



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

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED APRIL 30, 2020

REPORT DATE – AUGUST 28, 2020

1. INTRODUCTION

The following Management's Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Pasofino Gold Ltd. ("Pasofino" or the "Company") previously called Enforcer Gold Corp for year ended April 30, 2020. It should be read in conjunction with the consolidated financial statements and the notes thereto for the same period as noted above (collectively, the "Financial Statements"). The MD&A has been prepared with an effective date of August 28, 2020.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"), and all dollar amounts are expressed in Canadian ("CDN") dollars unless otherwise indicated.

Forward Looking Statements

This document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "planned," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates," or "does not anticipate," or "believes," or variations of such words and phrases, or statements that certain actions, events or results "may," "could," "would," "should," "might" or "will" be taken, occur or be achieved.

Forward-looking statements included or incorporated by reference in this document include statements with respect to:

- the Company's acquisition strategy;
- the Company's expectations regarding its ability to raise capital and meet its obligations.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any of our future results, performance or achievements expressed or implied by the forward-looking statements; consequently, undue reliance should not be placed on forward-looking statements.

Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the timing of the receipt of required approvals for our operations;
- the availability of equity and other financing on reasonable terms;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- our ability to attract and retain skilled labour and staff; and
- our ongoing relations with our employees and with our business/joint venture partners.

We caution you that the foregoing lists of important risk factors and assumptions are not exhaustive. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. We undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

2. COMPANY OVERVIEW

Pasofino is a Canadian-based mineral exploration company and trades on the TSX-V Exchange under the symbol VEIN and on the Frankfurt Exchange under the symbol N071. Pasofino has an option to acquire a 50% interest in the advanced-stage Roger Gold-Copper project ("Roger") located 5 km northwest of Chibougamau, Quebec.

On January 23, 2019, Steve Roebuck resigned as President, CEO and Director of the Company. Stephen Dunn, Director, was appointed CEO 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.

On March 1, 2019, the Company announced a proposed non-brokered private placement for aggregate gross proceeds of up to \$450,000 comprised of up to 9,000,000 units at a price of \$0.05 per unit (each such unit being comprised of one common share and one warrant exercisable at \$0.10 for 3 years). Completion of the Offering was subject to receipt of all required regulatory and TSX Venture Exchange approvals.

On May 15, 2019, the Company announced that further to its previous announcements on March 1, 2019, it would cancel the non-brokered private placement of up to 9,000,000 units ("Units") at a price of \$0.05 per Unit.

On June 20, 2019, the Company announced that it planned to consolidate (the "Consolidation") its issued and outstanding common shares (the "Common Shares") on the basis of one (1) post-Consolidation Common Share for every three (3) pre-Consolidation Common Shares. The share consolidation took effect on July 25, 2019.

On September 13, 2019, the Company announced it completed its previously announced non-brokered private placement for aggregate gross proceeds of up to \$450,000 comprised of up to 6,000,000 units ("Units") at a price of \$0.075 per Unit (each such unit being comprised of one common share and one warrant exercisable at \$0.12 for 2 years).

The Company intends to use the proceeds of the Private Placement for general working capital purposes.

Subsequent to the year ended April 30, 2020, the following significant events occurred:

On May 25, 2020, the Company completed a non-brokered private placement for aggregate gross proceeds of \$6,000,000 comprised of the sale of 120,000,000 common shares at a price of \$0.05 per common share. A director of the Company subscribed for 100,000 shares for gross proceeds of \$5,000. Another director of the Company subscribed for 3,000,000 shares for gross proceeds of \$150,000.

On June 8, 2020, the Company completed a follow-on non-brokered private placement for aggregate gross proceeds of \$300,000 comprised of the sale of 2,727,272 common shares at a price of \$0.11 per common share.

On July 9, 2020, the Company entered into an agreement to acquire all the outstanding shares of ARX Resources Limited ("ARX") (the "Transaction"). ARX is an exploration company that has a conditional earn-in agreement in respect of the Dugbe Gold Project located in Liberia. Pursuant to the Transaction, Pasofino will issue an aggregate of 132,415,974 shares, subject to adjustment based on the number of common shares outstanding on the closing date of the transaction (the "Consideration Shares") to the shareholders of ARX (the "Vendors"). Upon completion of the Transaction, the Consideration Shares issued to the Vendors will represent 49% of the outstanding shares of Pasofino. Pasofino has lent ARX US\$2,150,000 (\$2,991,000). The loans are due on demand, and bear interest at 7%. Security will be provided by ARX upon written request from the company.

On August 20, 2020 Pasofino entered into an agreement with Stifel Nicolaus Canada Inc., on its own behalf and on behalf of a syndicate of underwriters (collectively, the "Underwriters"), pursuant to which the Underwriters have agreed to purchase, on a "bought deal" private placement basis, 33,400,000 special warrants of Pasofino (the "Special Warrants") at a price of C\$0.30 per Special Warrant for aggregate gross proceeds to Pasofino of C\$10,020,000.

Subsequent to April 30, 2020, 4,796,667 warrants were exercised for gross proceeds of \$575,600.

3. SUMMARY OF EXPLORATION ACTIVITIES

3.1 Roger Gold-Copper Project

Pasofino has an option and joint venture agreement with SOQUEM to earn a 50% interest in the 987-hectare Roger Gold-Copper Project. Roger is located 5 km north of Chibougamau, Quebec, has all-season road access, and is crossed by a power line that serviced the past-producing Troilus Mine.

Roger is an advanced-stage exploration property containing the Mop-II porphyry gold-copper deposit with 58,000 m of diamond drilling completed to date and a current mineral resource estimate.

Recent Exploration and Reporting

The Mop-II was historically explored as a higher-grade, vein type deposit; however, a review of the data indicated there was significant potential to define a high-tonnage, lower-grade deposit that would be potentially amenable to lower-cost, open-pit mining techniques.

SOQUEM and Pasofino completed a 3,068 m (11 hole) Phase 1 diamond drilling program in April 2018. The primary objective of the program was the twinning of 8 historic holes on the Main zone, for which the core is no longer available, and deeper drilling (>300m vertical) to determine if mineralization continues at depth on the eastern portion of the deposit.

As reported in the Company's June 20, 2018 press release, the 8 twinned holes verified the results of the 8 historical holes with mineralization beginning at or near surface and continuing for significant lengths down hole. Highlights included:

- Hole 1206-18-85: 0.83 g/t Au over 112 m
- Hole 1206-18-87: 0.71 g/t Au over 147.8 m
 - including 1.07 g/t Au over 64.8 m
- Hole 1206-18-88: 0.73 g/t Au over 219.7 m
 - including 1.32 g/t Au over 57.7 m
- Hole 1206-18-89: 0.54 g/t Au over 230.1 m
- Hole 1206-18-94: 0.29 g/t Au over 514.5 m
 - including 0.89 g/t Au over 81.0 m
 - including 0.50 g/t Au over 219.5 m

Holes 1206-18-93 and 94 were collared to the east of the lesser explored North zone and drilled to intersect the Main zone at depth. Both holes intersected mineralization on strike of the North zone, extending its potential strike extent to over 450 m. Hole 1206-18-94 demonstrated continuous lower-grade mineralization over 514.5 m of core length to a vertical depth of ~400 m. A copper-enriched gold zone correlating with the North zone was intercepted from 79.5-129.5 m down hole, returning 54 m of 0.18 g/t Au and 0.11% Cu (see June 27, 2018 press release). Hole 1206-08-25 was a deepening of historical hole 1206-08-25 from 375 to 521.5 m down hole, also confirming that a very broad halo of lower-grade mineralization extends at depth below the Main zone.

On September 18, 2018, Pasofino and SOQUEM announced an updated and revised mineral resource estimate prepared by GéoPointCom of Val-d'Or, Québec. Using a 0.45 g/t gold equivalent ("AuEq") cut off, the resource estimate for the Mop-II deposit totals 333,000 AuEq oz in the Indicated category and 202,000 AuEq oz in the Inferred category. Over 60% of the amended global resource is in the higher confidence Indicated category.

Pit-Constrained Mineral Resource Estimate on the Mop-II Gold-Copper Deposit – July 4, 2018

Category	AuEq Cut-off (g/t)	Tonnes	AuEq (g/t)	Contained AuEq (oz)	Au (g/t)	Contained Au (oz)
Indicated	0.45	10,900,000	0.95	333,000	0.85	297,000
Inferred	0.45	6,569,000	0.96	202,000	0.75	159,000

Note: Details of the 2018 mineral resource estimate are provided in the Company's press release dated September 18, 2018. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Pasofino elected to accelerate the earn-in schedule of the option agreement by financing the Phase 2 diamond drilling program that commenced in early October 2018. The Phase 2 program employed 2 drill

rigs and was completed in one month with 34 holes totalling 7,645m.

The Phase 2 drilling program was designed to expanded the Mop-II mineral resource in areas where the opportunity for rapidly defining extensions appears most encouraging. Approximately 80% of the holes were drilled to increase and upgrade the current resource in the conceptual pits by filling gaps between the widely-spaced holes and testing the at-depth and on-strike extensions of the known zones. The remaining 20% were exploratory holes targeting potential extensions of the North zone beyond the modelled resource area.

On January 16, 2019, the company reported initial assay results for the first 11 holes of the Phase 2 diamond drilling program on the Mop-II gold-copper deposit. Highlights from the first 11 holes included:

- Hole 1206-18-95: 1.08 g/t AuEq over 15 m
- Hole 1206-18-97: 0.55 g/t AuEq over 75.7 m
- Hole 1206-18-101: 10.98 g/t AuEq over 1.3 m
- Hole 1206-18-101: 94.26 g/t AuEq over 1.0 m
- Hole 1206-18-104: 0.65 g/t AuEq over 113.2 m
- Hole 1206-18-106: 0.51 g/t AuEq over 87.1 m
- Hole 1206-18-108: 37.62 g/t AuEq over 1.3 m

A full compilation and interpretation of the results will be undertaken once the assays from the remaining 23 holes have been received.

Core samples from the Phase 2 have been analysed at SGS Canada Inc.'s analytical laboratory in Lakefield, Ontario. Assay results will be released once received and compiled.

Pasofino and SOQUEM are committed to advancing the Roger project and expanding and upgrading the mineral resource on the Mop-II deposit.

Terms of the Roger Option Agreement

Under the terms of the option agreement (the "Option"), 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 of Pasofino to SOQUEM as follows:

- Financing \$2,000,000 in work program investments as follows:
 - \$500,000 by the end of year 1 (January 8, 2019) – (completed);
 - \$750,000 by the end of year 2 (January 8, 2020) – (completed); and
 - \$750,000 by the end of year 3 (January 8, 2021).
- Issuing a total of 111,111 common shares of Pasofino as follows:
 - 27,778 by the end of year 1 (January 8, 2019) – (issued);
 - 27,778 by the end of year 2 (January 8, 2020) – (issued); and
 - 55,555 by the end of year 1 (January 8, 2021).

The Option can be earned prior to the end of the 3-year period if Pasofino completes the work requirement and issues the common shares earlier.

SOQUEM will act as the sole manager of the Property 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 Property. Subsequent contributions to the Property 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.

To date the Company has spent \$1.6 million towards the \$2 million earn in requirement.

3.2 Montalembert Gold Project

The Montalembert Gold Project is located 125 km west of Chibougamau and 230 km northeast of Val d'Or in the Abitibi greenstone belt of central Quebec. On November 16, 2016, Pasofino entered an option agreement with Globex Mining Enterprises Inc. ("Globex") (TSX: GMX) to earn a 100% interest in the Montalembert Gold Project, the terms of which are presented in the Company's November 16, 2016 press release. The option agreement was later amended as announced in the Company's November 15, 2017 press release. On August 17, 2018, Pasofino announced its election not to proceed with the option and provided ninety (90) days written notice to Globex to terminate the option, effective November 15, 2018.

4. SELECTED FINANCIAL INFORMATION

As at April 30, 2020, the Company was a Tier 2 mining issuer and had not achieved any commercial operations. Accordingly, the Company has not recorded any revenues, and depends upon share issuances to fund its administrative expenses.

Key financial statement items are summarized in the tables below:

	For the year ended April 30, 2020	For the year ended April 30, 2019	For the year ended April 30, 2018
	(\$)	(\$)	(\$)
Office and general	76,342	144,339	508,223
Professional fees	174,640	58,743	592,204
Net loss	(339,703)	(1,573,574)	(5,789,204)
Net loss per Share	(0.03)	(0.00)	(0.83)
Total assets	151,751	270,262	2,018,986

Results of Operations

Office and General

The company had office and general expenses of \$76,342 for the year ended April 30, 2020. Office and general expenses were lower than in the comparative period due to a reduction in personnel costs and general administrative expenses throughout the period, offset by a \$15,600 bad debt provision related to uncollectible expense reimbursements owing from a corporation with certain directors and officers in common with the Company.

Professional Fees

Professional fees consist of legal and audit expenses, consulting fees, and corporate secretary fees. During the year ended April 30, 2020, professional fees were higher than the comparable period, primarily due to an increase in the cost of direct consultants, from \$18,032 in 2019 to \$186,556 in 2020.

Net Loss

Net loss decreased from \$1,573,574 during year ended April 30, 2019 to \$339,703 for the year ended April 30, 2020 due to no exploration work being conducted in 2020.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth a comparison of the Company's losses and working capital on a quarterly basis for each of the eight most recently completed quarters:

	April 30, 2020 (\$)	January 31, 2020 (\$)	October 31, 2019 (\$)	July 31, 2019 (\$)
Net (loss)	(54,869)	(89,437)	(113,069)	(82,328)
Net loss per share - basic and diluted	(0.00)	(0.01)	(0.01)	(0.01)
Working capital	(45,784)	12,380	78,189	(254,041)

	April 30, 2019 ()	January 31, 2019 ()	October 31, 2018 ()	July 31, 2018 ()
Net (loss) income	(1,595,195)	47,358	26,945	(52,681)
Net loss per share - basic and diluted	(0.22)	0.00	0.00	0.00
Working capital	(179,002)	(41,831)	532,722	1,119,973

The Company is still in the exploration phase and thus has not generated any revenues to date.

5. RELATED PARTY TRANSACTIONS

During the year ended April 30, 2020 and 2019, the Company entered into the following transactions with related parties, not disclosed elsewhere in these consolidated financial statements:

Summary compensation of key management:

	Year ended	
	April 30, 2020	April 30, 2019
	\$	\$
Salaries	-	64,614
Management fees	61,000	28,000
Professional fees	52,000	-
Exploration expenses	-	62,749
Stock based compensation	17,000	-
	130,000	155,363

As at April 30, 2020, key management includes 4 directors and 2 members of the executive management team. During 2020, the Company recognized \$15,600 of bad debt provision related to amounts owing from a corporation with certain directors and officers in common with the Company.

As at April 30, 2020, the Company has a balance payable of \$27,000 to certain directors (April 30, 2019 - \$33,250) which is due on demand, unsecured and non-interest bearing.

Directors subscribed for 1,333,333 units of the Company for gross proceeds of \$100,000.

6. LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position (cash and cash equivalents) as at April 30, 2020 was \$119,228 (April 30, 2019 - \$146,606).

At April 30, 2020, the Company had an accumulated deficit of \$12,709,052 since inception (April 30, 2019 - \$12,369,349), expects to incur further losses in the development of its business, and had a net working capital deficit of \$45,784 (April 30, 2019 – deficit of \$179,002).

Pasofino Gold's financial instruments consists of cash and cash equivalents, other receivables and accounts payable and accrued liabilities. Pasofino Gold estimates that the fair value of its financial instruments approximate its carrying values.

The Company will need to raise sufficient capital to further explore its properties. At this time, the Company will rely on its ability to obtain equity or debt financing for the foreseeable future. Although the Company was successful during the year in obtaining financing, there is no guarantee that it will be able to obtain adequate financing in the future or that such financing will be advantageous to the Company. See also the discussion under the heading "Risks and Uncertainties" in the MD&A.

7. OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during 2020.

8. COMMITMENTS

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 as a result of the Company not meeting its expenditure commitments.

9. CHANGES IN ACCOUNTING POLICIES

New Accounting Standards Issued but Not Yet Applied

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

IFRS 3 – Business Combinations (“IFRS 3”) was amended in October 2018 to clarify the definition of a business. This amended definition states that a business must include inputs and a process and clarified that the process must be substantive and the inputs and process must together significantly contribute to operating outputs. In addition it narrows the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

New and Amended Standards Adopted by the Company

During the year ended April 30, 2020, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS 16 and IFRIC 23. These new standards and changes did not have any material impact on the Company's financial statements.

10. RISKS AND UNCERTAINTIES

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and foreign exchange rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash and cash equivalents consist of cash on deposits with banks and cash held in escrow with the Company's legal counsel. Included in taxes and other receivables is \$30,350 (April 30, 2019 - \$94,293) relating to sales taxes payable to various Canadian governments. Management believe that the credit risk concentration with respect to its financial instruments is remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have enough liquidity to meet liabilities when due. As at April 30, 2020, the Company had cash and cash equivalents and taxes and other receivable balances of \$150,472 (April 30, 2019 - \$256,499) to settle current liabilities of \$197,535 (April 30, 2019 - \$441,974). All the Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company remains dependent upon financing from capital markets.

Market Risk

Market risk is the risk of loss that might arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to limited interest rate risk, as it only holds cash and does not have any interest-bearing debt.

ii) Foreign Currency Risk:

The Company also holds a bank account denominated in United States dollars; therefore, it is subject to risk in fluctuations in the exchange rate of the United States dollar. However, as at April 30, 2020 and 2019, the Company had a minimal balance in its US bank balance; therefore, any change in the Canadian dollar versus the United States would be insignificant.

11. OUTSTANDING SHARE INFORMATION

<i>As of the date of this MD&A</i>	
Authorized	Unlimited
Common shares, issued and outstanding	140,733,795
Warrants	1,203,333
Stock options	275,000
Fully diluted	142,212,128

Contact Information

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12. ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website at www.sedar.com and on the Company's website located at www.pasofinogold.com.