



NEWS RELEASE

PELANGIO ENTERS OPTION AGREEMENT TO ACQUIRE KEIGAT LAKE AREA CLAIMS SURROUNDING THE BIRCH LAKE PROPERTY

TORONTO, Ontario (May 24, 2018) – Pelangio Exploration Inc. (PX:TSX-V; OTC PINK:PGXPF) (“Pelangio” or the “Company”) is pleased to announce that it has entered into an option agreement with 2522962 Ontario Inc. (“5SD Capital” or “5SD”) to acquire a 100% interest in the Keigat Lake Area Claims (approximately 1856 hectares) located in the Red Lake Mining Division, Ontario. This block of claims surrounds Pelangio’s Birch Lake Property and Pelangio holds a Net Smelter Return Royalty on this property through a previously announced agreement with 5SD, see *Pelangio news release, April 12, 2018*.

Expanded Birch Lake Project (Birch Lake Property and Keigat Lake Area Claims)

- Large land package of approximately 25 km²,
- Adjacent to First Mining’s Springpole Gold Project,
- Historical high grade intercepts, including 34.54 g/t Au over 9.85m, including 113.94 g/t Au over 2.95m,
- Hosts the High Grade Island Deformation zone, a 70m wide, steeply dipping deformation corridor, and;
- Four additional historical gold occurrences on the Keigat Lake Area Claims.

“With the success of First Mining Gold Corp. at the Springpole Deposit, and our acquisition of surrounding ground, the Birch Lake Project now fits our strategy of acquiring large land packages in areas of sizable gold mineralization,” stated Ingrid Hibbard, President and CEO. “This augmented land package brings Pelangio’s Birch Lake Project directly adjacent to First Minings’s Springpole Gold Project, and provides the opportunity to follow up on previous work.”

Renewed Interest in Birch Lake Project

The expanded Birch Lake Project offers a number of additional reasons for Pelangio to renew its interest:

- 1) *The acquisition of both the Keigat Lake Claims and recently the NSR on those claims, in exchange for assessment credits, allows for minimal land holding cost on the entire expanded land package for approximately ten years,*
- 2) *The expanded package has additional target areas beyond those on High Grade Island, and;*
- 3) *The success and activity at the Springpole Deposit have improved the logistics for exploration.*

The Keigat Lake Area Claims are located in the Red Lake Mining Division of Ontario, and surround Pelangio’s Birch Lake Project which includes High Grade Island and Keigat Island. In addition, they are adjacent to First Mining Gold Corp.’s Springpole Deposit, which has an indicated resource of 139.1 Mt at 1.04 g/t Au, and 5.4 g/t Ag, containing 4.67 Moz Au and 24.190 Moz Ag (see *First Mining Gold Corp Springpole Gold Project PEA Technical Report June 6, 2017*). The mineralization hosted on the Springpole Property is not necessarily indicative of the mineralization on the Company’s Birch Lake or Expanded Birch Lake Property. See Map #1 below.

Terms of the Option Agreement

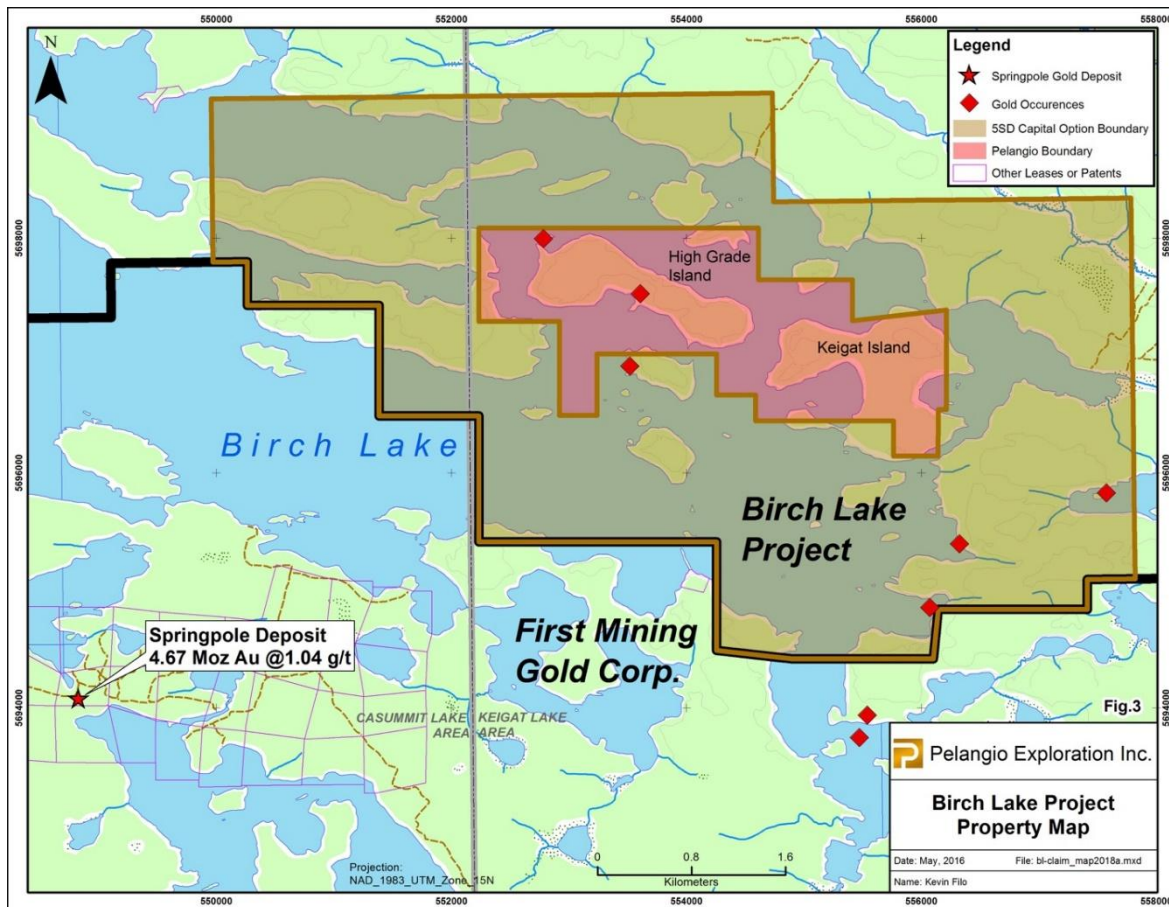
- In order to acquire a 100% interest in the Keigat Lake Area Claims, Pelangio must issue a total of four million common shares to 5SD in four tranches as follows:

Issue 1,000,000 shares	On the date the agreement is accepted by the TSXV
Issue 1,000,000 shares	On or before the first anniversary of the acceptance date
Issue 1,000,000 shares	On or before the second anniversary of the acceptance date
Issue 1,000,000 shares	On or before the third anniversary of the acceptance date

- Pelangio will be the operator on the project
- If Pelangio acquires the 100% interest in the Keigat Lake Area Claims, the Distribution and Royalty Agreement with 5SD will be terminated

Pelangio’s proposed issuances to 5SD pursuant to the option agreement are subject to prior TSXV acceptance. Ingrid Hibbard, the President and Chief Executive Officer of Pelangio, is also a shareholder of 5SD and accordingly is a *Non-Arm’s Length Party* for purposes of TSXV policies. However, the entry into the option agreement between Pelangio and 5SD will not constitute a “related party transaction” for purposes of *Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions*.

Map #1: Location of the Birch Lake Project in relation to the Springpole Deposit



Birch Lake Property, Red Lake District

Pelangio's Birch Lake property is located within the Birch-Uchi Greenstone Belt, approximately 120 km northeast of the town of Red Lake, Ontario. Within an eight km radius of the Birch Lake property, there is a large gold resource (Springpole Deposit) and a past producer (Argosy Mine) which produced 101,875 ounces of gold at an average grade of 0.37 ounce per ton (*reference: Ontario Geological Survey Open File Report 5835*). Over the last decade, significant exploration was conducted in this area by Gold Canyon Resources Inc. ("Gold Canyon") on the Springpole Deposit, located approximately five km southwest of Pelangio's Birch Lake property. The Springpole Deposit is a bulk tonnage mineralized system which has an indicated resource of 139.1 Mt at 1.04 g/t Au, and 5.4 g/t Ag, containing 4.67 Moz Au and 24.190 Moz Ag (*see First Mining Gold Corp Springpole Gold Project PEA Technical Report June 6, 2017*).

Dome Exploration (Canada) Ltd. (later Placer Dome ("Placer Dome")) and Trade Winds Ventures Inc. ("Trade Winds") completed the majority of the exploration work on the Birch Lake property to date. Initial exploration work by Placer Dome consisted of mapping, geophysical and geochemical surveys along with diamond drill follow-up, resulting in the discovery of the 70m wide, steeply dipping deformation corridor that yielded isolated high-grade gold intersections. Subsequently named the High Grade Island Deformation Zone, high-grade gold mineralization within this corridor is hosted by quartz-tourmaline-pyrite-arsenopyrite veins in the Main Central Zone. Secondary gold mineralization associated with a folded banded iron formation (West Zone) that is proximal to the deformation zone, has also been recorded.

Subsequent to Placer Dome's exploration, Trade Winds conducted two diamond drill programs to evaluate the Main Central Zone between 200m and 400m below surface.

Select historical intercepts obtained by Placer Dome and Trade Winds on the Birch Lake property's Main Central Zone are shown in the following table.

Highlights of Historical Drilling Intercepts for the Main Central Zone, Birch Lake Property*

Hole No	From	To	Metres ¹⁰	g/t Gold
Placer Dome ^{1,3,6} DDH 53	136.60	138.50	1.90	63.94
Placer Dome ^{1,3,6} DDH 78	174.45	176.45	2.00	105.30
Placer Dome ^{1,4,7} DDH 90	208.00	210.00	2.00	52.08
Trade Winds ^{2,5,8,9} DDH 96	239.15	249.00	9.85	34.54
including	239.15	242.10	2.95	113.94
Trade Winds ^{2,5,8,9} DDH 97	357.85	360.30	2.45	244.73
Trade Winds ^{2,5,8,9} DDH 98	206.00	209.40	3.40	6.15
Trade Winds ^{2,5,8,9} DDH 100	285.00	288.00	3.00	6.69

***Reference from Geological Reports by:**

¹ M. Ball PhD, P.Geo., Mosquito Consolidated Gold Mines Ltd., December 2002.

² R. Wells, P.Geo., Trade Winds Ventures Inc., NI 43-101, February 2005.

³ Data from detailed diamond drill sampling logs and records, received from Placer Dome, assay certificates unavailable.

⁴ Data from detailed diamond drill logs and sampling records, performed by Placer Dome, assay certificates from Chemex Labs, Vancouver, fire assay gravimetric finish.

⁵ Data from diamond drill sampling logs and records, Trade Winds Ventures, fire assaying performed by Eco tech Laboratory Inc., Kamloops BC, assay certificates available, diamond drilling program 2004-2006 supervised by Lorne Warner, P.Geo. N-Q core was split, sample lengths varied from 0.6m to 1.05m.

⁶ Data from Placer Dome drill holes DDH 53 and DDH 78 are historical results and cannot be verified with assay sheets, it is unknown what type of quality-control programs were performed.

⁷ Data from Placer Dome drilling has been verified with assay certificates for DDH 96, duplicate assays were performed, but the quality-control program is unknown.

⁸ Data from Trade Winds has been verified with assay certificates, and a comprehensive program of blanks, duplicates and standard were inserted to the sample stream during program. The program was supervised by Lorne Warner P.Ge., and meets modern industry practice. Sample lengths varied from 0.6m to 1.05m.

⁹ All Trade Winds drill core was located by Pelangio geologists, during a data verification program in 2008, core was photographed, catalogued and cross-piled. In addition, all Trade Winds collars were field-located as well as a significant number of the older Placer Dome holes and the collar locations were found to be within 5m of maps supplied by Trade Winds and Placer Dome. The verification program was carried out under the supervision of Warren Bates P.Ge., (APGO# 0211).

¹⁰ All intervals are core lengths, and estimates of true widths would be 60 to 80 percent of core lengths.

The Main Central Zone has been diamond drill tested along 350m of strike length with two mineralized shoots identified. Gaps in drill testing remain.

The bulk of the drilling to date has been completed above 200m. However, the Trade Winds' DDH 97 hole (intercept) demonstrated that high-grade potential exists at depth. A review by Pelangio indicated that a program of deeper drilling and infill drilling between the known shoots be completed to fully evaluate the potential of the Main Central Zone.

Geological mapping, drilling results, and geophysical surveying suggest that the High Grade Island Deformation Zone and structure is interpreted to extend across High Grade Island for 1800m. Further, induced polarization surveying suggests the deformation zone may extend beyond the island for another 1800m southeast. Approximately 3250m of projected deformation zone remains to be evaluated. (Reference: Trade Winds NI 43-101, February 2005, and Mosquito Consolidated Gold Mines Ltd., December 2002).

Qualified Person

Mr. Warren Bates, P.Ge. is a qualified person as defined by NI 43-101 and has reviewed and approved the technical contents of this press release.

About Pelangio

Pelangio successfully acquires and explores camp-sized land packages in world-class gold belts. The Company primarily operates in Ghana, West Africa, an English-speaking, common law jurisdiction that is consistently ranked amongst the most favourable mining jurisdictions in Africa. The Company is exploring three 100%-owned camp-sized properties: the 100 km² Manfo Property, the site of seven recent near-surface gold discoveries, the 264 km² Obuasi Property, located 4 km on strike and adjacent to AngloGold Ashanti's prolific high-grade Obuasi Mine and the early-stage 86 km² Akroma Property which includes the Dormaa concession. Pelangio is also renewing its interest in its Canadian gold property at Birch Lake, Ontario.

For additional information, please visit our website at www.pelangio.com, or contact:

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Forward Looking Statements

Certain statements herein may contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Forward-looking statements or information appear in a number of places and can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "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", "might" or "will" be taken, occur or be achieved. Forward-looking statements and information include statements regarding the Company's potential acquisition of the Keigat Lake Area Claims, the Company's strategy of acquiring large land packages in areas of sizable gold mineralization, the Company's plans to follow-up on previous work, the issuance of the number of shares required to complete the exercise of the option to acquire the Keigat Lake Area Claims and the related termination of the Royalty Agreement with SSD, the obtaining of TSXV acceptance of the

proposed acquisition, and the Company's exploration plans. With respect to forward-looking statements and information contained herein, we have made numerous assumptions, including assumptions about the state of the equity markets. Such forward-looking statements and information are subject to risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Such risks include the changes in equity markets, share price volatility, volatility of global and local economic climate, gold price volatility, political developments in Ghana, increases in costs, exchange rate fluctuations, speculative nature of gold exploration and other risks involved in the gold exploration industry, and in particular in relation to the Keigat Lake Area Claims, the risk that Pelangio might not obtain TSXV approval to proceed with the transaction, might not encounter favourable exploration results, might not fully-exercise its option to acquire the Keigat Lake Area Claims and the related risk that the Royalty Agreement with SSD might not be terminated. See the Company's annual and quarterly financial statements and management's discussion and analysis for additional information on risks and uncertainties relating to the forward-looking statement and information. There can be no assurance that a forward-looking statement or information referenced herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Also, many of the factors are beyond the control of the Company. Accordingly, readers should not place undue reliance on forward-looking statements or information. We undertake no obligation to reissue or update any forward-looking statements or information except as required by law. All forward-looking statements and information herein are qualified by this cautionary statement.

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