



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

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED
OCTOBER 31, 2022 AND 2021
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Pasofino Gold Limited (the "Company") have been prepared by, and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Pasofino Gold Limited

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at October 31, 2022	As at April 30, 2022
ASSETS		
Current assets		
Cash	\$ 5,211,147	\$ 1,861,010
Sales tax receivables	15,874	5,666
Marketable securities (note 4)	4,785	7,830
Prepaid expenses	65,608	131,993
Advance (note 8(a))	26,550	8,954
Total current assets	5,323,964	2,015,453
Non-current assets		
Property and equipment (note 5)	25,271	35,377
Total non-current assets	25,271	35,377
Total assets	\$ 5,349,235	\$ 2,050,830
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Amounts payable and other liabilities (note 10)	\$ 1,290,146	\$ 1,618,280
Total liabilities	1,290,146	1,618,280
Shareholders' Equity		
Capital stock (note 6(b))	70,905,457	66,723,255
Contributed surplus (note 6(c)(d))	9,262,577	7,904,709
Deficit	(76,108,945)	(74,195,414)
Total shareholders' equity	4,059,089	432,550
Total liabilities and shareholders' equity	\$ 5,349,235	\$ 2,050,830

Nature of business and going concern (note 1)
Commitments and contingencies (notes 8 and 11)
Subsequent events (note 12)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Pasofino Gold Limited

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended October 31,		Six months ended October 31,	
	2022	2021	2022	2021
Expenses				
Exploration expense (note 8)	\$ 425,714	\$ 2,621,303	\$ 760,459	\$ 6,458,683
Share-based payments (note 6(c))	82,954	996,238	275,524	2,186,704
Management fees (note 10)	104,768	304,874	255,424	616,892
Office and general (note 9)	125,713	106,678	225,073	215,914
Professional fees (notes 9 and 10)	73,959	243,609	184,844	399,684
Director fees (note 10)	52,500	52,500	105,000	105,000
Communications and travel	17,571	307	19,402	4,144
Depreciation (note 5)	5,053	5,053	10,106	10,106
Investor relations	3,821	2,632	6,248	97,534
Loss before the undernoted	(892,053)	(4,333,194)	(1,842,080)	(10,094,661)
Foreign exchange loss	(70,331)	(196,878)	(68,406)	(131,684)
Unrealized (gain) loss on marketable securities (note 4)	290	38,064	(3,045)	15,064
Realized gain on sale of marketable securities (note 4)	-	186,366	-	186,366
Sale of property interest (note 8(b))	-	-	-	1,241,500
Net loss and comprehensive loss for the period	\$ (962,094)	\$ (4,305,642)	\$ (1,913,531)	\$ (8,783,415)
Basic and diluted loss per share (note 7)	\$ (0.02)	\$ (0.14)	\$ (0.05)	\$ (0.28)
Weighted average number of common shares outstanding - basic and diluted	42,523,020	31,635,000	41,587,880	31,331,249

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Pasofino Gold Limited

Condensed Interim Consolidated Statements of Cash Flows (Expressed in Canadian Dollars) (Unaudited)

	Six months ended October 31,	
	2022	2021
Operating activities:		
Net loss for the period	\$ (1,913,531)	\$ (8,783,415)
Adjustments for:		
Depreciation (note 5)	10,106	10,106
Share-based payments (note 6(c))	275,524	2,186,704
Unrealized loss (gain) on marketable securities (note 4)	3,045	(15,064)
Realized gain on marketable securities (note 4)	-	(186,366)
Shares received in connection with sale of property interest (note 8(b))	-	(241,500)
Changes in non-cash working capital items:		
Sales tax receivables	(10,208)	(11,036)
Prepaid expenses	66,385	66,011
Advance	(17,596)	460,186
Amounts payable and other liabilities	(328,134)	(1,577,556)
Net cash used in operating activities	(1,914,409)	(8,091,930)
Investing activities:		
Proceeds from sale of marketable securities	-	498,314
Purchase of marketable securities	-	(100,645)
Net cash provided by investing activities	-	397,669
Financing activities:		
Shares issued for cash (note 6(b))	5,308,922	7,098,978
Share issue costs	(44,376)	(684,715)
Net cash provided by financing activities	5,264,546	6,414,263
Net change in cash	3,350,137	(1,279,998)
Cash, beginning of period	1,861,010	1,925,956
Cash, end of period	\$ 5,211,147	\$ 645,958
Supplemental information:		
Issuance of broker warrants (note 6(b))	\$ 797	\$ 392,970
Shares issued as settlement of debt (note 6(b))	\$ -	\$ 227,581

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Pasofino Gold Limited

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

Equity attributable to shareholders

	Number of common shares	Capital stock	Contributed surplus	Deficit	Total
Balance, April 30, 2021	22,313,485	\$ 52,172,889	\$ 4,175,730	\$ (58,565,913)	\$ (2,217,294)
Issue of shares for cash (note 6(b))	9,183,679	9,000,005	-	-	9,000,005
Share issue costs	-	(887,240)	-	-	(887,240)
Broker warrants (note 6(b))	-	(392,970)	392,970	-	-
Shares issued as settlement of debt (note 6(b))	147,780	227,581	-	-	227,581
Share-based payments (note 6(c))	-	-	2,186,704	-	2,186,704
Net loss and comprehensive loss for the period	-	-	-	(8,783,415)	(8,783,415)
Balance, October 31, 2021	31,644,944	\$ 60,120,265	\$ 6,755,404	\$ (67,349,328)	\$ (473,659)
Balance, April 30, 2022	41,122,865	\$ 66,723,255	\$ 7,904,709	\$ (74,195,414)	\$ 432,550
Issue of shares for cash (note 6(b))	10,617,843	5,308,922	-	-	5,308,922
Shares issue costs	-	(44,376)	-	-	(44,376)
Warrants (note 6(b))	-	(1,081,547)	1,081,547	-	-
Broker warrants (note 6(b))	-	(797)	797	-	-
Share-based payments (note 6(c))	-	-	275,524	-	275,524
Net loss and comprehensive loss for the period	-	-	-	(1,913,531)	(1,913,531)
Balance, October 31, 2022	51,740,708	\$ 70,905,457	\$ 9,262,577	\$ (76,108,945)	\$ 4,059,089

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Pasofino Gold Limited

Notes to Condensed Interim Consolidated Financial Statements

October 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of Business and Going Concern

Pasofino Gold Limited, (the "Company" or "Pasofino") was incorporated on August 18, 2010 under the Business Corporations Act of British Columbia. On April 19, 2013, the Company completed its Qualifying Transaction, and as a result, the Company ceased to be a CPC and commenced trading as a Tier 2 Mining Issuer on the TSX Venture Exchange ("TSXV") under the new trading symbol "NRL.V". In early 2017, the ticker was changed to "VEIN". On December 8, 2020, the Company's common shares commenced trading on the OTCQB Venture Market ("OTCQB") in the United States. The Pasofino ticker is (OTCQB: EFRGF).

The principal business of the Company is the acquisition, exploration, and development of mineral properties. On September 17, 2020, the Company completed the acquisition of ARX Resources Limited ("ARX").

The Company's head office, and registered and records office is 366 Bay Street, Suite 200, Toronto, Ontario, Canada, M5H 4B2.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration and evaluation programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

These unaudited condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on a going concern basis, which assumes the Company will be able to meet its obligations and continue its operations for the next 12 months. At October 31, 2022, the Company had an accumulated deficit of \$76,108,945 (April 30, 2022 - \$74,195,414), expects to incur further losses in the development of its business, and had working capital of \$4,033,818 (April 30, 2022 – working capital of \$397,173).

The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from raising equity capital and/or borrowing sufficient funds to meet current and future obligations. In order to continue as a going concern and meet its corporate objective, the Company will require additional financing through debt or equity issuances or other available means. However, there is no assurance that the Company will continue to be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties raise significant doubt regarding the Company's ability to continue as a going concern.

Pasofino Gold Limited

Notes to Condensed Interim Consolidated Financial Statements

October 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of Business and Going Concern (Continued)

These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

In March 2020, the outbreak of the novel strain of corona virus, specifically identified as "COVID-19", has resulted in governments worldwide 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 markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. However, in spite of these challenges, COVID-19 has not negatively impacted the Company's exploration programs, though it remains uncertain of what the future impact would be.

2. Basis of Preparation

These unaudited condensed interim consolidated financial statements are prepared in accordance with IFRS, including International Accounting Standards ("IAS") 34, Financial Reporting, as issued by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all the information required for full annual financial statements by IFRS. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2022 which includes the information necessary or useful to understanding the Company's business and financial statement presentation.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, under historical cost convention. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These unaudited condensed interim consolidated financial statements were approved by the Board of Directors on December 19, 2022.

3. Significant Accounting Policies

These unaudited condensed interim consolidated financial statements have been prepared following the same accounting policies, critical estimates and judgements used in the preparation of the audited consolidated financial statements of the Company for the year ended April 30, 2022, which are available on SEDAR at www.sedar.com.

New Standards

These new standards and changes adopted on May 1, 2022 did not have any material impact on the Company's unaudited condensed interim consolidated financial statements.

IAS 16 - Property, Plant and Equipment was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

Pasofino Gold Limited

Notes to Condensed Interim Consolidated Financial Statements

October 31, 2022 and 2021

(Expressed in Canadian Dollars)

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3. Significant Accounting Policies (Continued)

New Standards (continued)

IFRS 3 – Business Combinations (“IFRS 3”) was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

Future Policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact of these standards on the unaudited condensed interim consolidated financial statements.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

4. Marketable Securities

	Number of shares	Cost	Cumulative Unrealized loss	Fair market value
October 31, 2022				
QC Copper & Gold Inc. (“QC Copper”) (i)	29,000	\$ 7,062	\$ (2,277)	\$ 4,785
	Number of shares	Cost	Cumulative Unrealized gain	Fair market value
April 30, 2022				
QC Copper	29,000	\$ 7,062	\$ 768	\$ 7,830

During the three and six months ended October 31, 2022, the Company recorded an unrealized gain (loss) on marketable securities of \$290 and \$(3,045), respectively (three and six months ended October 31, 2021 - \$38,064 and \$15,064, respectively) and recorded a realized gain on marketable securities of \$nil (three and six months ended October 31, 2021 - \$186,366) in the unaudited condensed interim consolidated statement of loss and comprehensive loss.

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Notes to Condensed Interim Consolidated Financial Statements

October 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

5. Property and Equipment

Cost	Computer equipment	Motor vehicles	Total
Balance, April 30, 2022 and October 31, 2022	\$ 2,457	\$ 58,185	\$ 60,642
Accumulated depreciation			
Balance, April 30, 2022	\$ 1,025	\$ 24,240	\$ 25,265
Depreciation during the period	410	9,696	10,106
Balance, October 31, 2022	\$ 1,435	\$ 33,936	\$ 35,371
Net value			
Balance, April 30, 2022	\$ 1,432	\$ 33,945	\$ 35,377
Balance, October 31, 2022	\$ 1,022	\$ 24,249	\$ 25,271

6. Capital Stock

- a) Authorized - Unlimited common shares without par value
- b) Issued - 51,740,708 common shares

Six months ended October 31, 2022:

- (i) On October 19, 2022, the Company completed a non-brokered private placement of 10,617,843 units of the Company at \$0.50 per unit for gross proceeds of \$5,308,922. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.65 for a period of 18 months following the issue date of the units. The Company has estimated the fair value of these warrants at \$1,081,547 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 130% (based on historical price data of the Company's common shares); risk-free interest rate of 4.18% and an expected life of 1.5 years.

As consideration for its services in connection with the financing, the Company paid a finder's fee of \$1,750 in cash and 3,500 broker warrants. Each broker warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.50 for a period of 18 months. The Company has estimated the fair value of these broker warrants at \$797 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 130% (based on historical price data of the Company's common shares); risk-free interest rate of 4.18% and an expected life of 1.5 years.

All securities issued are subject to a four month hold period expiring February 20, 2023.

Certain directors, and officers of the Company participated in the offering as to 2,976,434 units.

Pasofino Gold Limited

Notes to Condensed Interim Consolidated Financial Statements

October 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

6. Capital Stock (Continued)

b) Issued - 51,740,708 common shares (continued)

Six months ended October 31, 2021:

- (ii) On May 6, 2021, the Company completed a marketed public offering of common shares in the capital of the Company, raising aggregate gross proceeds of \$9,000,005. The offering was conducted on a best-efforts agency basis by Stifel GMP as sole agent and book-runner (the "Agent"). Pursuant to the offering, the Company issued 9,183,679 common shares at a price of \$0.98 per common shares. As at April 30, 2021, \$1,901,027 in cash was received for this offering and was recorded as share subscription liability.

As consideration for its services in connection with the offering, the Agent received (i) a cash commission equal to 7% of the gross proceeds from the sale of the common shares, and (ii) non-transferable broker warrants as is equal to 7% of the aggregate number of common shares sold pursuant to the offering, with each broker warrant exercisable to purchase one common share in the capital of the Company at the issue price until November 6, 2022. Notwithstanding the foregoing, a reduced cash commission of 2% and a reduced number of broker warrants equal to 2% was paid in respect of sales to certain purchasers on the president's list.

The Company has estimated the fair value of the 515,534 broker warrants at \$392,970 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 138% (based on historical price data of the Company's common shares); risk-free interest rate of 0.30% and an expected life of 1.5 years.

Certain directors, and officers of the Company participated in the offering as to 377,566 common shares.

- (iii) On July 5, 2021, the Company issued 111,585 common shares at a price of \$1.54 to settle \$171,841 in indebtedness of the Company to a third party.
- (iv) On August 26, 2021, the Company agreed with the independent and non-executive directors to issue 36,195 common shares ("Debt Shares") to such directors in exchange for the cancellation of \$55,740 of director fees owing, after deduction of applicable withholding taxes. The Debt Shares were issued at a price of \$1.54.

c) Stock options

The following table summarizes the stock option transactions during the periods ended October 31, 2022 and 2021:

	Number of stock options	Weighted average exercise price
Balance, April 30, 2021	19,643	\$ 0.70
Stock options granted (i)	2,664,278	1.40
Stock options forfeited	(78,570)	1.40
Balance, October 31, 2021	2,605,351	\$ 1.39
Balance, April 30, 2022	4,085,351	\$ 1.16
Stock options forfeited	(657,144)	1.17
Balance, October 31, 2022	3,428,207	\$ 1.15

Pasofino Gold Limited

Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

6. Capital Stock (Continued)

c) Stock options (continued)

(i) On June 24, 2021, the Company granted 2,664,278 stock options to directors and officers. The stock options have an exercise price of \$1.40 per share, are valid for a five-year period from the date of grant and are subject to regulatory approval. The options vest at one quarter every three months with the first quarter vesting on grant date. The fair value of the 2,664,278 stock options issued was estimated at \$2,731,400 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 135% (based on historical price data of the Company's common shares); risk-free interest rate of 0.97% and an expected life of five years. For the three and six months ended October 31, 2022, the impact on the unaudited condensed interim consolidated statement of loss and comprehensive loss was \$nil (three and six months ended October 31, 2021 - \$996,238 and \$2,186,704, respectively)

(ii) The portion of the estimated fair value of options granted in the prior years and vested during the three and six months ended October 31, 2022 amounted to \$82,954 and \$275,524, respectively (three and six months ended October 31, 2021 - \$nil).

The following table reflects the stock options issued and outstanding as of October 31, 2022:

Expiry date	Exercise price (\$)	Options outstanding	Weighted average remaining contractual life (years)	Options exercisable	Valuation (\$)
April 29, 2024	0.70	19,643	1.50	19,643	17,000
June 24, 2026	1.40	2,153,564	3.65	2,153,564	2,207,496
February 7, 2027	0.74	1,255,000	4.27	941,250	795,815
	1.15	3,428,207	3.87	3,114,457	3,020,311

d) Warrants

The following table summarizes the warrant transactions during the periods ended October 31, 2022 and 2021:

	Number of warrants	Weighted average exercise price
Balance, April 30, 2021	1,553,166	\$ 5.24
Issued (note 6(b)(ii))	515,534	0.98
Expired	(1,553,166)	5.24
Balance, October 31, 2021	515,534	\$ 0.98
Balance, April 30, 2022	515,534	\$ 0.98
Issued (note 6(b)(i))	4,068,832	0.65
Balance, October 31, 2022	4,584,366	\$ 0.69

Pasofino Gold Limited

Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

6. Capital Stock (Continued)

d) Warrants (continued)

The following table reflects the warrants issued and outstanding as of October 31, 2022:

Expiry date	Exercise price (\$)	Warrants outstanding	Valuation (\$)
November 6, 2022	0.98	515,534	392,970
April 19, 2024	0.65	4,065,332	1,081,547
April 19, 2024	0.50	3,500	797
	0.69	4,584,366	1,475,314

7. Net Loss Per Share

The calculation of basic and diluted loss per share for the three and six months ended October 31, 2022 was based on the loss attributable to common shareholders of \$962,094 and \$1,913,531, respectively (three and six months ended October 31, 2021 - \$4,305,642 and \$8,783,415, respectively) and the weighted average number of common shares outstanding of 42,523,020 and 41,587,880, respectively (three and six months ended October 31, 2021 - 31,635,000 and 31,331,249, respectively). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

8. Mineral Properties

Exploration and evaluation expenditures incurred during the three and six months ended October 31, 2022 and 2021 are as follows:

	Three months ended October 31,		Six months ended October 31,	
	2022	2021	2022	2021
Properties				
Dugbe Gold Project (a)				
Camp and support costs	5,445	-	\$ 11,673	\$ 212,538
Drilling activities	-	-	-	488,948
Facility activities	54,939	70,955	113,001	140,376
Laboratory analysis	2,944	93,357	3,502	227,312
Professional fees	23,028	247,308	48,985	345,807
Road upgrades	-	538,593	-	1,067,403
Salaries and consultants	147,640	764,747	237,622	1,634,467
Study activities	146,739	718,503	275,081	1,976,794
Travel and accommodation	44,979	186,093	70,595	363,291
	\$ 425,714	\$ 2,619,556	\$ 760,459	\$ 6,456,936
Roger Property (b)				
Exploration expenditures	\$ -	\$ 1,747	\$ -	\$ 1,747
	\$ -	\$ 1,747	\$ -	\$ 1,747
Exploration and evaluation expenditures	\$ 425,714	\$ 2,621,303	\$ 760,459	\$ 6,458,683

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Notes to Condensed Interim Consolidated Financial Statements

October 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

8. Mineral Properties (Continued)

(a) Dugbe Gold Project

On September 17, 2020, the Company completed the acquisition of ARX. ARX is party to an earn-in agreement with Hummingbird Resources PLC ("Hummingbird PLC") in respect of the Dugbe Gold Project in Liberia (the "Dugbe Gold Project") whereby, in accordance with the earn-in agreement, as amended (the "Option Agreement"), ARX is entitled to earn a 49% interest (prior to issuance of 10% carried interest to the Government of Liberia) in Hummingbird Resources (Liberia) Inc. ("Hummingbird Liberia"), which owns 100% of the Dugbe Gold Project and is subject to various conditions. When the 10% carried interest is issued by Hummingbird Liberia to the Government of Liberia, the interest 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 intercompany 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 and cover the overhead and operating costs associated with the Dugbe Gold Project during the two year earn-in period. This work is estimated to be US\$10,000,000 (\$12,462,000) over the earn-in period. In addition, ARX is required to fund during the term of the Option Agreement approximately US\$700,000 of the payment obligations of Hummingbird Liberia under the Mineral Development Agreement with the Government of Liberia.

On November 10, 2020, the Company announced that Hummingbird Liberia has exercised its option to acquire the "Central License" located and encompassed centrally within the Dugbe Gold Project. The Company has an earn-in option for a 49% economic interest into the Dugbe Gold Project (prior to the issuance of the Government of Liberia's 10% carried interest) subject to the satisfaction of the earn-in conditions.

As at October 31, 2021, the Company advanced \$26,550 (April 30, 2022 - \$8,954) to Hummingbird Resources (Liberia) Inc. to be spent on exploration expenditures during the earn-in period.

On June 13, 2022, the Company announced the results of the Dugbe Project Feasibility Study ("FS"), which is located in Southern Liberia. As per the Canadian Securities Administrators' National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"), the FS will be filed by Pasofino at within 45 days of June 12, 2022. Subject to the filing by Pasofino of the FS and final administrative documentation, Hummingbird PLC has confirmed that the FS has been carried out to the agreed standards and will satisfy the technical requirements to allow Pasofino to earn its 49% economic interest in the Project (prior to the issuance of the Government of Liberia's 10% carried interest).

On August 1, 2022, the Company announced that it filed the FS in respect of the Dugbe Gold Project in Liberia. Further, the Company also announced that Hummingbird has confirmed that the option exercise conditions have been satisfied such that the Company may within 120 days from the date of this press release deliver the option satisfaction notice ("Notice") to Hummingbird.

On September 20, 2022, the Company exercised its option to acquire its 49% interest in the Dugbe Gold Project.

Following acquisition of its 49% interest in the Dugbe Gold Project, both Pasofino and Hummingbird PLC have the right to exercise the option to consolidate ownership by converting Hummingbird PLC's 51% ownership of the Dugbe Gold Project for a 51% shareholding in Pasofino, such that Pasofino would own 100% of the Dugbe Gold Project (prior to the government of Liberia's 10% carried interest), subject to the receipt of all required approvals including the TSXV.

30 days after Pasofino provides the Notice it will be responsible for sole funding of the first US\$4.71 million of expenditures and shall remain as operator during such sole funding period.

Refer to note 12(i).

Pasofino Gold Limited

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October 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

8. Mineral Properties (Continued)

(b) Roger Property

On May 27, 2021, the Company announced that it closed a transaction pursuant to an agreement with QC Copper whereby Pasofino sold its 50% interest in the Roger Property.

Terms of the transaction:

- Pasofino transferred its 50% interest in the project to QC Copper.
- Pasofino received \$1 million in cash (received) and 1,150,000 common shares (received and valued at \$241,500 based on the quoted market price of the QC Copper shares on the date of receipt) of QC Copper (note 4).
- The other 50% interest will remain with SOQUEM Inc.

9. Supplementary Expense Information

Office and General:	Three months ended October 31,		Six months ended October 31,	
	2022	2021	2022	2021
Administration and other expenses	\$ 105,984	\$ 89,376	\$ 189,954	\$ 162,524
Regulatory and shareholder filing fees	19,727	17,302	35,117	53,390
	\$ 125,711	\$ 106,678	\$ 225,071	\$ 215,914

Professional Fees:	Three months ended October 31,		Six months ended October 31,	
	2022	2021	2022	2021
Accounting fees	\$ 29,976	\$ 53,832	\$ 68,576	\$ 88,288
Consulting fees	6,508	99,430	64,543	156,489
Legal and audit fees	37,475	90,347	51,725	154,907
	\$ 73,959	\$ 243,609	\$ 184,844	\$ 399,684

10. Related Party Transactions

During the three and six months ended October 31, 2022 and 2021, the Company entered into the following transactions with related parties, not disclosed elsewhere in these unaudited condensed interim consolidated financial statements:

Summary compensation of key management:

	Three months ended October 31,		Six months ended October 31,	
	2022	2021	2022	2021
Legal fees ⁽¹⁾	\$ -	\$ 52,410	\$ -	\$ 134,587
Management fees	\$ 104,768	\$ 304,874	\$ 255,424	\$ 616,892
Director fees	\$ 52,500	\$ 52,500	\$ 105,000	\$ 105,000
Salaries included in exploration and evaluation expenditures	\$ -	\$ 44,299	\$ -	\$ 87,632
Share-based payments	\$ 72,186	\$ 741,368	\$ 249,809	\$ 1,620,839

Pasofino Gold Limited

Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

10. Related Party Transactions (Continued)

(1) A firm provides to the Company legal services of which a member of the Board of Director of the Company is also a partner of the firm. During the three and six months ended October 31, 2022, \$20,082 (three and six months ended October 31, 2021 - \$52,410 and \$101,418, respectively) of fees paid to this firm are included as professional fees and \$10,951 (three and six months ended October 31, 2021 - \$nil and \$33,169, respectively) as share issue costs. As at October 31, 2022, the Company has a balance payable for \$23,908 (April 30, 2022 - \$11,364) to this firm. The amounts payable are unsecured, non-interest bearing and have no fixed terms of repayment.

Related parties include the Board of Directors and management, close family and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

As at October 31, 2022, the Company has a balance payable of \$221,000 to certain directors (April 30, 2022 - \$116,000) which is due on demand, unsecured and non-interest bearing.

See note 6(b)(i)(ii) and note 6(c)(i).

11. Commitments and Contingencies

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder because of the Company not meeting its expenditure commitments.

The Company is party to certain contracts for the provision of management services to the Company. These contracts contain minimum commitments of \$528,000 due within one year and additional contingent payments of up to \$1,563,000 upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these unaudited condensed interim consolidated financial statements.

12. Subsequent Events

(i) On November 1, 2022, the Company announced that it provided Notice to Hummingbird PLC that it is exercising its right under the option agreement to cause Hummingbird PLC to sell to Pasofino, Hummingbird PLC's 51% interest in the issued and outstanding shares of Hummingbird Liberia and all shareholder loans made by Hummingbird PLC to Hummingbird Liberia to Pasofino in order for Pasofino to become owner of 100% of the Dugbe Gold Project (prior to giving effect to the 10% carried interest of the Government of Liberia).

In connection with the sale by Hummingbird PLC, Pasofino will issue to Hummingbird PLC that number of common shares of Pasofino that results in Hummingbird PLC owning 51% of the outstanding common shares of Pasofino at such time. In addition Hummingbird PLC has an anti-dilution right that provides that if, as and when any warrants outstanding as at the date the option satisfaction notice was issued by Pasofino are exercised Pasofino shall issue to Hummingbird PLC one common share for each common share issued in connection with such exercise.

The completion of the purchase and sale is subject to the receipt of all required government, TSXV and shareholder approvals.

(ii) On November 6, 2022, 515,534 warrants with an exercise price of \$0.98 expired unexercised.

(iii) On November 21, 2022, the Company agreed with the independent and non-executive directors to issue 122,989 common shares ("Debt Common Shares") in exchange for the cancellation of \$61,495 of director fees owing, after deduction of applicable withholding taxes. The Debt Common Shares will be issued at a deemed price of \$0.50. The issuance of Debt Common Shares is subject to the approval of the TSXV. All securities issued pursuant to the debt conversion are subject to a statutory four month hold period.