PELANGIO EXPLORATION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS Form 51-102F1

For the Three Months Ended March 31, 2020 and 2019

May 22, 2020

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This Management's discussion and analysis ("MD&A") of the consolidated operating results and financial condition of Pelangio Exploration Inc. (the "Company", "Pelangio", "us", "we", "our" or similar terms) for the three months ended March 31, 2020, has been prepared based on information available to Pelangio as of May 22, 2020, and should be read in conjunction with the unaudited consolidated financial statements and the related notes for the three months ended March 31, 2020 and March 31, 2019. This MD&A is dated May 22, 2020. The Company's public filings can be viewed on the SEDAR website (www.sedar.com), and on the Company's website (www.pelangio.com).

The consolidated financial statements, including comparatives, and the related notes have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts referred to in this MD&A are expressed in Canadian dollars, unless noted otherwise.

CORPORATE OVERVIEW
Pelangio is a Canadian junior gold exploration company with properties in two of the top-ranked mining jurisdictions in the world, Ghana and Canada. Pelangio focuses on the acquisition and exploration of early stage or undervalued exploration prospects located in world-class gold belts and aims to make discoveries that will significantly increase shareholder value. Pelangio is a reporting issuer in Ontario, Alberta, British Columbia, Saskatchewan and Nova Scotia, and our common shares commenced trading on the TSX Venture Exchange ("TSX-V") on September 10, 2008, under the symbol PX.

FORWARD LOOKING INFORMATION
Certain statements herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Such forward-looking statements or information include but are not limited to statements or information with respect to:

- the mineral resource estimate;
- the timing of exploration programs and the filing of technical reports;
- exploration plans and results with respect to our Manfo, Obuasi and Akroma properties in Ghana (the "Ghana Properties") and our properties in Canada (the "Canadian Properties");
- our future business and strategies;
- requirements for additional capital and future financing;
- future price of gold; and
- estimated future working capital, funds available and uses of funds, and future capital expenditures, exploration expenditures and other expenses for specific operations.

Often, but not always, forward-looking statements or information 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", "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. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things, the price of gold, and the state of the economy and equity markets. Although our management believes that the assumptions made, and the expectations represented by such statement or information are reasonable, there can be no assurance that a forward-looking statement or information referenced herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our 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, uncertainties and other factors include, among other things, the following:

- our ability to advance the Ghana Properties and the Canadian Properties;
- gold price volatility;
- speculative and uncertain nature of gold exploration;
- inherent uncertainties in estimating mineral resources;
- discrepancies between actual and estimated mineral resources;
- subjectivity of estimating mineral resources and the reliance on available data and assumptions and judgments used in the interpretation of such data;
- volatility of global and local economic climate;
- changes in equity markets;
- exploration costs, capital requirements and the ability to obtain funding;
- regulatory restrictions;
- defective title to mineral claims or property;
- risks associated with outstanding litigation;
- political developments in Ghana;
- uncertainties and risks related to carrying on business in foreign countries, including illegal mining, possible adverse changes in laws and taxation, foreign currency exchange fluctuations and inflation;
- risks associated with environmental liability claims and insurance;
- risks associated with the volatility of the Company's common share price and volume; and
- risks associated with dilution;

as well as those factors discussed under "Risk Factors" below.

Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. Also, many of the factors are beyond the control of Pelangio. Forward-looking statements and forward-looking information are based upon management's beliefs, estimates and opinions at the time they are made. There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. 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 as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements and information herein are qualified by this cautionary statement.

OVERALL PERFORMANCE HIGHLIGHTS/SUMMARY
CORPORATE

- Marketable securities were disposed of for proceeds of $45,070 to finance operations
- On May 19, 2020, Pelangio closed the first tranche of a private placement for gross proceeds of $734,000

CANADA
Grenfell Property, Kirkland Lake:

- Preliminary results from 693 meter diamond drill program are extremely encouraging with high-grade intercepts of 314 g/t over 1.74 meters (uncut) and a shorter interval with high-grade visible gold assayed 1810 g/t Au over 0.3 meters

Dome West, Timmins:

- Pelangio elects to continue Option on the Dome West Property adjacent to the Dome Mine Property in the Timmins-Porcupine Gold Camp

SELECTED QUARTERLY INFORMATION

Summary of Quarterly Results

For the three-month period ended				
	March 31, 2020 $	December 31, 2019 $	September 30, 2019 $	June 30, 2019 $
Net income (loss)	(453,195)	(400,862)	(330,002)	(364,619)
Net (loss) per share				
- Basic	(0.01)	(0.01)	(0.01)	(0.01)
- Diluted	(0.01)	(0.01)	(0.01)	(0.01)
Total assets		647,317	825,611	873,481

For the three-month period ended				
	March 31, 2019 $	December 31, 2018 $	September 30, 2018 $	June 30, 2018 $
Net income (loss)	(297,247)	(350,347)	(221,765)	(319,003)
Net (loss) per share				
- Basic	(0.01)	(0.01)	(0.01)	(0.01)
- Diluted	(0.01)	(0.01)	(0.01)	(0.01)
Total assets	1,330,913	1,183,632	296,985	506,421

We do not own any interests in producing mineral properties or have any other significant revenue generating activities. Our only source of revenue is from interest earned on cash, mineral properties management income and option income. We spend money on evaluating, acquiring and exploring mineral properties and on general and administrative costs associated with maintaining a public company.

RESULTS OF OPERATIONS

Three Months ended March 31, 2020

The following table outlines the significant increases (decreases) experienced by the Company in the three months ended ***March 31, 2020*** compared with the three months ended ***March 31, 2019***.

	For the three months ended		
	March 31, 2020 $	March 31, 2019 $	Increase (Decrease) $
Exploration and evaluation expenses	258,189	158,210	99,979
Investor relations	22,575	58,609	(36,034)

- Consulting services increased in 2019 due to the engagement of Integral Wealth Securities Inc. during the year, and costs related to the maintenance of the company's corporate structure in Barbados.
- Exploration and evaluation expenses increased due to an increase in exploration activity on the Company's Canadian properties, as funded by flow-through funds raised in 2019
- Investor relations expenses decreased in 2020 as the company did not raise any funds in 2020

Consolidation of Common Shares
Effective July 6, 2018, the Company's issued and outstanding common shares were consolidated on the basis of one post-consolidation common share for every ten pre-consolidation common shares. Additionally, the number of options and warrants outstanding was consolidated on the same basis. The exercise price of the options and warrants outstanding has been increased by a factor of ten. Pelangio's management feels that the consolidation has placed the Company in a much stronger position going forward.

Financing
During the quarter the company did not undertake any financing through the issuance of shares.

LIQUIDITY
Our activities consist of the exploration and evaluation of our various properties, a process that is ongoing, and is dependent on many factors, some of which are beyond our control. We do not generate any cash flows from operations and do not currently have any income other than interest income, property option income and management fee income. We rely on equity financings to fund our working capital requirements and planned exploration, development and permitting activities. We maintain a policy of reviewing our working capital requirements on a monthly basis and are mindful of our property and administrative commitments.

Sources
During the three months ended March 31, 2020, the company received proceeds of $45,070 from the sale of marketable securities.

Uses
Our expenditures in Canada on exploration activities during the three months ended March 31, 2020 totaled $229,283.

The significant components of costs were as follows:

	Dalton $	Dome West $	Grenfell $
Drilling and assays	-	-	155,552
Field supplies	125	3,075	5,381
Geologists	-	-	13,150
Acquisitions	-	51,000	-
Total:	**125**	**54,075**	**174,083**

Our expenditures in Ghana on exploration activities during the three months ended March 31, 2020 totaled $28,906.

	Manfo $	Obuasi $
Contract workers	7,164	453
Geologists	7,060	6,342
Other	4,960	2,927
Total:	**19,184**	**9,722**

Exclusive of exploration and evaluation expenses, general and administrative cash costs for the three months ended March 31, 2020 totaled $193,037.

Working Capital
As at March 31, 2020, Pelangio has a working capital deficiency of $362,231 compared to working capital of $57,054 at December 31, 2019. The working capital position decreased as funds raised in the quarter were less than funds expended.

CAPITAL RESOURCES

Management continues to closely monitor the Company's working capital position and 12-month budget outlook considering current market conditions and the financing environment. As currently budgeted, we are likely to have a working capital deficit during the next twelve months unless further capital is raised during that period. The current budget offers significant flexibility to adjust exploration and general expenditures. Management is confident that based on the Company's history and previous success in raising capital, as well as the quality of the Company's assets, such further financing will be available as required.

We expect to obtain financing in the future primarily through further equity and/or debt financing, as well as through joint venturing or optioning out the Company's properties. There can be no assurance that we will succeed in obtaining additional financing in the future. Failure to raise additional capital on a timely basis could cause us to suspend exploration and eventually to forfeit or sell interests in our mineral properties.

OFF-BALANCE SHEET ARRANGEMENTS

Pelangio has not entered into any off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

The March 31, 2020 consolidated financial statements include the financial statements of the Company and its subsidiaries. Their respective effective ownership listed in the following table:

Pelangio Mines (B) Inc. (Barbados)	100%
Pelangio Adansi Asaasi (G) Limited (Ghana)	100%
Pelangio Kyereboso Mining (G) Limited (Ghana)	100%
Pelangio Adansi Gold (G) Limited (Ghana)	100%
Pelangio Edubiase (G) Limited (Ghana)	100%
Pelangio Ahafo (B) Inc. (Barbados)	100%
Pelangio Ahafo (G) Limited (Ghana)	100%
5007223 Ontario Inc. (Canada)	100%
2090720 Ontario Inc. (Canada)	100%
2229667 Ontario Inc. (Canada)	100%

The following transactions were entered into with related parties that are not subsidiaries of the Company during the period:

	Quarter ended March 31	
	2020 **$**	**2019** **$**
With a corporation whose President is an officer of the Company		
Ghanaian exploration and evaluation expenses	8,142	16,811
With a corporation whose President is an officer of the Company		
Canadian exploration and evaluation expenses (V.P. Corporate Development)	13,400	16,206
Exploration and evaluation expenses (Senior V.P. Exploration)	7,314	13,943
With an officer of the Company		
Consulting services (Senior Technical Advisor)		
With a partnership in which an officer of the Company is a partner		
Accounting services	35,025	36,781

Of the accounting service fees, $9,462 (2019 - $9,729) is included in professional fees and $25,563 (2019 - $27,052) is included in consulting services on the statement of operations.

Accounts payable and accrued liabilities include amounts owing to related parties in the amount of $444,175 (December 31, 2019 - $358,422). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2020 and 2019 were as follows:

	three months ended March 31, 2020	
	2019 **$**	**2018** **$**
Short-term benefits	12,577	12,542
Share-based payments	9,482	21,388

CRITICAL ACCOUNTING ESTIMATES

The presentation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, decisions as to when exploration costs should be capitalized or expensed and estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting the valuations of share-based payments, warrants, and the valuation of tax accounts. Pelangio regularly reviews its estimates and assumptions. Actual results could differ from these estimates and these differences could be material.

CHANGES IN ACCOUNTING POLICIES

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2020 or later. Updates that are not applicable or are not consequential to the Company have been excluded.

OPERATING AND FINANCIAL STRATEGIES

Pelangio Exploration is a mineral exploration company with a strategy designed to capitalize upon acquisition opportunities arising during bear markets and wealth creation occurring during bull markets. To this end, the Company holds a portfolio of strategically located projects that it categorizes as core and peripheral assets. The peripheral assets are leveraged through a project generator model, which aids the company in sustaining its operating costs. The core assets are Pelangio's principal focus and the subject of thorough geological study and exploration programs in order to make discoveries. Pelangio's core assets are located within prolific gold belts in both Ontario, Canada and Ghana, West Africa.

The Company's most well-known success was the acquisition, exploration, re-envisioning, and subsequent sale of the Detour Lake deposit in Northern Ontario to Detour Gold Corporation. This property is now a long life, large-scale open pit mining operation with reserves of over 16 million ounces of gold. Through an innovative approach to corporate structure, Pelangio's President and CEO, Ingrid Hibbard, negotiated a deal in which Pelangio sold the project for 20 million shares (a 50% interest in Detour Gold Corp). This strategy allowed for Pelangio's early shareholders to realize extraordinary returns. A purchaser of Pelangio Mines Inc. shares in January 2004 might have paid $0.10 per share. By late 2010, with Detour Gold at $30 and Pelangio Exploration at $1.00, those original shares would have been worth $8.70, a remarkable 8600% return on the initial investment. Those returns illustrate Pelangio's goal of generating wealth for its shareholders via both the drill bit and intelligent corporate structuring.

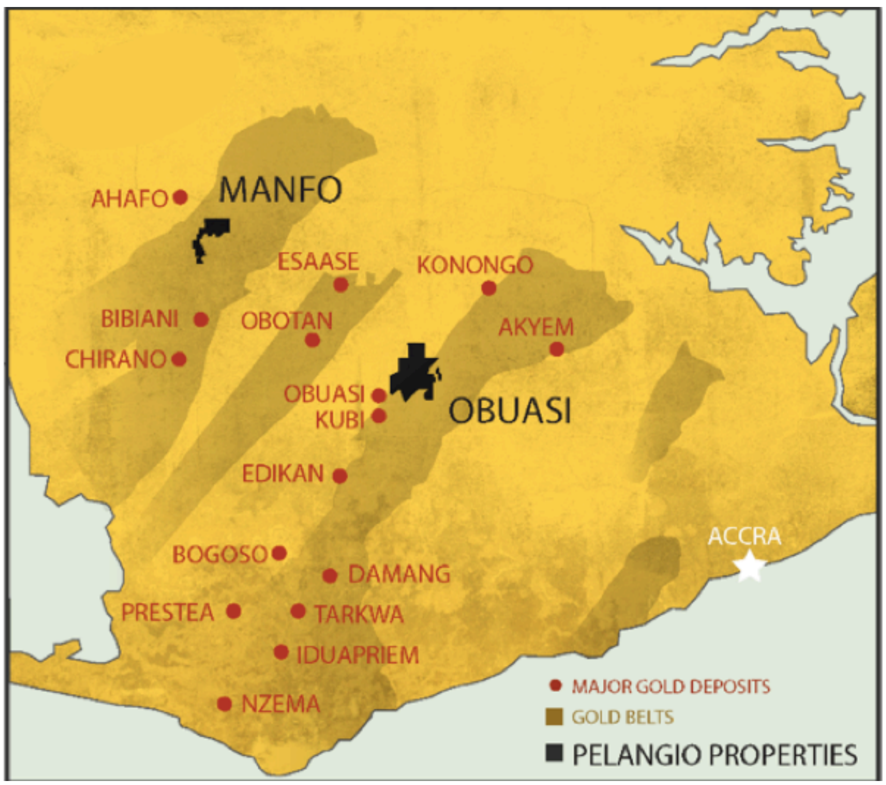
TECHNICAL DISCLOSURE

Disclosure of a scientific or technical nature regarding the Ghana Properties was prepared by or under the supervision of and approved by Kevin Thomson, P. Geo., (APGO #0191), (the "Qualified Person") a qualified person within the meaning of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects ("NI 43-101")* and our Senior Vice President, Exploration. The Qualified Person has verified the data disclosed. Data verification involved checking of information for past drill holes, trench surveying, logging, sampling and assaying as well as a review of information in the exploration computer database.

Disclosure of a scientific or technical nature regarding the Canadian Properties prepared by or under the supervision of and approved by Kevin Filo, P. Geo., (APGO #0220), (the “Qualified Person”) a qualified person within the meaning of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects ("NI 43-101")* and our Vice President, Corporate Development. The Qualified Person has verified the data disclosed. Data verification involved checking of information for past drill holes, trench surveying, logging, sampling and assaying as well as a review of information in the exploration computer database.

The mineral resource estimation work was completed by Dorota El-Rassi, P. Eng. (APEO #100012348) and Blair Hrabi, P. Geo. (APGO #1723), under the supervision of Glen Cole, P.Geo. (APGO #1416) of SRK Consulting (Canada) Inc. (“SRK”). Ms. El-Rassi, Mr. Hrabi and Mr. Cole, are independent qualified persons as this is defined in National Instrument 43-101. Mr. Hrabi inspected the Manfo gold project from May 15 to 22, 2012.

PROPERTY DESCRIPTIONS
GHANA PROPERTIES



Manfo
During the third quarter of 2010, Pelangio entered into a letter of intent with a private Ghanaian company (the “Optionor”) to acquire a 100% interest (subject to a 10% free carried interest held by the Government of Ghana, the Government’s right to acquire a further 20% interest on mutually agreed terms, and a 5% royalty interest (the “Government Interest”), as stipulated in Clause 43, *The Minerals and Mining Act 703 of 2006* (the “Mining Act”) in each of the contiguous Subriso, Sempekrom and Twabidi concessions (collectively, the “Manfo Property”). We subsequently entered into three definitive option agreements (the “Manfo Agreements”) in respect of the Manfo Property, which were submitted to the Minerals Commission of Ghana and subsequently approved by the Minister of Lands and Natural Resources of the Republic of Ghana in 2011. The Manfo Property totals approximately 100 square kilometers (“km^2”) and is located in the Ahafo Ano North district of the Ashanti region of Ghana, approximately 36 kilometers (“km”) southwest of Tepa, 14 km south of Newmont Mining Corporation’s Ahafo mine and 50 km north of Kinross Gold Corporation’s Chirano mine.

Pelangio completed the expenditure requirements of US $2,000,000 and the required payments of US $435,000 under the Manfo Agreements and granted the Optionor a 2.5% net smelter return ("NSR") royalty, subject to Pelangio's right to buy back 1% of such NSR for an aggregate total payment of US $4,000,000. Additionally, Pelangio (or its successor or permitted assign) will pay the Optionor a discovery bonus equal to the sum of (i) US $1,000,000 plus (ii) US $1.00 per ounce of proven and probable gold reserve set out in the first positive feasibility study published or released in respect of the Manfo Property. Pelangio now holds a 100% interest in the Manfo Property (subject to the Government Interest) and subject to the 2.5% NSR to the Optionor. The Minister of the Ministry of Lands and Natural Resources of Ghana approved the transfer of title to the Manfo Property in 2012. The concession licence renewal applications for the Subriso, Sempekrom and Twabidi concessions have been submitted to the Minerals Commission for review and are pending. Such renewal or extension are not assured.

The Company is in ongoing negotiations with the Optionor regarding the buy-back of the NSR and has paid $55,303 to the Optionor. This payment is expected to be applied towards the purchase price of the buy-back of the royalty.

The Manfo Agreements are available under Pelangio's profile on www.sedar.com.

Obuasi

The Obuasi property consists of the Kyereboso 2, Kyereboso 3, Meduma and Adokwae concessions totaling 284 km². The meduma concession is in good standing until January 26,2023. The remaining three concession renewal applications are pending, and such renewals or extensions are not assured. The Obuasi property was acquired pursuant to option agreements (the "Obuasi Agreements"), with two private Ghanaian corporations and is located contiguous with AngloGold Ashanti's giant Obuasi gold mine within the prolific 300 km long Ashanti Gold Belt in southwest Ghana, West Africa.

Pelangio's Obuasi project is located adjacent to with AngloGold Ashanti's world-class Obuasi gold mine within the prolific 300-kilometer-long Ashanti Gold Belt in southwest Ghana.

Pelangio now holds a 100% interest in the Obuasi Property (subject to the Government Interest as defined above, and subject to a 2% NSR to the Optionors).

The Obuasi Agreements are available under Pelangio's profile on www.sedar.com.

Akroma (Dormaa and Wamfie)

During the second quarter of 2011, Pelangio entered an option agreement to acquire a 100% interest in the Akroma concession (subject to the Government Interest, as defined above), a 159 km^2 concession governed by a Reconnaissance License in the Brong-Ahafo Region of Ghana consisting of two separate land packages (Dormaa 86km^2 and Wamfie 73km^2). Akroma is an early stage exploration property with initial prospecting, geochemical and geophysical surveys indicating significant exploration promise.

Pelangio acquired a 100% interest in the property by paying US$50,000 and paying 200,000 common shares to the Optionor.

Pelangio also granted the Optionor a 2% NSR upon making the payment and share issuances described above, of which a 1% NSR may be repurchased at any time for a cash payment of US$2 million.

In June 2012, applications were filed with the Minerals Commission for the conversion of the Reconnaissance License to two Prospecting Licenses covering each of the Dormaa and Wamfie properties. The Prospecting License has been issued for the Dormaa property, which is an 86.44 km^2 concession in the Brong-Ahafo Region of Ghana, West Africa. The Minister of the Ministry of Lands and Natural Resources of Ghana approved the transfer of title to the Dormaa Property in October 2016. Pelangio, through its indirectly held, wholly-owned subsidiary Pelangio Ahafo (G) Limited ("Pelangio Ghana"), owns a 100% interest in the Dormaa property. The renewal for the Prospecting License for Dormaa is pending and such renewal or extension is not assured. The conversion of the Wamfie concession to a Prospecting License is still pending and the Company is not pursuing it at this time.

During the last quarter of 2016, Pelangio entered into an option and joint venture agreement ("Option Agreement") with RosCan Minerals Corporation ("RosCan"), to jointly advance the 86 km^2 Dormaa property. On August 15, 2018, the option agreement with RosCan terminated on the Dormaa property without earning any interest in the property. RosCan made the first-year option payment of $10,000 and funded $300,000 in exploration expenditures. Pelangio retains its 100% interest in this property.

EXPLORATION ACTIVITIES

Manfo Property - Initial 43-101 Mineral Resource Evaluation Technical Report

On June 21, 2013, the Company filed on SEDAR the report entitled *Mineral Resource Evaluation Technical Report, Manfo Gold Project, Ghana. (the "Manfo Initial Resource Evaluation").* Mineral resources were estimated in conformity with generally accepted Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") *Estimation of Mineral Resource and Reserves Best Practices Guidelines* and are reported in accordance with Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101") by SRK. The mineral resource estimation work was completed by Dorota El-Rassi, P. Eng. (APEO #100012348) and Blair Hrabi, P. Geo. (APGO #1723) under the supervision of Glen Cole, P.Geo. (APGO #1416) of SRK. Ms. El-Rassi, Mr. Hrabi and Mr. Cole, are independent qualified persons as this is defined in National Instrument 43-101. Mr. Hrabi inspected the Manfo gold project from May 15 to 22, 2012. Part of the following disclosure relating to the Manfo Property has been derived from the Manfo Initial Resource Evaluation, which is available at www.sedar.com under the profile for Pelangio Exploration Inc. Readers are urged to review the Manfo Initial Resource Evaluation in its entirety for a complete description of SRK's review and conclusions.

The highlighted results of the initial gold resource indicate:

- 40% of the estimated mineral resource is in the indicated mineral resource category;
- pitable mineral resource reported at cut-off grades of 0.40 grams of gold per tonne ("g/t") for oxide material and of 0.50 grams of gold per tonne for transitional / fresh material in relation to a conceptual pit shell:
    - o indicated mineral resource of 3.973 million tonnes at 1.52 g/t gold, and
    - o inferred mineral resource of 9.666 million tonnes at 0.96 g/t gold; and
- gold mineralization remains open along strike and at depth, as suggested by the out-of-pit resources.

The study focused on only three areas of mineralization, Pokukrom East, Pokukrom West, and Nfante West. Resources were calculated for oxide, transition and fresh mineralization using data from 135 diamond drill holes totaling 27,899 meters ("m"). The total drilling completed on the Manfo property as at the date of the report is 41,168m. The data used represents 68% of drilling completed on the Manfo Project as at the date of the report.

Gold mineralization at Manfo is hosted in sericite and hematite altered granitoid rocks adjacent to a set of brittle-ductile faults. Within geologically modelled alteration envelopes, gold mineralization occurs in strongly altered zones adjacent to the brittle-ductile faults, and in fracture-controlled zones preferentially developed in certain horizons within the granitoid rocks in the hanging wall of the faults. Based on current exploration drilling density, three zones were selected for resource modeling. The bulk of the gold mineralization occurs in the Pokukrom East Zone that was sampled by drilling on sections spaced at 50m. Two smaller, less well-defined zones exist to the south (Nfante West Zone) and west (Pokukrom West Zone) of the main zone.

The mineral resources reported herein have been estimated using a geostatistical block modelling approach derived from borehole data. All zones were estimated using a traditional wireframe interpretation constructed from a sectional interpretation of the drilling data. The block model was set on a grid of 5m by 5m by 5m, rotated by 30 degrees clockwise such that the block model is oriented subparallel to the general strike of the mineralization. Gold grades were estimated by ordinary kriging and compared with an inverse distance algorithm (power of two) as a secondary estimator using the same estimation parameters.

SRK considers that portions of the Manfo gold mineralization are amenable for open pit extraction, with "reasonable prospects" for economic extraction by an open pit assessed using a pit optimizer. SRK considers that modelled gold mineralization exhibiting good reporting grade continuity informed by adequately spaced, reliable sampling data and estimated during the first estimation pass within a conceptual pit shell can be classified in the Indicated category within the meaning of the CIM Definition Standards for Mineral Resources and Mineral Reserves (November 2011).

The Manfo project is at a relatively early stage of exploration. The gold mineralization delineated by drilling is not completely closed off by drilling. For this reason, SRK considers that the gold mineralization located outside a conceptual pit shell but above the bottom of the pit shell may eventually be shown to be amenable for open pit extraction. Accordingly, all blocks located outside the conceptual pit shell were reclassified as Inferred. Open Pit Mineral Resources are reported at cut-offs of 0.40 g/t for oxide material and at 0.50 g/t for transitional and fresh material.

Mineral Resource Statement* Manfo Gold Project, Ghana – SRK Consulting (Canada) Inc., May 7, 2013

Category	Cut-off	Indicated			Inferred		
	(Au g/t)	Quantity (000' tonnes)	Grade Au (g/t)	Contained Au (000'oz)	Quantity (000' tonnes)	Grade Au (g/t)	Contained Au (000'oz)
Inside Pit							
Oxide	0.40	49	0.96	2	458	1.07	16
Transitional	0.50	382	1.96	24	876	1.13	32
Fresh	0.50	3,543	1.49	169	918	1.09	32
Total		**3,973**	**1.52**	**195**	**2,253**	**1.10**	**80**
Outside Pit							
Oxide	0.40				50	0.68	1
Transitional	0.50				217	0.72	5
Fresh	0.50				7,146	0.93	213
Total					**7,413**	**0.92**	**218**
Combined Inside and Outside Pit							
Oxide	0.40	49	0.96	2	508	1.05	17
Transitional	0.50	382	1.96	24	1,093	1.05	37
Fresh	0.50	3,543	1.49	169	8,064	0.94	245
Total		**3,973**	**1.52**	**195**	**9,666**	**0.96**	**298**

**Mineral resources are not mineral reserves and do not have a demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. The cut-off grades are based on a gold price of US$1,450 per ounce and metallurgical recovery of 94 percent for oxide, and 86 percent for fresh and transitional material. Mineral resources are reported in relation to an elevation determined from optimized pit shells. All composites have been capped where appropriate.*

Cautionary Note Regarding Mineral Resource Estimates

Investors should not assume that any of the indicated or inferred mineral resource disclosed herein will ever be upgraded to a higher category of mineral resource or to mineral reserves, and that any or all of the indicated or inferred mineral resource exist or is or will be economically or legally feasible to mine. In addition, investors should not assume that any of the references herein to adjacent properties (based on public information) is necessarily indicative of the mineralization on the Manfo property or that further exploration on the Manfo property will prove to be successful.

The disclosure herein uses mineral resource classification terms that comply with reporting standards in Canada, and the disclosure of mineral resource estimates are made in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects that are considered material to the issuer.

All resource estimates contained herein are based on the definitions adopted by CIM and recognized under NI 43-101. These standards differ significantly from the mineral reserve disclosure requirements of the U.S. Securities and Exchange Commission set out in Industry Guide 7. Consequently, resource information contained in this MD&A is not comparable to similar information that would generally be disclosed by U.S. companies in accordance with the rules of the SEC. The SEC's Industry Guide 7 does not recognize mineral resources, and US companies are generally not permitted to disclose mineral resources in documents they file with the SEC. Investors are specifically cautioned not to assume that any part or all of *the mineral resources disclosed above will ever be converted into SEC defined mineral reserves. Further, "inferred mineral resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. In accordance with Canadian rules, estimates of inferred mineral resources generally cannot form the basis of an economic analysis.*

Reverse Circulation (RC) and Air Core (AC) Drilling

An exploration drilling program that began in October 2017, which targeted the existing mineralized structures and the newly identified belt bounding structures on the Manfo Project was completed. The program consisted of 62 Air Core (AC) holes totaling 2,442m, and one Reverse Circulation (RC) drill hole for an additional 77.5m.

In the air core program, a total of nine target areas were drilled heel-to-toe at -45 degrees, totaling 2,446m. All holes were shallow reconnaissance holes, with a maximum hole depth of 40m.

Five reconnaissance AC targets (36 holes), tested along a 3km portion of the belt-bounding structure, and were not successful in encountering new mineralization.

Four other reconnaissance target areas, comprising 26 AC holes, tested four target areas without success. The four areas were 500m south of Pokukrom West, 500m North of Nkansu, 500m northwest of Nfante West, and a final target 500m south of Nfante Central on the property boundary. These holes tested reconnaissance geophysical and geochemical targets off the known structure, along some 4km of the south half of the property.

The broad spacing of reconnaissance target AC holes, 500-800m, and the incomplete coverage of the known mineralized structure and the belt bounding structure still leaves some 10km of the two structures not accessed by drilling. In addition, given the very shallow nature of the reconnaissance drilling completed to date, deeper drilling is planned to intersect six to eight IP targets.

On the north end of Nkansu, a significant result was recorded in SURC17-50 drilled on section 46650mN, which intersected a broad low-grade gold mineralization of 67.5m @ 0.48g/t Au (from 2.5m to 70m). The RC drill hole was a total of 77.5m.

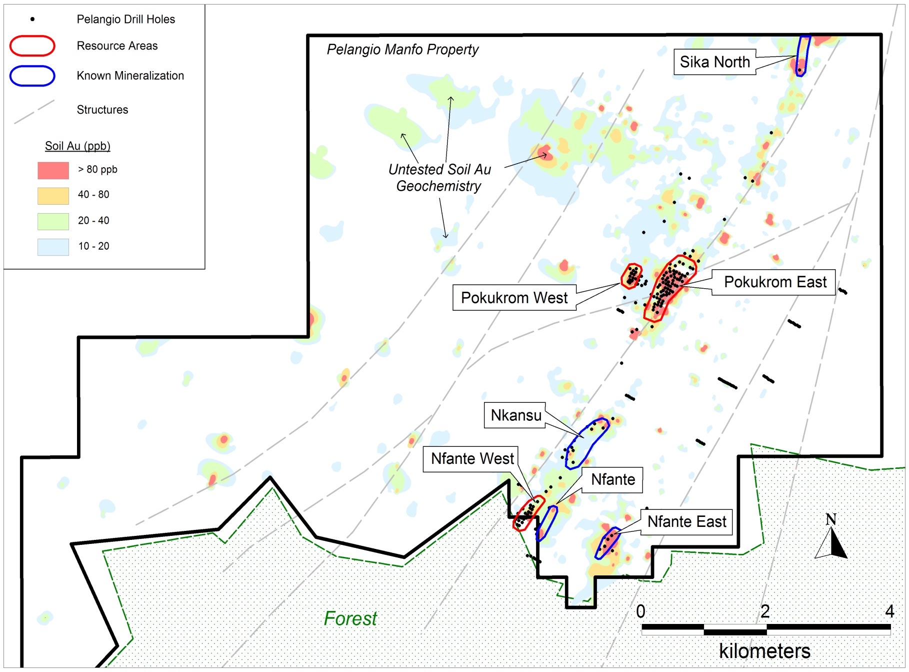
All mineralized intercepts are sample lengths with length weighted average gold grades, true widths are expected to be 75-85% of sample lengths.

Diamond Drilling

During 2018, five diamond drill holes were completed on the Manfo property. Three diamond holes were completed at Nkansu south, one at Nkansu north and one at the southern end of Pokukrom East. The drilling was done using a man-portable rig. Results from all the diamond drilling showed that the mineralization down-plunge is dominated by lower-grade, hematite-style alteration.

During the three months ended March 31, 2020, no field-work was carried out on the Manfo property.

Pelangio's Manfo Property Map



Outlook for the Manfo Property

The proposed future work programs are expected to use both the man-portable diamond drill rig and RC/RAB drilling with a track mounted rig. The diamond drill program will focus on identifying new mineralized shoots at the Pokukrom East and West areas, and the RC/RAB program will follow up on soil anomalous areas in the northern part of the property, as well as IP anomalous areas. Other targets will be assessed based on results received to date, and include Nfante East, North Nkansu, and Odumasi.

Obuasi Property

A technical review of prior exploration activity along a gold and arsenic in soil anomaly (the "NGA trend") has been completed, using all geologic data available from trenches and drill holes, coupled with EM geophysical data. This technical review improved our understanding in the area in preparation for further drilling.

A paper study was also completed which included inspection of satellite imagery and ground follow-up showing recent illegal *"galamsey"* and unregulated alluvial mining on six areas of the Obuasi property. Follow-up included notification of the appropriate authorities. These *galamsey* and unregulated mining areas are prospective sites for future exploration.

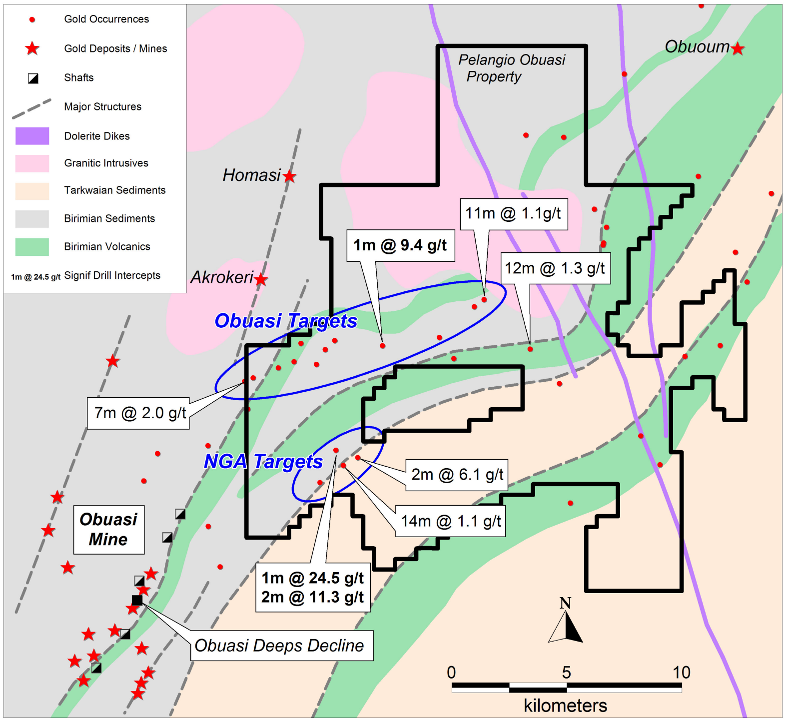
Engagement of Beak Consultants GmbH

On May 29, 2019, the Company announced that it contracted award-winning Beak Consultants GmbH ("Beak") to undertake mineral predictive mapping at our Obuasi Property using Beak's artificial neural network based advangeo Prediction Software, an innovative data mining software using artificial intelligence for the prediction of spatial events for exploration targeting. This initial program was a test to evaluate the effectiveness of the software in the Obuasi environment. The preliminary results received validated a number of Pelangio's targets, particularly at NGA and on the main trend. As a result, Pelangio is planning a follow-on project with Beak. Beak won the 2017 Mineral Prospectively Contest at the conference held by the Bureau de Recherches Géologiques et Minières, BRGM (the French Geological Survey), in Orleans, France. The goal of the contest was to produce the most accurate predictive map for gold in Britanny using a provided dataset.

The preliminary results received from Beak Consultants validated a number of Pelangio's targets, particularly at NGA and on the main trend. As a result, Pelangio may commission a follow-on project with Beak.

During the three months ended March 31, 2020, no field-work was carried out on the Obuasi property.

Pelangio's Obuasi Property Map



Outlook for the Obuasi Property

A 5,000m AC and a 2,000m RC drill program is planned, as funding permits. Pelangio contracted Beak Consultants GmbH ("Beak") to undertake mineral predictive mapping at Obuasi using Beak's artificial neuronal network based Advantageo Prediction Software. This initial program was a test to evaluate the effectiveness of the software in the Obuasi environment and the preliminary results received validated a number of Pelangio's targets, particularly at NGA and on the main trend. As a result, Pelangio may commission a follow-on project with Beak.

A review of the alluvial potential of the property based on the work done by Minatura in 2015 and 2016 is underway.

OTHER GHANAIAN PROPERTIES

Dormaa Property

Since acquiring the Dormaa Property in 2011, Pelangio has completed multiple evaluation surveys consisting of paper studies, stream sediment surveys, soil sampling, air core drilling and assaying.

Following an Option Agreement with RosCan a gold-in-soil geochemical survey program was conducted from April to September 2017. During this period, the Company completed geochemical sampling on two areas of the property and followed up with an air core drilling program and assay analysis, reported in June 2018.

RosCan subsequently advised that they elected to discontinue the option on the Dormaa property permitting RosCan to focus on its core project, the Kandiole Project in Mali. As a result, 100% interest in the property reverted to Pelangio.

Outlook for the Dormaa Property

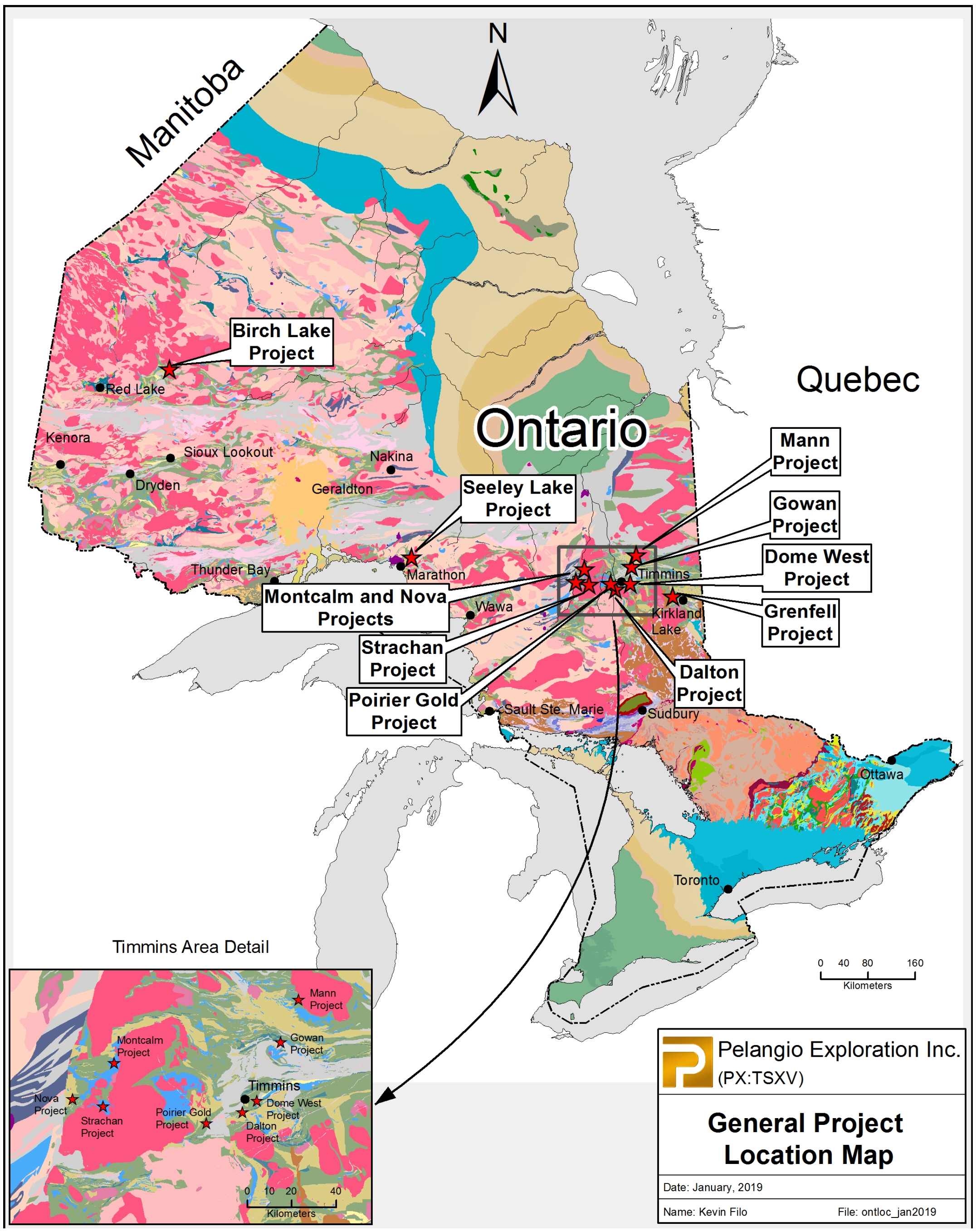
No further work is planned by Pelangio at this time.

CANADIAN PROPERTIES

All of the properties in which Pelangio owns a 100% interest are in good standing or have sufficient work credits to be maintained for a minimum of two years, with the exception of the Strachan Project which is in good standing until mid 2020. Also, all leased and patented properties are in good standing through payment of taxes, and we are completing any necessary work commitments on any properties that are under option to Pelangio.

On December 7, 2018, Pelangio completed the acquisition of 5SD Capital, including interest in eight mineral properties. A map showing all of Pelangio's Canadian properties is shown below.

Location of the Pelangio Ontario properties



Pelangio's four key Canadian properties are the Grenfell, Dome West, Dalton, and Birch Lake properties, all located in prolific mining regions of Ontario, Canada.

GRENFELL PROPERTY, KIRKLAND LAKE, ONTARIO

The 100% owned Grenfell property is located in Grenfell Township approximately 10km northwest of the Town of Kirkland Lake, Ontario. It is comprised of a series of contiguous mining leases and mining claims covering about 6.7km^2 *(see Map 1 below).* This property has been worked sporadically on and off since the early 1930's. The majority of work on the property took place in the 1930's to early 1940's when bulk sampling of some high-grade gold veins occurred in conjunction with diamond drilling, shaft sinking and substantial lateral development on two underground levels. With renewed interest in the property a series of surface exploration programs were conducted from the early 1980's to about 2013. More recent exploration work and re-evaluation of historical work has resulted in new zones of gold mineralization and recommendations for further exploration on known historical zones from the 1930-1940 era.

Grenfell Property Historic Data Summary

Gold mineralization was first discovered on the property in the early 1920's. From the early 1930's to about 1941, a series of major exploration campaigns were conducted; this work included 265 feet of shaft sinking, over 2000 feet of underground development on two levels, and a bulk sampling program to evaluate two of the vein systems. Exploration efforts ceased on the property during World War II. In 1985, a geological report was completed on the property by John Londry, P.Eng. (J. Londry, P.Eng., "Report on the John Sirola Property, Grenfell Township, 1985"), which documented the following points of interest on the various veins:

- The property hosts five distinct gold bearing zones. These zones in order of importance are the No.1 Vein, Sirola Vein, No. 6 Vein, Shea Vein and Shaft Vein.
- Significant work was conducted on the No.1 Vein and Sirola Vein. The Sirola Vein is interpreted to be a possible splay vein from the No.1 Vein. Two separate bulk samples from the Sirola Vein (surface trench) and No.1 Vein (60-foot level) returned 21.7 tons at 0.456 oz/ton gold and 177 tons at 0.70 oz/ton gold respectively.
- The No.1 Vein was channel sampled along the drift on the 250-foot level which assayed 0.2 oz/ton gold across a 3-foot width for 180 feet of strike. The Londry report also stated that this drift should have continued in an easterly direction on the 250-foot level as values and vein structure suggested the vein continued.
- Londry's report states a third gold bearing zone, the No.6 Vein has a northwesterly trending strike orientation or a transverse strike relative to the No.1 Vein (southwest strike). The No.6 vein was drill tested with only three drill holes, these holes which returned 0.13 oz/ton gold over 10 feet, 2.22 oz/ton gold over 3 feet. and 0.25 oz/ton gold over 5 feet.
- The Shea Vein also reported to be northwesterly striking structure is located approximately 700 feet southwest ("SW") of the shaft collar. The 250-level drift was extended westward for 700 feet to evaluate the Shea Vein mineralization. Very limited data exists on this work but Londry's report states a single historical drill hole on the Shea Vein returned 0.41 oz/ton gold over 3 feet.
- The Shaft Vein was intersected during the course of shaft sinking; the vein entered the shaft at the 90-foot level and exited the shaft at the 150-level. When diluted to a width of one foot, the Shaft Vein returned 0.24 oz/ton gold over the 60-foot interval it remained in the shaft.

Subsequent to Londry's work, a follow up drill program in 1987 was conducted by Neighbours Resources Inc. under the direction of Harry Dowaluck, F.G.A.C., Kirkland Lake Resident Geologist, Ministry of Northern Development and Mines. This program was focused on the No.1 Vein area. This program intersected a number of narrow high-grade intercepts but more importantly demonstrated some substantial potential for a near surface bulk tonnage zone. Some of the more representative intercepts from this program returned 0.075 oz/ton gold over 42 feet, 0.069 oz/ton over 39 feet and 0.049 oz/ton gold over 32 feet. (H. Dowaluck, B.A., F.G.A.C., Resident Geologist, "Summary Report on the John Sirola Property of Neighbours Resources Inc., 1988").

In 1995, a limited drill program was conducted on the Grenfell property by Sedex Resources Inc. ("Sedex") under the supervision of J. Kevin Filo, P.Geo. This program confirmed the potential of a near surface bulk tonnage zone documented by Dowaluck. Assay results in the immediate vicinity of the Shaft and No.1 Vein areas returned 2.60 g/t gold over 7.17 meters, 2.62 g/t gold over 13.72 meters and 1.77 g/t over 7.62 meters.

More recently, in 2012-2013, a property wide exploration program was conducted by SGX Resources Inc. ("SGX") under the supervision of J. Kevin Filo, P.Geo. This program consisted of a compilation of historical data, and the completion of new geophysical and geochemical surveys. Upon completion of this work a preliminary phase of diamond drilling was conducted on various targets.

The SGX preliminary drill program resulted in the discovery of two new zones of mineralization and the presence of high-grade mineralization associated with the historic No. 6 Vein system. Approximately, 200 meters to the SW of the shaft two parallel NE-SW trending IP anomalies were drill tested; a single hole was completed in each anomaly. The first anomaly (SW Zone) returned 2.85 g/t gold over 8 meters including higher grade intercepts of 4.09 g/t gold over 4 meters and 9.41 g/t gold over 1 meter. The second anomaly (SW Zone South) returned 2.07 g/t gold over 3.5 meters including a higher-grade intersection of 6.47 g/t over 0.5 meters. Both IP anomalies associated with SW and SW South Zones remain untested for approximately 300 meters to the west.

SGX Resources also drilled a hole to test the historic northwest trending No.6 Vein on the 250-foot level. This hole returned a number of anomalous gold values along with a one-meter high grade intercept assaying 19.5 g/t gold.

The reader is cautioned that all of the aforementioned assay data is historical in nature. The Company has relied on the work on other professionals. The Company has not conducted drilling or bulk sampling to verify these historical numbers.

The following reports are referenced with respect to the Sedex and SGX work stated above:

1. "Geological Report on Mapping and Diamond Drilling on the Sirola Property, Grenfell Township, Northern Ontario for Sedex Mining", by J. Kevin Filo, P.Geo., 1996
2. ."Assessment Report for the 2013 Diamond Drilling Program on the Grenfell Property for SGX Resources", by J. Kevin Filo, P.Geo., 2013

Recent Work at Grenfell

Pelangio completed eight (8) diamond drill holes in February 2020 for a total of 693 meters and issued news releases on March 1 and March 9, 2020 with the results. The recent drill program consisted of eight holes which evaluated two separate targets; the No.1/No.6 Vein/Structure in the vicinity of the historical shaft and the SW Zone. Six drill holes, JS2001 to JS2006 were drilled in the vicinity of the historical surface workings and shaft and two holes on the SW Zone (see Maps 2 and 3). Hole JS2001 to JS2003 and JS2004 to JS2006 were drilled as fans from two separate drill pads to test two transverse striking veins / structures designated in historical reports as the No.6 and No.1 Veins. Initial results to date on the No.6 Vein/Structure in holes JS2004 to JS2005 have confirmed the presence of broad near surface gold bearing zones associated with shorter intercepts of high-grade gold mineralization. Holes JS2001 to JS2003 intersected narrow sporadic intercepts of gold mineralization to the *northwest* of the JS2004 to JS2006 drill section. No significant mineralization was intersected on the SW Zone.

Preliminary results in the Shaft Area are extremely encouraging with high-grade intercepts of 314 g/t over 1.74m (uncut) and a shorter interval with high-grade visible gold assayed 1810 g/t Au over 0.3m.

Highlights of the results include:

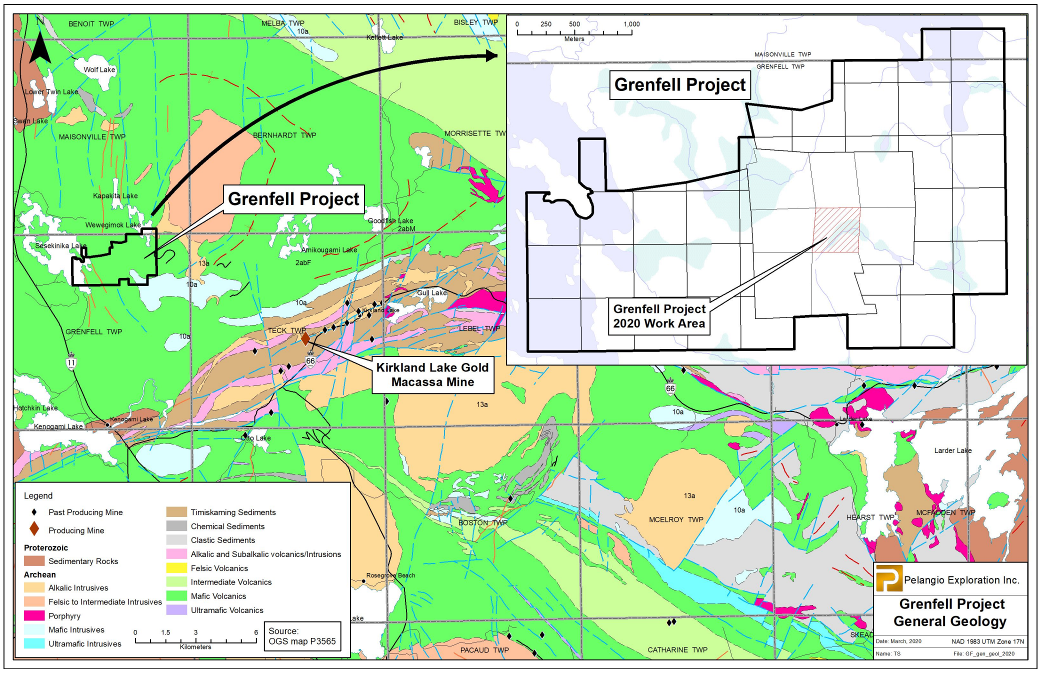
- Hole JS2004 was drilled in the immediate vicinity of the historical shaft and a surface bulk sample trench. JS2004 intersected a broad near surface zone of mineralization that returned 2.50 g/t Au over 26m. A higher grade section within this intercept assayed 9.39 g/t Au over 3m.
- Hole JS2005 undercut Hole JS2004 also returned a broad zone of mineralization assaying 1.32 g/t Au over 26m (cut). Within this intercept there was a narrow vein high-grade intersection with visible gold which returned 314 g/t Au over 1.74m (uncut). A shorter interval with high-grade visible gold assayed 1810 g/t Au over 0.3m;
- Hole JS2006 undercut JS2005 and intersected undocumented mine working, stopping short of the target, and returned 26.5 g/t Au over 0.32m.

Outlook for the Grenfell Property

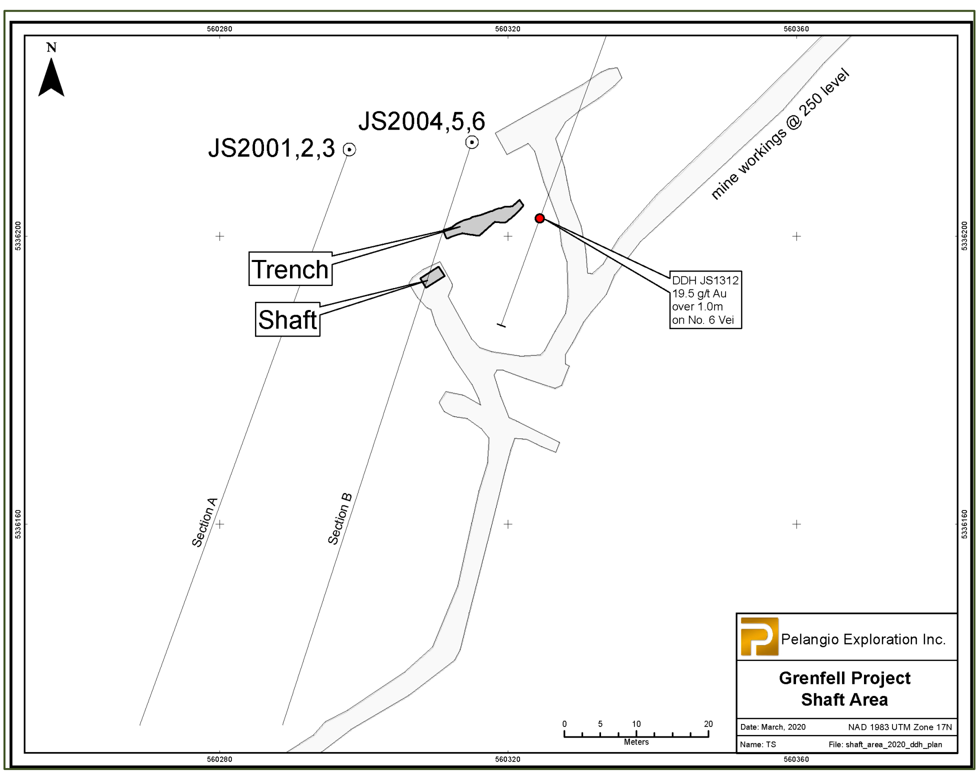
Further drilling will be conducted on the No.6 Vein/Structure to further evaluate the broad zones of mineralization and high-grade intercepts at depth and along strike to better define the extent of this zone. The Company will also consider some drilling to evaluate a similar parallel gold bearing northwesterly trending historical structure known as the Shea Vein approximately 200 meters southwest of the No 6 Vein/Structure. (Map 4) Further drilling is being considered for the No.1 vein as well above and below the 250-foot level workings which returned 0.2 oz/ton gold across a width of 3 feet for a strike length of 180 feet in a development drive on the 250 level (J. Londry, P.Eng., "Report on the John Sirola Property, Grenfell Township, 1985")(see Map 4).

In addition, significant geophysical anomalies, some with coincident geochemical anomalies, remain to be tested.

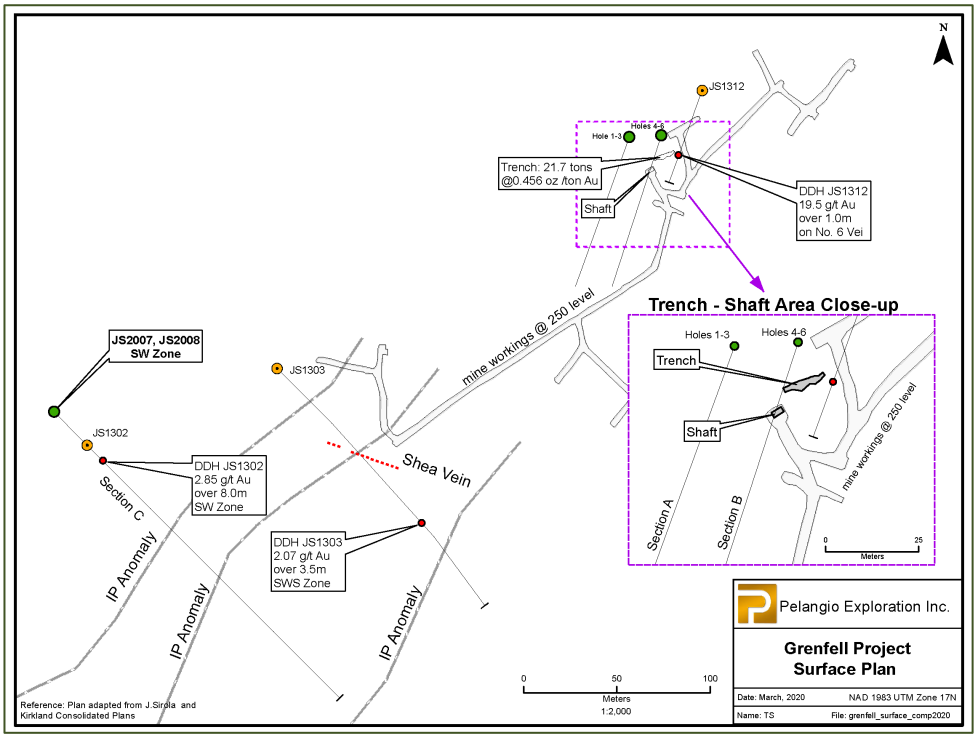
Grenfell Project Location and General Geology



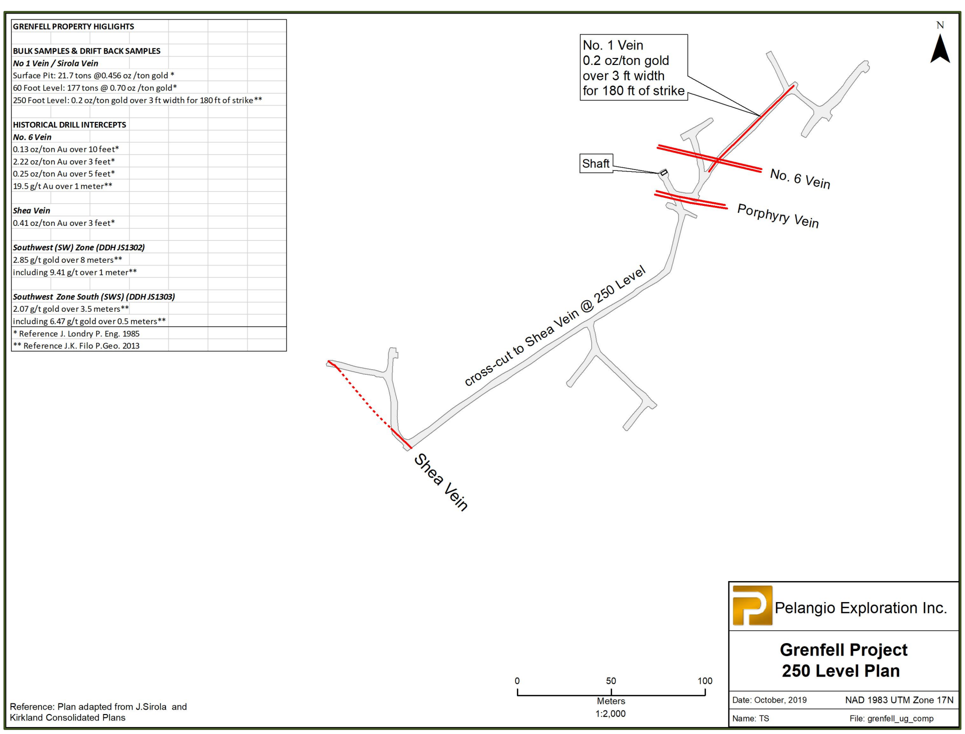
Grenfell - Shaft Area



Grenfell Project Surface Plan



Grenfell Project 250 Level Plan



DOME WEST PROPERTY, TIMMINS GOLD CAMP

The Dome West property is a significant and highly prospective property for Pelangio. It was announced on January 17, 2020, that Pelangio will continue the option agreement to acquire a 100% interest in the Dome West property located in Tisdale Township, Timmins, Ontario, from Mr. Francois Desrosiers and 6398651 Canada Inc. The Dome West property comprises 10 mining cells covering 56 hectares and is strategically located adjacent to both Goldcorp's Dome Mine property and the former Paymaster Mine property.

Highlights of the Dome West property:

- Mineral rights to 10 mining cells covering approximately 56 hectares
- Located in the Timmins - Porcupine Gold Camp
- 800 meters west of the Dome Mine open pit
- Adjacent to both the Dome Mine property and the former Paymaster Mine property
- Drilling completed in April of 2019:
    - Intersected a mineralized interval that returned **3.21 g/t gold ("Au") over 1.25 meters** including a higher grade intercept of **4.754 g/t Au over 0.75 meters**
    - Confirmed the presence of seven new quartz veins within known prospective stratigraphy extending from the Dome and Paymaster mines
    - Some of these quartz veins are proximal to numerous altered porphyry intrusives

Table of Significant Intercepts
(Hole DW1901: 480357E, 5367651N, Az:360 deg. Dip:-88 deg.)

From	*To*	*Meters*	*Gold (g/t)*	**Comment**
260.70	261.00	0.30	0.48	Visible gold in quartz vein
471.00	472.25	1.25	3.21	Quartz vein hosted in leucoxene mafic
	includes			
471.50	472.25	0.75	4.754	
482.40	482.75	0.35	0.92	Quartz Vein in pillowed mafics

Intervals shown are core lengths; there is insufficient information to determine a true width at this time.

Terms of the Option Agreement and Work Commitment:

In order to acquire a 100% interest in the Dome West property, Pelangio must make the following cash payments and share issuances and complete a total of $750,000 in exploration expenditures in accordance with the following schedule:

Share Issuance	Cash Payments	Work Commitment	Year
150,000 shares	$15,000	-	On the date the agreement is accepted by the TSXV – January 31, 2019
150,000 shares	$30,000	$110,000	On or before January 31, 2020
100,000 shares	$75,000	$115,000	Before January 31, 2021
100,000 shares	$100,000	$225,000	On or before January 31, 2022
-	-	$300,000	On or before January 31, 2023
500,000 shares	**$220,000**	**$750,000**	

Pursuant to the terms of the option agreement, Pelangio will be the project operator. Upon exercise of the option, Pelangio will grant the Optionors a 3% Net Smelter Return (NSR) Royalty, subject to the right to purchase a 1% NSR royalty for $1,000,000.

The Dome West property, formerly controlled by Central Porcupine Mines Ltd., is a strategic land holding that is adjacent to both the former Paymaster Mine property and Newmont's Dome Mine (Source: Ont. Dept of Mines Map 449B, Ferguson, 1969). The Dome West property is located approximately 800 meters west of the Dome Mine (see Map 2 below).

With the exception of some geophysical surveying in recent years, very limited exploration work has been conducted on the Dome West Property since the late 1940's. Pelangio intends to continue investigating this highly prospective property by continuing to drill the prospective Tisdale Volcanic stratigraphy extending from the Dome and former Paymaster Mine.

Exploration Activities:

One main target area of interest identified:

- highest priority target is Target P1, a highly prospective porphyritic sill unit interpreted to extend across a substantial portion of the Dome West property at the 1000-foot elevation. This sill is within the prospective Tisdale Volcanics, and is spatially associated with quartz veining, and gold mineralization.

An initial 543 meter diamond drill program was conducted in the spring of 2019 on the P1 target.

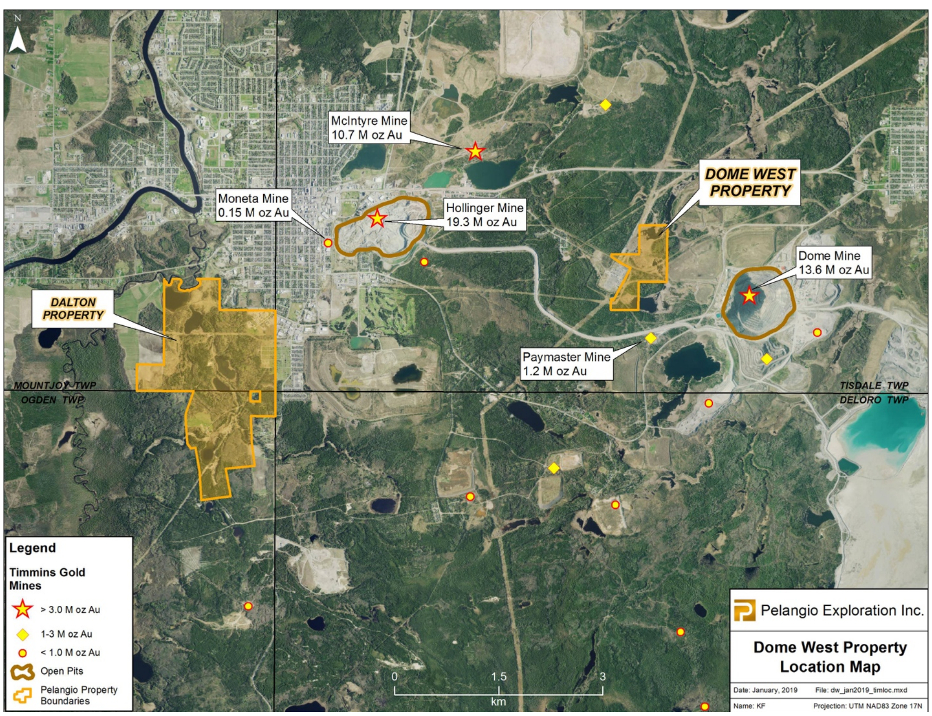
Spring 2019 P1 Target Highlights - Encouraging Early Stage Results:

- Confirmed the presence of **seven new quartz veins** within known prospective Tisdale Volcanic stratigraphy extending from the Dome and Paymaster mines
- Visible gold observed in a small quartz vein at 260.75 to 260.87 meters
- Intersected a mineralized interval of **3.21 g/t gold over 1.25 meters** including a higher-grade intercept of **4.754 g/t Au over 0.75 meters**

Outlook for the Dome West Property

- Further diamond drilling of the P1 target is planned for spring of 2020, as funds permit.

Location of the Dome West property in reference to the Dome Mine and the Dalton property in reference to the Hollinger Mine and other strategically located mine properties.



DALTON PROPERTY, TIMMINS GOLD CAMP

On September 10, 2018, Pelangio reported that it had entered into an option agreement to acquire 100% interest in the Dalton Property located in Timmins, Ontario from the Kean Group and 5SD Capital. Subsequently, through the acquisition of 5SD Capital, Pelangio currently owns 10% interest in the Dalton property with an option to acquire the remaining 90%.

Highlights of the Dalton Property:

- Mineral rights to all, or a portion of, 22 patented claims, covering approximately 330 hectares (3.3 km^2)
- Located in the Timmins - Porcupine mining camp, known to have produced over 70 million ounces of gold
- 1.5 km southwest of the Hollinger Open Pit project

Terms of the Option Agreement and Work Commitment

In order to acquire a 100% interest in the Dalton Property, Pelangio must make the following cash payments and share issuances to the Kean Group and complete a total of $750,000 in exploration expenditures.

Share Issuance	Cash Payments	Work Commitment	Year
100,000 shares	$15,000	-	On the date the agreement is accepted by the TSXV – September 25, 2018
90,000 shares	$27,000	$75,000	On or before September 25, 2019.
90,000 shares	$67,500	$150,000	Before September 25, 2020
90,000 shares	$90,000	$225,000	On or before September 25, 2021
-	-	$300,000	On or before September 25, 2022
370,000 shares	**$199,500**	**$750,000**	

Pursuant to the terms of the option agreement, Pelangio will be the operator on the project. Upon exercise of the option, Pelangio will grant the Kean Group a 2.7% Net Smelter Returns (NSR) Royalty, subject to the right to purchase a 0.9% NSR royalty for $900,000.

Geological Description

The Dalton Property is located in the Abitibi Greenstone Belt, the largest greenstone belt within the Canadian Shield. The Abitibi Greenstone Belt is the most prolific Archean terrain in terms of copper-zinc sulphide mineralization and gold mineralization. Major east and northeast trending faults (the Destor-Porcupine Deformation Zone and the Cadillac Deformation Zone) were active through the main period of volcanism. Over 120 million ounces of gold have been produced from mines associated with these two major structures in the Timmins, Kirkland Lake and Holloway gold camps. The Destor Porcupine fault is located approximately 2 km south of the property.

The property has a number of old historical surface trenches and muck piles. Quartz veining and scheelite were observed in the historical surface workings, scheelite (a tungsten rich mineral) was a typical gangue mineral of the gold ores at the Hollinger mine. Additionally, as part of Pelangio's first phase of work, Pelangio re-sampled any known mineralized zones, completed a first phase soil geochemistry program as well as an airborne magnetic survey and ground induced polarization survey. This initial phase of target development work was followed up by four drill holes. No significant gold intercepts were noted in these holes.

Recent Work

A total of 504 meters of drilling was completed to evaluate four separate geophysical targets in the extreme southern portion of the property proximal to the Destor Porcupine Fault. All drill holes intersected substantial pyrite mineralization in sheared Tisdale Group Volcanics, although no significant gold values were associated with this mineralization. To date the company has drill tested less than 5% of the property and expended approximately $163,000.

Outlook for the Dalton Property

Pelangio intends to re-focus its exploration efforts at the Dalton Property on strong gold, silver, and zinc soil geochemical anomalies along the eastern and northern extremities of this very under-explored and overburden covered property.

Future work on the project will consist of further geophysical surveying over the soil geochemical anomalies and a phase 2 diamond drill program to evaluate higher priority targets.

BIRCH LAKE PROPERTY, RED LAKE DISTRICT

Pelangio owns 100% of the Birch Lake Property, which comprises 453 hectares located in the Keigat Lake area, approximately 120 km northeast of Red Lake, Ontario. The property is subject to an underlying agreement whereby Newmont Goldcorp retains a 2% NSR on 28 of the historical claims; the remaining 10 historical claims are not subject to any royalty. There are currently no obligations to Newmont Goldcorp other than payment of the royalty on production.

Trade Winds Ventures Inc. ("Trade Winds") explored the Birch Lake Property during 2004 and 2005 under the terms of the Trade Winds and Mines option agreement, which terminated in September 2008. The Trade Winds drilling programs returned a number of high grade intercepts, including 115.89 g/t Au over 2.75m (estimated true width of 1.86 m) from 239.35m to 242.10m (TWBL-096); and 21.22 g/t Au over 2.35m (estimated true width of 1.51m) and 229.96 g/t Au over 2.45m (estimated true width 1.58m) between 300m and 360m (TWBL-097). Refer to the third quarter 2008 Trade Winds Management's Discussion and Analysis dated October 29, 2008.

In March 2017, the Company entered into an option agreement with Pacton Gold Inc. ("Pacton") whereby Pacton may acquire a 100% interest in Pelangio's Birch Lake Property, located in Ontario's Red Lake Mining District. Pacton had the right to earn a 100% interest in the Birch Lake Project by paying a total of $375,000, issuing an aggregate of 4,500,000 common shares to Pelangio and incurring exploration expenditures of $1,300,000 over a four-year period.

On April 12, 2018, the option agreement with Pacton terminated on Birch Lake Property without earning any interest in the property. Pacton made the first-year option payment of $75,000 and issued 900,000 common shares to Pelangio and without completing any exploration expenditures. Pelangio retains its 100% interest in this property.

Pelangio has acquired 100% interest in an additional 1856 hectares referred to as the Keigat Lake claims. These claims are adjacent to the 100% owned Birch Lake property and were acquired through the acquisition of 5SD Capital.

Outlook for the Birch Lake Property

Pelangio is presently reviewing future plans for the high grade Birch Lake project.

HAILSTONE PROPERTY, LA RONGE, SASKATCHEWAN

On July 15, 2019, Pelangio announced that it entered in an option agreement to acquire the Hailstone Gold Property in the La Ronge area Saskatchewan from First Geolas Consulting. The property is comprised of certain mineral claims located approximately 100 kilometers northeast of La Ronge, Saskatchewan, and is flanked by a number of small but high-grade historical gold mines in geological environments similar to that found at the Hailstone Property.

Pelangio recently completed a prospecting program that confirmed the presence of numerous gold and base metal occurrences in the Asbell Bay target area in a prospective monzonite intrusive with grab samples returning grades of up to **15.9 g/t gold.** Gold mineralization was detected in isolated exposures across the 1.5 km north south extent of the intrusive proximal to northeast trending shear zones and the belt bounding McLennan Lake Tectonic Zone

Geological Description

On July 15, 2019, Pelangio announced that it entered in an option agreement to acquire the Hailstone Gold Property in the La Ronge area Saskatchewan from First Geolas Consulting. The property is comprised of seven mineral claims located approximately 100 kilometers northeast of La Ronge, Saskatchewan and is flanked by a number of small but high-grade historical gold mines in geological environments similar to that found at the Hailstone Property.

Pelangio recently completed a prospecting program that confirmed the presence of numerous gold and base metal occurrences in the Asbell Bay target area in a prospective monzonite intrusive with grab samples returning grades of up to **15.9 g/t gold.** Gold mineralization was detected in isolated exposures across the 1.5 km north south extent of the intrusive proximal to northeast trending shear zones and the belt bounding McLennan Lake Tectonic Zone

Geological Description
The Hailstone Property is located within the Central Metavolcanic Belt of the La Ronge Domain of north-central Saskatchewan, which represents a portion of the Paleoproterozoic Trans-Hudson Orogeny. The Property comprises a southwest-northeast trending metavolcanic succession intruded by multi-phase intrusive rocks of the Berven Lake Pluton. Gold and copper mineralization on the Property is hosted within quartz veins and quartz rich pegmatite dikes associated with southwest-northeast trending shear zones subsidiary to the terrain-bounding McLennan Lake Tectonic Zone.

Terms of the Option Agreement and Work Commitment
The Option Agreement is developed in two stages:

1. First Option whereby Pelangio may earn 51% interest;
2. Second Option whereby Pelangio may earn an additional 39% interest for a 90% total interest in the Hailstone Property
3. A joint venture may be formed between the two parties at either the completion of the first or second option

First Option
In order to acquire a 51% interest in the Hailstone Property, Pelangio must make the following cash payments and share issuances and complete a total of $135,000 in exploration expenditures:

Share Issuance	Cash Payments	Work Commitment	Year
50,000 shares	$10,000	-	Within five days of the date the agreement is accepted by the TSXV (the “Effective Date”)
-	-	$29,000	On or before October 1, 2019
-	$15,000	-	On or before the first anniversary of the Effective Date
-	-	$106,000	On or before the second anniversary of the Effective date; Grant 1.5% Net Smelter Royalty (“NSR”) on or before the second anniversary of the Effective Date
50,000 shares	**$25,000**	**$135,000**	

Second Option
In the event that Pelangio wishes to acquire an additional 39% interest in the Hailstone Property it shall complete the following obligations:

Share Issuance	Cash Payments	Work Commitment	Year
-	$50,000	-	On or before the second anniversary of the Effective Date
-	-	$150,000	On or before the third anniversary of the Effective Date
No further share issuance	**$50,000**	**$150,000**	

Operatorship
The Vendors shall act as Operator until a joint venture is formed (the “Option Period”) and shall be responsible for all work permits, environmental compliance, payment of contractors, insurance and other matters relating to work carried out on the Property and shall indemnify and save harmless Pelangio against any problems or liability with respect to such matters. The Vendors shall provide to and review its exploration and development plans with Pelangio and Pelangio agrees to provide comment and solicited input with respect to prospective exploration and development programs.

Recent Work at Hailstone
Pelangio completed a prospecting program at the Hailstone Property in the fall of 2019. Results from this program were reported via news release on October 7, 2019 and indicate significant gold mineralization on the property.

Highlights of the Hailstone Property:

- Recent field work has confirmed the presence of numerous gold and base metal occurrences in the Asbell Bay target area (see Figure 2) in a prospective monzonite intrusive with grab samples returning grades of up to 15.9 g/t gold
- Gold mineralization was detected in isolated exposures across the 1.5 km north south extent of the intrusive proximal to northeast trending shear zones and the belt bounding McLennan Lake Tectonic Zone
- The property is flanked by a number of small but high-grade historical gold mines (see Figure 1) in geological environments similar to that found at the Hailstone Property

Outlook for the Hailstone Property

Pelangio intends to re-evaluate all of the technical work completed to date on the project by previous operators in conjunction with newly acquired data from the 2019 field season. Upon completion of this evaluation, a substantial target development program is envisioned for the property with a focus on the Asbell Bay Area.

ADDITIONAL CANADIAN PROPERTIES

The following four properties were acquired through the acquisition of 5SD Capital:

- *Montcalm and Nova Properties*

  The Montcalm and Nova properties, currently under option to Pancontinental, are proximal to each other and located approximately 65-70 km northwest of the City of Timmins, Ontario. The Montcalm property, located in Montcalm Township, covers an area of approximately 37.8km^2 and the Nova property, located in Nova Township is approximately 8km^2. The Montcalm property surrounds the former Montcalm Mine which produced approximately 3.9 million tonnes of nickel, copper, and cobalt ore over its mine life (source: Atkinson, 2011, Ontario Geological Survey). Pancontinental has completed substantial successful target development work on both properties (see Pancontinental press releases dated September 17, 2018 and October 30, 2018). It is anticipated that ongoing exploration will continue on these projects in 2020. As a result of this transaction, Pelangio now owns 450,000 shares of Pancontinental from this option and in the event that Pancontinental exercises the option to earn the remainder of Pelangio's interest, Pelangio will receive $35,000 and 300,000 shares over the next two years.

- *Strachan Property*

  The Strachan property is located in Strachan and Melrose Townships approximately 65km northwest of Timmins, south of the former Montcalm Mine. The property covers an area of approximately 17.12km^2. The Strachan property is thought to be prospective for nickel, copper and cobalt, and covers a gabbro complex similar in nature to the gabbro complex, which hosts the Montcalm Mine described above.

- *Gowan Property*

  The Gowan property, hosts a historic Volcanogenic Massive Sulphide ("VMS") polymetallic zone. The 2.6km^2 property is located in Gowan Township approximately 20km south east of Glencore's Kidd Creek Mine or approximately 27 km northeast of the Timmins City centre. The Kidd Creek Mine is a copper zinc VMS mine hosted in a felsic volcanic package of rocks. Reports from previous operators and the Ontario Geological Survey Report 299 identifies a similar setting on the Gowan property, all suggesting that further follow up is warranted. An extension of the option agreement with Amex Exploration Inc. was granted by Pelangio on July 23, 2019.

- *Mann Property*

  The Mann property is located in Mann Township 50 km northeast of the City of Timmins and covers an area of approximately 2km^2. The patented claims cover a portion of a large ultramafic complex that is prospective for nickel, copper and cobalt. Some historical untested EM anomalies are present on the property. No recent work of significance has been conducted on the property.

Poirier Gold Property, Timmins Gold Camp

Pelangio owns 100% of the Poirier Gold Property Lease (47.34 hectares) located in Bristol Township, 22km west of Timmins, contiguous with Pan American Silver Corp.'s (previously Tahoe Resources Inc.) Timmins and Thunder Creek deposits (collectively, the Timmins West Mine). The property is subject to a 1% NSR (which may be purchased for $1 million) payable to the vendors and a further 1% NSR payable to a third party.

The Poirier Gold Property is underlain near-surface by a mafic volcanic unit approximately one kilometer to the west of the mafic, ultramafic and sedimentary contact, which dips steeply westwards towards our lease and which is associated with the Thunder Creek Project. A 100m spaced geophysical program of ground magnetics and GPS was completed in 2015. In 2016, a three-dimensional geologic model was prepared for project area using all available public data and combined with results of a three-dimensional magnetic inversion received in the third quarter 2015. Combining three-dimensional geology with the magnetic data indicates good agreement between magnetic data and a magnetic ultramafic rock overlying the deposit. This data indicates that the favourable structure hosting the Rusk and Gap zones dips into the Poirier ground. The interpretation of the ground magnetic survey has improved the understanding of the geological setting of the Poirier Gold Property. A review and evaluation of the potential of this property is planned for the future.

Depending on continued results from the Thunder Creek Project, we may conduct further exploration and drill on the property.

Seeley Property, Hemlo Area
Pelangio owns 100% of the 307.6 hectares Seeley (Lorna Lake) property and there is no underlying royalty. The Seeley property is located in the historic Hemlo area and is contiguous with the Wire Lake Property recently optioned by Canadian Orebodies Inc. During the Hemlo discovery era, Pelangio's initial diamond drilling returned an intercept of 4.7 g/t gold over 1m. The drill program was supervised by Kevin Filo, P. Geo., and assay certificates from Bondar Clegg were verified. The Hemlo area is again becoming one of the more active exploration regions in Ontario. Pelangio did not complete any exploration activity in 2019 and no activity is currently planned.

Thunder Gold, Timmins Gold Camp
Pelangio owns a 100% interest in the Thunder Gold property located 20 kilometers west of Timmins, Ontario. It consists of one lease (48.5 hectares), which was converted from three claims in 2010 and is subject to an underlying royalty of 2% and $1,000 per year advance royalty to the vendors.

Black Township, Timmins Gold Camp
Pelangio owns a 100% interest in the Black Township property located 100km east of Timmins, Ontario. The property consists of two mineral leases acquired in 2010. The property has no underlying royalty. The leases cover a historical gold occurrence. No recent significant work has been conducted on this property.

RISK FACTORS
The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous period.

Credit Risk
The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash has been invested with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk
As at March 31, 2020, the Company had a cash balance of $87,347 (2019 - $773,954) to settle current liabilities of $640,159 (2019 - $559.988). The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. Of the accounts payable and accrued liabilities, $212,500 (2019 - $212,500) is on account of accrued wages to the company president. This amount is unsecured, has no fixed terms of repayment and is due on demand.

Interest Rate Risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment grade, short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company is sensitive to changes in the interest rates through interest income earned on its cash and cash equivalents balance.

Market Risk

Commodity Price Risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to fluctuations in the market price of certain minerals.

Foreign Exchange Risk

The Company is subject to foreign exchange risk as some of its operating and investing activities are transacted in currencies other than the Canadian dollar, including the US dollar and the Ghanaian cedi. The Company is therefore subject to gains and losses due to fluctuations in these currencies relative to the Canadian dollar.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, management believes the following movements are "reasonably possible" over a one-year period.

As at March 31, 2020, the Company held approximately $20,000 (December 31, 2019 – $29,000) of cash balances denominated in US dollars. As at March 31, 2020, the Company had accounts payable and accrued liabilities denominated in US dollars of approximately $57,000 (December 31, 2019 – $24,000). A 10% change in the value of the Canadian dollar compared to the other foreign currencies in which the Company transacts would result in a corresponding foreign exchange gain/loss of approximately $4,000 ($1,000 – December 31, 2019) based on the balance of monetary assets and liabilities at March 31, 2020.

A 10% change in the closing price of its marketable securities would result in an estimated gain/loss of $12,000 based on the fair value of the marketable securities held at March 31, 2020 ($15,000 – December 31, 2019).

Price Risk

Price risk, with respect to commodity prices, is remote since the Company is not a producing entity. The company is exposed to price risk with respect to its marketable securities. Unfavourable market conditions could result in disposition of the investments at less than favourable prices.

Risks Related to the Corporation's Business

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The following risks and uncertainties may have a material adverse effect on the Corporation's operations.

Exploration for Minerals is Speculative in Nature

Exploration for minerals is speculative in nature, involves many risks, and is frequently unsuccessful. All of the properties in which we have an interest, or to which we have a right are in the exploration stage only and are without mineral reserves and mineral resources except the Manfo Property, which was the subject of the Manfo Initial Resource Evaluation filed on SEDAR June 21, 2013. There can be no assurance that our current, proposed, or future exploration and development programs or properties in which we have an interest or may in future have an interest will result in the discovery of mineralization or a profitable commercial mining operation. Furthermore, once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. The commercial viability of a mineral resource is dependent on a number of factors including the price of minerals, exchange rates, the particular attributes of the deposit, such as its size, grade and proximity to infrastructure, as well as other factors including financing costs, taxation, royalties, land tenure, land use, water use, power use, importing and exporting minerals and environmental protection. As a result of these uncertainties, no assurance can be given that our exploration programs will result in the establishment of mineral resources or mineral reserves.

As part of our business strategy, we have sought and will continue to seek new opportunities in the mining industry. In pursuit of such opportunities, we may fail to select appropriate acquisition targets or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired property into our operations. Acquisition transactions involve inherent risks, which risks could cause us not to realize the benefits anticipated to result from the acquisition of properties and could have a material adverse effect on our ability to grow and on our financial condition.

We cannot assure that we can complete any acquisition or business arrangement that we pursue, or are pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit our business.

Foreign Operations
Nearly all mining projects require government approval regardless of the country. There can be no certainty that these approvals will be granted to us in a timely manner, or at all.

The laws in foreign countries tend to differ significantly from North America and are subject to change. Mining operations, development and exploration activities are generally subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Mining is also subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing mines and other facilities in compliance with such laws and regulations are significant.

Acquisitions of properties in foreign countries are subject to the risks normally associated with conducting business in foreign countries. Some of these risks are more prevalent in countries which are less developed or have emerging economies, including uncertain political and economic environments, as well as risks of war, civil disturbances, terrorism or other risks which may limit or disrupt a project, restrict the movement of funds or result in the deprivation of contract rights or the taking of property by nationalization or appropriation without fair compensation, risk of adverse changes in laws or policies of particular countries, increases in foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, limitations on ownership and repatriation of earnings and foreign exchange controls and currency devaluations. In addition, we may face import and export regulations, including restrictions on the export of minerals, disadvantages of competing against companies from countries that are not subject to Canadian and U.S. laws, including foreign corrupt practices legislation, restrictions on the ability to pay dividends offshore, and risk of loss due to disease and other potential endemic health issues. Although we are not currently experiencing any significant or extraordinary problems arising from such risks in the foreign country in which we have properties, there can be no assurance that such problems will not arise in the future.

Litigation
Several years ago, Pelangio was named as a co-defendant in an action commenced in the Ghana High Court involving the vendor of two of the three concessions comprising the Obuasi Property and relating to such vendor's corporate history and founding shareholders. No monetary consideration was claimed from Pelangio. The action is the subject of a pre-trial motion and has not yet proceeded to full trial. An interlocutory injunction has been granted preventing all parties from selling any interest in the property pending final determination of the matter. Pelangio has appealed against this ruling and such appeal is yet to be determined.

In addition, we are involved in litigation regarding the termination of an option agreement in respect of the New Edubiase concession, which we consider to be without merit, based on our reasoned assessment of all available information including legal advice received regarding the basis in law for the counterparty's claim.

Notwithstanding the foregoing, it can be time consuming and expensive to obtain a favourable resolution of such disputes in foreign jurisdictions and accordingly, disputes can have a materially adverse effect on our ability to advance our projects. Notwithstanding our assessment of the likely outcome and potential effect of current disputes, the outcome is not certain. Some such disputes are governed by the laws of jurisdictions where substantive and procedural laws may differ materially from those of Canada, and which favour a claimant. These and other factors make the litigation and dispute resolution process inherently unpredictable. Furthermore, defense and settlement costs can be substantial, even with respect to claims that have no merit. The outcome or resolution of legal proceedings and disputes, individually or in the aggregate, could be other than as expected and could have a material adverse effect on our financial position and results of operations.

Additional Capital

The exploration and development of our properties may require substantial additional financing. The source of future funds available to us is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to us. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to us or will provide us with sufficient funds to meet our objectives, which may adversely affect our business and financial position. In addition, any future equity financings by us may result in substantial dilution for purchasers of our shares. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of our properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to us. Additional funds will be required for future exploration and development.

Shareholders' Interest in The Corporation May be Diluted in The Future

We may from time to time undertake offerings of Common Shares or of securities convertible into Common Shares including stock options and similar incentive plans in the future. The increase in the number of Common Shares issued and outstanding and the possibility of the issuance of Common Shares on conversion of convertible securities may have a depressive effect on the price of Common Shares. In addition, as a result of such additional Common Shares, the voting power of our existing shareholders will be diluted.

Limited Operating History

We have a limited operating history on which to base an evaluation of our business and prospects. Except for the Manfo Property, which was the subject of the Manfo Initial Resource Evaluation, our properties do not contain any mineral resources or mineral reserves and we have never had any revenues from our operations. In addition, our operating history has been restricted to the acquisition and exploration of our mineral properties. We anticipate that we will continue to incur operating costs without realizing any revenues during the period when we are exploring our properties. We expect to continue to incur significant losses into the foreseeable future. We recognize that if we are unable to generate significant revenues from mining operations and any dispositions of our properties, we will not be able to earn profits or continue operations. At this early stage of our operation, we also expect to face the risks, uncertainties, expenses and difficulties frequently encountered by companies at the start-up stage of their business development. We cannot be sure that we will be successful in addressing these risks and uncertainties and our failure to do so could have a materially adverse effect on our financial condition. There is no history upon which to base any assumption as to the likelihood that we will prove successful and we can provide investors with no assurance that we will generate any operating revenues or ever achieve profitable operations.

Competition

We operate in a competitive industry and compete with other more well-established companies which have greater financial resources than we do. We face strong competition from other mining companies in connection with exploration and the acquisition of properties producing, or capable of producing, base and precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than us. As a result of this competition, we may be unable to maintain or acquire attractive mining properties on terms we consider acceptable or at all. Consequently, our revenues, operations and financial condition could be materially adversely affected.

Title to Mineral Properties

Title to our resource properties may be challenged by third parties, or the licences that permit us to explore our properties may expire if we fail to timely renew them and pay the required fees. We cannot guarantee that the rights to explore our properties will not be revoked or altered to its detriment. The ownership and validity of mining claims and concessions are often uncertain and may be contested.

Except as described herein, we are not aware of challenges to the location or area of any of the mining concessions and mining claims in any of the jurisdictions in which we operate. There is no guarantee that title to the claims and concessions will not be challenged or impugned in the future. If we fail to pay the appropriate annual fees or fail to timely apply for renewal, then these licences may expire or be forfeit.

Key Employees and Consultants
Shareholders will be relying on the good faith, experience and judgment of our management and advisors in supervising and providing for the effective management of our business and the operations and in selecting and developing new investment and expansion opportunities. We may need to recruit additional qualified personnel to supplement existing management. We will be dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on us.

The development of our business is and will continue to be dependent on its ability to attract and retain highly qualified management and mineral exploration personnel. The Corporation will face competition for personnel from other employers. The Corporation does not maintain key management insurance on any of its management personnel.

Conflict of Interest
Certain directors of the Corporation also serve as directors of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving such other companies are required to be made in accordance with the duties and obligations to act honestly and in good faith with the Corporation and such other companies. In addition, such directors are required to declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

Permits
Other than as disclosed above, we currently have all required permits for operations as currently conducted, there is no assurance that delays will not occur in obtaining all necessary renewals of such permits for the existing operations or additional permits for our planned operations or any possible future changes to operations. Prior to any development on any of our properties, we must receive permits from appropriate governmental authorities. There can be no assurance that we will receive or continue to hold all permits necessary to develop or to commence or to continue operating at any particular property.

Currency Risk
By virtue of the location of our operations and exploration activities, we incur costs and expenses in a number of currencies other than the Canadian dollar. The exchange rates covering such currencies have varied substantially in the last three years. We raise capital through equity financings principally in Canadian dollars while much of our operating and capital costs are incurred in United States Dollars (USD) and Ghanaian Cedis (Gh₵), giving rise to potential significant foreign currency translation and transaction exposure, which could have a material and adverse effect on the Corporation's results of operations and financial condition.

Price and Volume 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 our securities.

Risks Related to the Mining Industry Generally
Mineral Prices
The ability to obtain equity financing, secure joint venture financing, or debt financing for the further exploration or development of any of the mining projects, and the profitability of any mineral mining operations in which we may acquire an interest, will be significantly affected by changes in the market price of minerals. Mineral prices fluctuate on a daily basis and are affected by numerous factors beyond our control. The level of interest rates, the rate of inflation, central bank sales, world supply and demand for minerals, stability of exchange rates, and global or regional political or economic events, among other factors, can cause significant fluctuations in mineral prices. Such external factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of minerals has historically fluctuated widely.

If mineral prices were to decline significantly or for an extended period, we may not be able to continue our operations, develop our properties, or fulfill our obligations under our agreements with our partners or under our permits and licences.

Commodity Prices

Our operations are or will be dependent on various commodities (such as heavy fuel oil, diesel fuel, electricity, steel, concrete and cyanide) and equipment to conduct operations. The shortage of such commodities, equipment and parts, or significant increase of their cost could have a material adverse effect on our ability to carry out our operations. Market prices of commodities can be subject to volatile price movements, which can be material, occur over short periods of time, and are affected by factors that are beyond our control. An increase in the cost, or decrease in the availability, of input commodities equipment or parts may affect the timely conduct and cost of our operations. If the costs of certain commodities consumed or otherwise used in connection with our operations and development projects were to increase significantly, and remain at such levels for a substantial period, we may determine that it is not economically feasible to proceed with development of some or all of our current projects, which could have an adverse impact on our future cash flows, earnings, results of operations and financial condition.

Mining

As of the date hereof, our properties, other than the Manfo Property, do not have any estimates of mineral resources or mineral reserves, and there are no assurances that they ever will.

The recoverability of amounts for mineral properties and related deferred exploration costs is dependent upon a discovery of economically recoverable reserves, confirmation of interest in the underlying claims, the ability to obtain necessary financing to complete development and future profitable production or, alternatively, upon disposition of such properties at a profit. Changes in future conditions could require material write-downs of the carrying values of mineral properties and deferred exploration costs.

There are numerous uncertainties inherent in estimating measured, indicated and inferred mineral resources. The estimation of mineral reserves and mineral resources is a subjective process, and the accuracy of any such estimates are a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable. Mineral resources are estimates only and no assurance can be given that any particular level of recovery of minerals from a mineral resource estimate will in fact be realized or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body, which can be economically exploited. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. Any material changes in the quantity of mineralization, grade or stripping ratio, or the mineral price may affect the economic viability of a mineral property. In addition, there can be no assurance that mineral recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Until mineral resources are actually mined and processed, the quantity of mineral and resource grades must be considered as estimates only. There can be no assurance that these estimates will be accurate, that mineral reserves and mineral resource figures will be accurate, or that mineral reserves or mineral resources can be mined or processed profitably.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect our operations, financial condition and results of operations.

Government Regulation

Mineral exploration and development activities will be subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could limit or curtail exploration or development.

Government approvals and permits are required in connection with mining exploration and development and in operating a mine. To the extent such approvals are required and not obtained, mining operation or planned exploration or development of mineral properties may be curtailed or prohibited from continuing.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on a mining project and cause increases in exploration expenses, capital expenditures or require abandonment or delays in development of new mining properties.

Community Action
All industries, including the mining industry, are subject to community actions. In recent years, communities and non-governmental organizations have become more vocal and active with respect to mining activities at or near their communities. These parties may take actions such as road blockades, applications for injunctions seeking work stoppage, and lawsuits for damages. These actions can relate not only to current activities, but also may be in respect of decades' old mining activities by prior owners of subject mining properties and could have a material adverse effect on our operations.

Environmental and Safety Risks
Environmental laws and regulations may affect the operations of a mining company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on a mining company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations.

Environmental legislation is evolving in a manner that 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 properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of reclamation plans, mining companies 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.

Insurance Risks
The Corporation maintains insurance to protect it against certain risks related to its current operations in amounts that it believes are reasonable depending upon the circumstances surrounding each identified risk. The Corporation may elect not to insure against certain risks due to high premiums or for various other reasons. These risks include, in the course of exploration, development and production of mineral properties, unexpected or unusual geological operating conditions including, environmental damage, employee injuries and deaths, rock bursts, cave-ins, fire, flooding and earthquakes. Although the Corporation maintains insurance to cover some of these risks and hazards in amounts it believes to be reasonable, such insurance may not provide adequate coverage in all circumstances. No assurance can be given that such insurance will continue to be available at economically feasible premiums or that it will provide sufficient coverage for losses related to these or other risks and hazards. Should liabilities arise as a result of insufficient or non-existent insurance, any future profitability could be reduced or eliminated.

Corporate Structure
Our foreign operations are conducted through foreign subsidiaries and substantially all of our assets are held in such entities. To our knowledge, there are no limitations on the transfer of cash or other assets between the parent corporation

and such entities or among such entities; however, if such limitations are put in place in the future, it could restrict our ability to fund our operations efficiently.

COMMITMENTS AND CONTINGENCIES

The Company is party to employment agreements with its employees. These contracts contain clauses requiring additional payments to be made upon the occurrence of certain events such as change of control. The additional commitments total approximately $135,000. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in the consolidated financial statements.

The Company's mining and exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment; and therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

As at March 31, 2020 and December 31, 2019, the carrying and fair value amounts of the Company's financial instruments, other than the shares of public companies, are approximately the same because of the short-term nature of these instruments.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the input used in making the measurements. The fair value hierarchy shall have the following levels: (a) quoted market prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The Company has determined the carrying values of its financial instruments as follows:

i. The carrying values of cash, amounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.
ii. Public and private investments are carried at amounts in accordance with the Company's accounting policies as set out in Note 3.
iii. Prior to maturity, the outstanding loans receivable are carried at their discounted value. Following their maturity, loans receivables are carried at their estimated realizable value.

The following table illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at March 31, 2020.

Investments, fair value	Level 1 (Quoted Market price)	Level 2 (Valuation technique – observable market inputs)	Level 3 (Valuation technique – observable market inputs)	Total
Publicly traded investments	24,750	-	-	24,750
Private placement	-	-	100,000	100,000
March 31, 2020	24,750	-	100,000	124,750

Investments, fair value	Level 1 (Quoted Market price)	Level 2 (Valuation technique – observable market inputs)	Level 3 (Valuation technique – observable market inputs)	Total
Publicly traded investments	43,719	-	-	43,719
Private placement	-	-	110,200	110,200
December 31, 2019	43,719	-	110,200	153,919

Fair value of financial instruments (continued)

Within Level 3, the Company includes private company investments that are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies. The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at March 31, 2020.

Description	Fair Value	Valuation Technique	Significant Unobservable inputs(s)	Range of significant unobservable inputs(s)
Quantus Resources Corp	$100,000	Recent financing	Marketability of shares	0% discount

As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investment portfolio, such changes may have a significant impact on the Company's financial condition or operating results.

Quantus Resources Corp
On January 29, 2019, the Company invested in Quantus Resources Corp, a private company with an Option Agreement to acquire 100% interest in the Black Hawk mining property, located in San Bernardino County, California, USA. The valuation is based on the most recent financing and management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at March 31, 2020. As at March 31, 2020, a +/- 10% change in the fair value of Quantus Resources Corp will result in a corresponding +/- $10,000 change in the carrying amount. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significant of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances.

OUTSTANDING SHARE DATA
As of May 22, 2020, Pelangio had:

- authorized share capital of an unlimited number of common shares of which a total of 47,742,107 common shares are issued and outstanding;
- stock options outstanding totaling 1,494,000 exercisable for common shares at prices ranging from $0.14 per share to $0.55 per share; and
- warrants outstanding totaling 9,252,922 exercisable for common shares at prices ranging from $0.20 per share to $0.70 per share.

SUBSEQUENT EVENTS

Grant of Stock Options

On May 5, 2020, the Company granted 500,000 stock options to directors and consultants of the Company, which options are exercisable into common shares of the Company at a price of $0.14 per share. Subject to the rules of the TSX Venture Exchange and the Company's Stock Option Plan the options have a term of five years and will expire on May 4, 2025.

Sale of Private Company Shares in Settlement of Accounts Payable

On May 7, 2020, the Company agreed to transfer 35,000 shares of Quantus in settlement of accounts payable of $25,000 USD.

Canada Emergency Business Account

On May 7, 2020, the Company was approved for a $40,000 non-interest bearing bank loan which matures December 31, 2022 under the provisions of the Canada Emergency Business Account.

Private Placement

On May 19, 2020, the Company closed the first tranche of the non-brokered private placement announced May 7, 2020 and May 11, 2020. The Company raised a total of $600,000 from the issuance of 5,000,000 shares at a price of $0.12 per share

Flow-Through Financing

On May 19, 2020, the Company announced that it had closed the first tranche of the non-brokered Flow-Through Financing previously announced on May 7, 2020 and May 11, 2020. The Company raised a total of $134,000 from the issuance of 957,142 common shares issued on a "flow-through" basis at a price of $0.14 per share.

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases n the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations

ADDITIONAL INFORMATION

Additional information about the Company and the technical report referred to herein, are available on the Company's website at www.pelangio.com or on SEDAR at www.sedar.com under the name Pelangio Exploration Inc.