable progress in rebuilding its government institutions and economy, it will need to continue to rely on international support for security and economic assistance to ensure that these efforts are successful in creating a stable and more prosperous future for its citizens. Accordingly, there are still considerable risks (as well as opportunities) in carrying on business in Liberia for foreign corporations. The interest of ARX in Hummingbird Liberia is subject to dilution once the 10% carried interest is issued to the Government of Liberia.

The legal system in Liberia is different to that of Canada. This could result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of such jurisdictions whether in respect of breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between within various laws, regulation, decrees, orders and resolutions; and (v) relative inexperience of judiciary and courts in such matters.

In certain jurisdictions the commitment of local business people, government officials and agencies the judicial system to abide by legal requirements and negotiated agreements may be more uncertain. In particular, agreements in place may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that licences, licence applications or other arrangements will not be adversely affected by the actions of government authorities or others and effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

Operating hazards and risks

The operation and development of a mine or mineral property involves many risks which a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include, but are not limited to:

- major or catastrophic equipment failures;
- mine failures and slope failures;
- deleterious elements materializing in the mined resources;
- environmental hazards and catastrophes;
- industrial accidents and explosions
- encountering unusual or unexpected geological formations;
- changes in consumables' costs, power costs and potential power shortages;
- performance issues with respect to mechanical equipment;

- labour shortages or strikes;
- theft, organized crime, civil disobedience and protests;
- ground fall and underground cave-ins; and
- natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes.

These occurrences could result in environmental damage and liabilities, work stoppages and delayed production, increased production costs, damage to, or destruction of, mineral properties or production facilities, personal injury or death, asset write-downs, monetary losses and other liabilities.

Although the Company has insurance policies, such insurance might not cover all the potential risks associated with its operations and liabilities that the Company incurs may exceed the policy limits of its insurance coverage, may not be insurable, or may be liabilities against which the Company has elected not to insure due to high premium costs or other reasons. In any such event, the Company could incur significant costs that could adversely impact its business, operations or profitability.

Availability of additional funding

The Company's ability to secure additional financing and fund ongoing development and exploration is affected by the strength of the economy and other general economic factors. There can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financing will be favourable for further exploration and development of its projects. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's mineral projects with the possible dilution or loss of the Company's interests or prevent the Company from earning into the Roger Project or the Dugbe Gold Project. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of the Company's exploration and development programs and general market conditions for natural resources.

Uncertainty in the calculation of mineral reserves, resources and metal recovery estimates

There is a degree of uncertainty attributable to the calculation of mineral reserves and mineral resources. Until mineral reserves or mineral resources are actually mined and processed, the quantity of minerals and grades must be considered estimates only. In addition, as mineral reserves and mineral resources are calculated on the basis of economic factors (including metal prices) then in effect, the quantity of mineral reserves and mineral resources may vary as a result of changes in such economic factors, including metal prices. Any material change in the quantity of mineral reserves, mineral resources, grade or minimum mining widths may affect the economic viability of the Company's mineral properties. In addition, there can be no assurance that gold recoveries or other metal recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue.

Dependence on adequate infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies are important determinants for capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation or development or exploration of the Company's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploitation or development of the Company's projects will be commenced or completed on a timely basis, if at all, the resulting operations will achieve the anticipated production volume, or the construction costs and ongoing operating costs associated with the exploitation and/or development of the Company's advanced projects will not be higher than anticipated. In addition, unusual weather phenomena, sabotage, non-governmental organization ("NGO") and governmental or other community or indigenous interference in the maintenance or provision of such infrastructure could adversely affect the Company's business, operations and profitability.

Future exploration and development activities

Exploration and development of mineral properties involves significant financial risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish mineral reserves by drilling, constructing mining and processing facilities at a site, developing metallurgical processes and extracting precious metals from ore. The Company cannot ensure that its current exploration and development programs will result in profitable commercial mining operations.

Also, substantial expenses may be incurred on exploration projects which are subsequently abandoned due to poor exploration results or the inability to define mineral reserves which can be mined economically. The economic feasibility of development projects is based upon many factors, including the accuracy of mineral reserve estimates, metal recoveries, capital and operating costs, government regulations relating to prices, taxes, royalties, land tenure, land use, importing, exporting, environmental protection, and precious metal prices, which are highly volatile.

Development projects are also subject to the successful completion of economic evaluations or feasibility studies, issuance of necessary governmental permits and availability of adequate financing. Further, material changes in mineral reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Development projects have no operating history upon which to base estimates of future cash flow. Estimates of proven and probable reserves, measured and Indicated Resources, and inferred resources are, to a large extent, based upon detailed geological and engineering analysis. Further, mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty of inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven or probable mineral reserves as a result of continued exploration.

There are health risks associated with the mining workforce in West Africa

Malaria, Ebola and other diseases represent a threat to maintaining a skilled workforce in the mining industry throughout West Africa. There can be no assurance that the Company will not lose members of its workforce and workforce man-hours or incur increased medical costs as a result of these high health risks, which may have a material adverse effect on the Company's operations.

Substantial environmental and reclamation costs

The Company's activities are subject to laws and regulations controlling not only the mining of and exploration for mineral properties, but also the possible effects of such activities upon the environment. Environmental legislation may change and make the mining and processing of ore uneconomic, or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases, or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas which could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties or the suspension or closure of mining operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities. Environmental legislation is evolving in a manner which may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Permits from a variety of regulatory authorities are required for many aspects of mine development, operation and reclamation. Future legislation and regulations could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of reclamation plans, the Company must comply with standards and laws and regulations which may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Community relations

The Company's relationship with the communities in which it operates are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public

interest relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain NGOs, some of which oppose globalization and resource development, are often vocal critics and attempt to interfere with the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. Adverse publicity generated by such NGOs or others related to extractive industries generally, or their operations specifically, could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Company believes that it operates in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they arise. The Company's general objective when managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Liquidity is expected to be sufficient to fund the operations of the Company for the next twelve months.

Price and volume volatility and market price fluctuations

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations, which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Common Shares, and the price may decline below their acquisition cost. As a result of this volatility, investors may not be able to sell the Common Shares at or above their acquisition cost.

Securities of mining, exploration and development 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 the countries where the Company carries on business and globally, and market perceptions of the attractiveness of particular industries. The price of securities of the Company is also likely to be significantly affected by short-term changes in commodity prices, other precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business and globally.

In the past, following periods of volatility in the market price of a corporation's securities, shareholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management's attention and resources, which could significantly harm our profitability and reputation.

Dependence on key persons

The Company relies on the specialized skills of management and consultants in the areas of mineral exploration, geology and business negotiations and management. The loss of any of these individuals could have an adverse effect on the Company. The Company does not currently maintain key-man life insurance on any of its key persons. As the Company's business activity grows, it will require additional key financial, administrative and qualified technical personnel. Although the Company believes that it will be successful in attracting, retaining and training qualified personnel, there can be no assurance of such success. If it is not successful in attracting, retaining and training qualified personnel, the efficiency of the Company's business could be affected, which could have an adverse impact on its future cash flows, earnings, results of operation and financial condition.

Ability to meet contractual obligations under options and joint ventures

The Company may, in the future be unable to meet its share of costs incurred under option, joint venture, earn-in or shareholder agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result or may not earn any interest in the applicable project. If the Company does not raise the necessary capital to meet its obligations under current contractual obligations, then the Company may have to forfeit its interest in the properties or prospects earned or assumed under such contracts or may fail to earn any interest at all. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Licenses and permits

The Company requires permits from various governmental authorities to conduct its business and its operations. The Company believes that it holds all necessary permits under applicable laws and regulation in respect of its operations. There can be no assurance that current permits will be renewed upon expiry. To the extent such permits required are not obtained, the Company may be curtailed from continuing its mining operations, which may have a material adverse effect on the Company's financial performance.

Title to properties

The Company has taken all reasonable steps to ensure it has proper title, or the proper right to title, to its properties. However, there can be no guarantee that the interest of the Company in its properties is free from title defects, as title to mineral rights involves certain intrinsic risks due to the potential problems arising from the unclear conveyance history characteristic of many mining projects. There is also the risk that material contracts between the Company and the relevant governments will be substantially modified to the detriment of the Company or revoked. There can be no assurance that the Company's rights and title interests will not be challenged or impugned by third parties.

Foreign currency fluctuations

Foreign currency fluctuations may have a material adverse effect on the Company's financial position and net income. The price of gold is denominated in U.S. dollars and therefore, the Company's expected future revenue, if any, will be tied to and reported in U.S. dollars. Also, future capital raised by the Company from public offerings of securities may be in Canadian dollars. However, a portion of the Company's capital costs and operational costs are in U.S. dollars. The use of these different currencies exposes the Company to the risk of foreign currency fluctuations, which are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. The Company has not hedged against fluctuations in exchange rates.

Conflicts of interest

The Company may be subject to potential conflicts of interests, as certain directors and officers of the Company are, and may continue to be, engaged in the mining industry through their participation in companies, partnerships or joint ventures, which are potential competitors of the Company. Situations may occur in relation to potential transactions or investments where the other interests of these directors may conflict with the interests of the Company.

Competition

The mining industry is extremely competitive. The Company competes with other companies, some which have greater financial, operational expertise, technical capabilities and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. The Company may encounter increasing competition from other mining companies in its efforts to hire and retain skilled personnel. There can be no assurance that the Company will be able to compete effectively with these companies.

Insurance and uninsurable risks

While the Company has obtained insurance to address certain risks in such amounts as it considers being reasonable, such insurance has limitations on liability that may not be able to cover all the potential liabilities and the insurance may not continue to be available or may not be adequate to cover any resulting liability. Moreover, such risks may not be insurable in all instances or, in certain instances, the Company may elect not to insure against certain risks because of high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company and the occurrence of an event in which the Company is not fully insured against, could have a material adverse effect upon its business, operating results and financial condition.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Legal proceedings

may arise from time to time in the ordinary course of the Company's business. Such litigation may be brought from time to time in the future against the Company. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The Company is not currently subject to material litigation nor has the Company received an indication that any material claims are forthcoming. However, due to the inherent uncertainty of the litigation process, the Company could become involved in material legal claims or other proceedings with other parties in the future. The results of litigation or any other proceedings cannot be predicted with certainty. The cost of defending such claims may divert from management's time and effort and if the Company is incapable of resolving such disputes favourably, the resultant litigation could have a material adverse impact on the Company's financial condition, cash flow and results from operations.

Dividend policy

The Company has not paid dividends on its Common Shares to date. Payment of any future dividends will be at the discretion of the Board after taking into consideration many factors, including, but not limited to, the Company's operating results, financial condition and current and anticipated cash needs. At this time however, all of the Company's available funds are anticipated to be invested to finance further growth of the Company's business and therefore investors cannot expect and should not anticipate receiving a dividend on the Common Shares in the foreseeable future.

Limited business history and no history of earnings

The Company has only recently commenced operations and has no history of operating earnings. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Company has limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Company will ultimately generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Negative operating cash flow

The Company is an exploration stage company and has not generated cash flow from operations. The Company is devoting significant resources to the development and acquisition of its properties, however there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project. The Company currently has negative cash flow from operating activities.

Dependence on two projects

The Company is currently allocating substantially all of its financial resources and efforts on exploring, developing and operating the Dugbe Gold Project and the Roger Project. While the Company may acquire additional mining and exploration projects in the future, the Dugbe Gold Project and the Roger Project are the Company's only mining projects. Therefore, any adverse conditions or events affecting the Dugbe Gold Project could materially and adversely affect the Company.

Acquisitions and integration

From time to time, the Company may pursue opportunities to acquire additional mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities will depend on its ability to identify suitable acquisition candidates that fit its business strategy, negotiate acceptable terms for any such acquisition, obtain approvals from regulatory authorities in the jurisdiction of the business or property to be acquired, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any

acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and, to the extent that the Company makes an acquisition outside of markets in which it has previously operated, the Company may have difficulty conducting and managing operations in a new operating environment.

Acquiring additional businesses or properties could place increased pressure on the Company's cash flow if such acquisitions involve a cash consideration. If the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing Shareholders may suffer dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. The integration of the Company's existing operations with any acquired business will require significant expenditures of time, attention and funds. Achievement of the benefits expected from consolidation would require the Company to incur significant costs in connection with, among other things, implementing financial and planning systems. The Company may not be able to integrate the operations of a recently acquired business or restructure the Company's previously existing business operations without encountering difficulties and delays. In addition, this integration may require significant attention from the Company's management team, which may detract attention from the Company's day-to-day operations. Over the short-term, difficulties associated with integration could have a material adverse effect on the Company's business. In addition, the acquisition of mineral properties may subject the Company to unforeseen liabilities, including environmental liabilities, which could have a material adverse effect on the Company. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Uncertainties and risks relating to feasibility studies

Feasibility studies are used to determine the economic viability of a deposit, as are pre-feasibility studies and preliminary assessments. Feasibility studies are the most detailed and reflect a higher level of confidence in the reported capital and operating costs. There is no certainty that any feasibility study will be realized. While these are based on the best information available to the Company, it cannot be certain that actual costs will not significantly exceed the estimated cost. While the Company incorporates what it believes is an appropriate contingency factor in cost estimates to account for this uncertainty, there can be no assurance that the contingency factor is adequate. Many factors are involved in the determination of the economic viability of a mineral deposit, including the achievement of satisfactory Mineral Reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and estimates of future mineral and metal prices.

Enforcement of judgements

The Company's subsidiary and the majority of the Company's assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Company or its subsidiary, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Company or its subsidiary under Canadian securities laws. Certain directors and officers reside outside of Canada and substantially all of the assets of these persons are located outside of Canada. It may not be possible for shareholders to effect service of process against the Company's directors and officers who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of the Company's directors or officers for violations of Canadian securities laws, it may not be possible to enforce such judgment against those directors and officers not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims in original actions instituted in other jurisdictions. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure may also be governed by foreign law.

DIVIDENDS AND DISTRIBUTIONS

No dividends have been and it is Pasofino's current intention that no dividends will be paid by Pasofino in the

foreseeable future. Pasofino intends to retain its earnings, if any, to finance the growth and development of business and does not intend to pay dividends on the Common Shares in the foreseeable future. Any return on an investment in Pasofino's securities will come from the appreciation, if any, in the value of the Common Shares. The payment of future dividends, if any, will be reviewed periodically by Pasofino's directors and will depend upon, among other things, conditions then existing, including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

DESCRIPTION OF CAPITAL STRUCTURE

Pasofino is authorized to issue an unlimited number of Common Shares without nominal or par value of which 13,209,856 Common Shares were issued and outstanding as fully paid and non-assessable as of April 30, 2020. As of the date of this AIF there are 275,593,844 Common Shares issued and outstanding as fully paid and non-assessable. In addition, Pasofino is authorized to issue an unlimited number of Class A shares with par value of \$1.00 each and an unlimited number of Class B shares with par value of \$5.00 each. As of the date of this AIF, there are no Class A shares or Class B shares issued and outstanding. The holders of Common Shares are entitled to: (a) one vote per Common Share at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote; (b) receive dividends, if, as and when declared by the Board; and (c) subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of Pasofino, receive the remaining property of Pasofino upon dissolution, liquidation or winding-up of Pasofino as is distributable to the holders of the Common Shares.

As of April 30, 2020, 275,000 Common Shares were reserved for issuance pursuant to Pasofino's incentive stock option plan, and 6,000,000 Common Shares were reserved for issuance under common share purchase warrants of the Company.

As of the date of this AIF, 275,000 Common Shares are reserved for issuance pursuant to Pasofino's incentive stock option plan, and 18,988,833 Common Shares are reserved for issuance under common share purchase warrants of the Company, including the Warrants issuable on the exercise of the following Special Warrants and Broker Options: (i) 33,400,000 Special Warrants outstanding which if exercised in full would result in the issuance of 33,400,000 Common Shares and 16,700,000 Warrants; and (ii) 2,171,000 Broker Options outstanding which if exercised in full would result in the issuance of 2,171,000 Common Shares and 1,085,500 Warrants.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed on the TSXV under the symbol VEIN. 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 May 1, 2018 to April 30, 2020, the most recently completed financial year:

Month	High (\$)	Low (\$)	Volume
May 2019	0.12	0.105	18,730
June 2019	0.135	0.09	209,625
July 2019	0.105	0.09	106,435
August 2019	0.18	0.09	575,843
September 2019	0.16	0.125	96,143
October 2019	0.17	0.07	123,117
November 2019	0.105	0.085	149,942
December 2019	0.095	0.085	82,637
January 2020	0.12	0.07	489,554
February 2020	0.075	0.045	381,342
March 2020	0.055	0.035	967,111
April 2020	0.09	0.04	608,354

Prior Sales

Pasofino does not have any class of securities that is outstanding but not listed or quoted on an exchange, other than options and warrants to acquire Common Shares described elsewhere in this AIF.

ESCROWED SECURITIES

To the knowledge of Pasofino, other than the Locked-Up Shares, there are no securities of Pasofino that are held in escrow or are subject to a contractual restriction on transfer.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table sets out, as of the date of this AIF, the names of the directors and officers of Pasofino, the province or state, and country of residence of each such director and officer, their respective positions and offices held with Pasofino and their principal occupations during the last five years.

Name, Province and Country of Residence and Positions and Offices Held	Date Elected or Appointed	Principal Occupations During the Last Five Years
Ian Stalker President and Chief Executive Officer – Africa <i>Cascais, Portugal</i>	September 30, 2020	Mr. Stalker is currently the Chief Executive Officer – Africa of the Company. Mr. Stalker has been the Chair of Helium One Ltd. since April 2019, non-executive director of Nexus Gold since 2018, and non-executive director of Condor Gold Plc since 2019. Mr. Stalker was previously Chief Executive Officer of LSC Lithium Corporation from 2017 until 2019, Chief Executive Officer of K92 from May 2016 to August 2017, and Chair of Plateau Energy Metals Inc. from 2013 until 2019.
Stephen Dunn ⁽¹⁾ Director, President and Chief Executive Officer – North America <i>Ontario, Canada</i>	June 25, 2018	Mr. Dunn is currently the Chief Executive Officer – North America of the Company. Mr. Dunn is also President, Chief Executive Officer and Director of Crown Mining Corp. and Western Troy Capital Resources Inc.
John Sanders Chief Operating Officer and Director <i>Pretoria, South Africa</i>	September 30, 2020	Mr. Sanders is currently Chief Operations Officer and a director of the Company. Prior to this starting in 2015, Mr. Sanders was the Chief Executive Officer and Managing Director at Elemental Minerals Ltd, thereafter General Manager Africa for Infinity Lithium Corp and VP exploration for LSC Lithium.
Darryl Levitt ⁽¹⁾ Director <i>Ontario, Canada</i>	February 28, 2020	Mr. Levitt practices law in Ontario focusing on corporate and securities matters.
Krisztian Toth Director and Chairman <i>Ontario, Canada</i>	April 30, 2020	Mr. Toth is a partner at Fasken Martineau DuMoulin LLP.

Note:

1) Member of the Audit Committee.

Each director elected or appointed holds office until the next annual general meeting of the shareholders of Pasofino or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the articles of Pasofino or with the provisions of the BCBCA.

As of the date of this AIF, all directors and executive officers of Pasofino, as a group, beneficially own, directly or indirectly, or exercise control or direction over, 4,967,000 Common Shares, representing 1.8% of all outstanding Common Shares.

Except as set out below, none of the directors or executive officers of Pasofino have a principal occupation as an officer of a company other than Pasofino. Stephen Dunn's principal occupation is as President, Chief Executive Officer and Director of Crown Mining Corp. and Western Troy Capital Resources Inc.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Pasofino, no director, executive officer or shareholder holding a sufficient number of securities of Pasofino to affect materially the control of Pasofino:

- (a) is, as at the date of this AIF, or has been within the ten years before the date of this AIF, a director or executive officer of any company (including Pasofino) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of Pasofino:

- (a) no director or executive officer is, as at the date of this AIF, or was within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including Pasofino) that:
 - (i) was subject to an Order that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an Order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event while that person was acting in the capacity as director, chief executive officer or chief financial officer; and
- (b) no director, executive officer or shareholder holding a sufficient number of securities of Pasofino to affect materially the control of Pasofino has been subject to:
 - (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

For the purposes of the foregoing, an “**Order**” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation and, in each case, that was in effect for a period of more than 30 consecutive days.

Conflicts of Interest

Directors and officers of Pasofino may also serve as directors and/or officers of other companies engaged in similar businesses and may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm's length negotiations but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to Pasofino which arise under applicable corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired

in their capacities as directors or officers of Pasofino. It is expected that all conflicts of interest will be resolved in accordance with the provisions of the BCBCA. It is expected that any transactions with officers and directors will be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to Pasofino, and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to the shareholders for their approval.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings material to Pasofino to which Pasofino is or was a party or of which any of Pasofino's property is or was the subject matter during the financial year ended April 30, 2020, and to Pasofino's knowledge, no such proceedings are contemplated.

There were no:

- (a) penalties or sanctions imposed against Pasofino by a court relating to securities legislation or by a securities regulatory authority during the financial year ended April 30, 2020;
- (b) other penalties or sanctions imposed by a court or regulatory body against Pasofino that would likely be considered important to a reasonable investor in making an investment decision; and
- (c) settlement agreements which Pasofino entered into before a court relating to securities legislation or with a securities authority during the financial year ended April 30, 2020.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of Pasofino, no director or executive officer of Pasofino, or any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares, or associates or affiliates of any of those persons or companies, has had any material interest, direct or indirect, in any transaction since April 30, 2019 that has materially affected or is reasonably expected to materially affect Pasofino.

MATERIAL CONTRACTS

Pasofino is party to the following material contracts, all of which were entered into since April 30, 2019 or which are otherwise currently in effect (contracts that Pasofino has entered into in the ordinary course of business are not described):

1. Roger Option and Joint Venture Agreement dated January 8, 2018 pursuant to which Pasofino can earn a 50% undivided interest in the property after Pasofino invests \$2,000,000 in a work program over 3 years and issues 111,111 Common Shares to SOQUEM (adjusted for consolidations).
2. Option Agreement between Hummingbird Resources (Liberia) Inc. and Hummingbird Resources PLC and ARX Resources Limited dated June 4, 2020.
3. Share Exchange Agreement between the registered and beneficial owners of all of the issued and outstanding securities of ARX Resources Limited and Pasofino Gold Limited and ARX Resources Limited dated July 8, 2020.
4. Underwriting Agreement between Pasofino Gold Limited and Stifel Nicolaus Canada Inc., together with Beacon Securities Limited, Clarus Securities Inc., PI Financial Corp., Eight Capital and Haywood Securities Inc. dated September 22, 2020.
5. Special Warrant Indenture between Pasofino Gold Limited and Computershare Trust Company of Canada dated September 22, 2020.
6. Warrant Indenture between Pasofino Gold Limited and Computershare Trust Company of Canada dated September 22, 2020.

INTERESTS OF EXPERTS

Names of Experts

The following are the persons or companies who were named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made by Pasofino under National Instrument 51-102 – *Continuous Disclosure Obligations* during or relating to the financial year ended April 30, 2020 and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

- Alain-Jean Beauregard, P. Geo., and Daniel Gaudreault, Eng., of Geologica, and Christian D'Amours, P. Geo., of GeoPointCom, who authored the Roger Project Technical Evaluation Report;
- Laury Schmitt, Eng., of SOQUEM, who reviewed and approved the contents of the Roger Project Technical Evaluation Report; and
- Martin Pittuck, MSc., C.Eng, FGS, MIMMM, of SRK Consulting (UK) Limited, who authored the Dugbe Gold Technical Report dated August 19, 2020.

Interests of Experts

Each of the Experts listed above are independent of Pasofino, as such term is defined in NI 43-101.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are McGovern Hurley LLP, Chartered Professional Accountants, Toronto, Ontario. In connection with the audit of Pasofino's financial statements, McGovern Hurley LLP has reported to Pasofino's Audit Committee that they are independent of Pasofino within the rules of professional conduct of the Chartered Professional Accountants of Ontario.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its offices in Toronto, Ontario.

AUDIT COMMITTEE

Audit Committee Charter

The charter of Pasofino's Audit Committee is attached to this AIF as Schedule "A".

Composition of Audit Committee & Relevant Education and Experience

The members of the Audit Committee are Robert Metcalfe, Stephen Dunn and Darryl Levitt. All members are financially literate and Darryl Levitt and Robert Metcalfe are independent within the meaning of National Instrument 52-110 – *Audit Committees* ("NI 52-110").

Audit Committee Oversight

At no time since the commencement of Pasofino's most recently completed financial year have any recommendations by the Audit Committee respecting the nomination or compensation of Pasofino's external auditor not been adopted by the Board.

Pre-Approval Policies and Procedures

Pursuant to NI 52-110, the Audit Committee must approve in advance all non-audit services to be provided to Pasofino by the external auditor.

External Auditor Service Fees

The fees charged to Pasofino by its external auditor for its financial years ended April 30, 2020 and 2019 are as follows:

	Fiscal Year Ended April 30, 2020	Fiscal Year Ended April 30, 2019
Audit Fees	\$17,000	\$17,840
Audit-Related Fees	-	-
Tax Fees ⁽¹⁾	-	\$4,000
All Other Fees	-	-

Notes:

(1) Tax fees comprise fees for tax compliance, tax advice and tax planning.

ADDITIONAL INFORMATION

Additional information relating to Pasofino is available on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Pasofino's securities and securities authorized for issuance under equity compensation plans, is contained in Pasofino's most recently filed information circular and additional financial information is provided in Pasofino's financial statements and management's discussion and analysis for the year ended April 30, 2020, all of which is available on SEDAR.

SCHEDULE “A”

CHARTER OF THE AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* (“NI 52-110”) requires the Company to disclose annually in its management information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

The Audit Committee’s Charter

The Audit Committee’s mandate and charter can be described as follows:

1. Each member of the Audit Committee shall be a member of the Board of Directors, in good standing, and the majority of the members of the audit committee shall not be officers, employees or Control Persons of the Company (as such term is defined in Policy 1.1 of TSX Venture Exchange) in order to serve on this committee.
2. At least one of the members of the Audit Committee shall be financially literate.
3. Review the Audit Committee’s charter annually, reassess the adequacy of this charter, and recommend any proposed changes to the Board of Directors. Consider changes that are necessary as a result of new laws or regulations.
4. The Audit Committee shall meet at least four times per year, and each time the Company proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Audit Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.
5. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the committee.
6. The Audit Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).
7. Appoint the independent auditors to be engaged by the Company, establish the audit fees of the independent auditors, pre-approve any non-audit services provided by the independent auditors, including tax services, before the services are rendered. Review and evaluate the performance of the independent auditors and review the full board of directors any proposed discharge of the independent auditors.
8. Review with management the policies and procedures with respect to officers’ expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.
9. Consider, with management, the rationale for employing audit firms rather than the principal independent auditors.
10. Review with management and the independent auditors, all significant risks or exposures facing the Company; assess the steps the Management has taken or proposes to take to minimize such risks to the Company; and periodically review compliance with such steps.
11. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.

12. Inquire regarding the “quality of earnings” of the Company from a subjective as well as an objective standpoint.
13. Review with the independent accountants: (a) the adequacy of the Company’s internal controls including computerized information systems controls and security; and (b) any related significant findings and recommendations of the independent auditors together with management’s responses thereto.
14. Review with management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.
15. Review with management and the independent auditors, the interim annual financial report before it is filed with the regulatory authorities.
16. Review with each public accounting firm that performs an audit: (a) all critical accounting policies and practices used by the Company; and (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, the ramifications of each alternative and the treatment preferred by the Company.
17. Review all material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
18. Review with management and the independent auditors: (a) the Company’s annual financial statements and related footnotes; (b) the independent auditors’ audit of the financial statements and their report thereon; (c) the independent auditor’s judgments about the quality, not just the acceptability, of the Company’s accounting principles as applied in its financial reporting; (d) any significant changes required in the independent auditors’ audit plan; and (e) any serious difficulties or disputes with management encountered during the audit.
19. Periodically review the Company’s code of conduct to ensure that it is adequate and up-to-date.
20. Review the procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.
21. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.
22. The Audit Committee will perform such other functions as assigned by law, the Company’s charter or bylaws, or the board of directors.
23. The Audit Committee will evaluate the independent auditors.