



## **PELANGIO EXPLORATION INC.**

### **MANAGEMENT INFORMATION CIRCULAR**

Meeting to be held:

**June 22, 2022 at 10:00 am**

The Offices of Weir Foulds LLP, Mason Rooms A&B  
Suite 4100, 66 Wellington Street West, TD Tower  
Toronto, Ontario M5K 1B7

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
OF  
PELANGIO EXPLORATION INC.**

TAKE NOTICE that an annual general meeting (the "Meeting") of the shareholders ("Shareholders") of PELANGIO EXPLORATION INC. (the "Corporation") will be held on June 22, 2022 at the offices of Weir Foulds LLP, Suite 4100, 66 Wellington Street West, TD Tower, Toronto, Ontario M5K 1B7 at 10:00 a.m. EDT (local time) for the following purposes:

1. to receive financial statements of the Corporation for the year ended December 31, 2021, together with the Auditors Report thereon;
2. to elect directors for the ensuing year;
3. to re-appoint auditors for the ensuing year;
4. to authorize the directors to fix the remuneration of the auditors;
5. to re-approve the Stock Option Plan of the Corporation, as more particularly described in the accompanying Management Information Circular; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

As a result of heightened health and safety concerns related to the COVID-19 pandemic, in person attendance at the Meeting will be limited to registered shareholders, duly appointed proxyholders, and essential personnel. The Corporation strongly encourages shareholders not to attend the Meeting in person and to consult the recommendations of the Public Health Agency of Canada, Ontario Health and local public health authorities for preventing the spread of COVID-19 through the practice of physical distancing. The Corporation encourages shareholders to vote their common shares prior to the Meeting following the instructions set out in the enclosed Management Information Circular and Proxy.

Accompanying this Notice of Meeting are: (1) the Management Information Circular, which provides additional information relating to the matters to be dealt with at the Meeting; (2) a form of proxy or voting instruction form; (3) a return envelope for use by Shareholders to send in their proxy; and (4) a request card for use by Shareholders who wish to receive the Corporation's interim and annual financial statements and related management's discussion and analysis.

Shareholders of record at the close of business on May 18, 2022 will be entitled to receive notice of, and to vote at, the Meeting or any adjournment(s) thereof.

***If you are a registered Shareholder of Common Shares and are unable to attend the Meeting in person, please complete, sign, date and return the enclosed form of proxy. A proxy will not be valid unless it is deposited at the office of Computershare Investor Services Inc. ("Computershare"), Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, on or before 10:00 a.m. on June 20, 2022***

***If you are a non-registered Shareholder of Common Shares and a non-objecting beneficial owner and receive a voting instruction form from the Corporation's transfer agent, Computershare, please complete and return the form in accordance with the instructions of Computershare. If you do not complete and return the form in accordance with such instructions, you may lose your right to vote at the meeting.***

***If you are a non-registered Shareholder of Common Shares and an objecting beneficial owner and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. If you do not complete and return the materials in accordance with such instructions, you may lose your right to vote at the Meeting.***

DATED at Toronto, Ontario as of May 9, 2022.

By Order of the Board

“Ingrid Hibbard”

Ingrid Hibbard  
President and Chief Executive Officer

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**These security-holder materials are being sent to both registered and non-registered owners of securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.**

**By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.**

**MANAGEMENT INFORMATION CIRCULAR  
FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS  
OF PELANGIO EXPLORATION INC.  
TO BE HELD ON JUNE 22, 2022  
GENERAL PROXY INFORMATION**

**Management Solicitation**

THE MANAGEMENT ("MANAGEMENT") OF PELANGIO EXPLORATION INC. (THE "CORPORATION", "PELANGIO", "US", "WE", AND "OUR") IS FURNISHING THIS MANAGEMENT INFORMATION CIRCULAR ("MANAGEMENT INFORMATION CIRCULAR") TO OUR SHAREHOLDERS (THE "SHAREHOLDERS") FOR THEIR USE AT THE ANNUAL GENERAL MEETING (THE "MEETING") OF OUR SHAREHOLDERS TO BE HELD ON JUNE 22, 2022, at THE OFFICES OF WEIR FOULDS LLP, SUITE 4100, 66 WELLINGTON STREET WEST, TD TOWER, TORONTO, ONTARIO M5K 1B7 AT 10:00 A.M. (LOCAL TIME) FOR THE PURPOSES SET FORTH IN THE NOTICE OF MEETING. The solicitation of proxies is made by or on behalf of Management of the Corporation. It is expected that the solicitation will be primarily by mail. Our directors, or officers, at nominal cost, may also solicit proxies personally or by telephone. The cost of this solicitation will be borne by us. Except as otherwise stated, the information contained herein is given as of May 9, 2022. **As a result of heightened health and safety concerns related to the COVID-19 pandemic, in person attendance at the Meeting will be limited to registered shareholders, duly appointed proxyholders, and essential personnel. The Corporation strongly encourages shareholders not to attend the Meeting in person and to consult the recommendations of the Public Health Agency of Canada, Ontario Health and local public health authorities for preventing the spread of COVID-19 through the practice of physical distancing. The Corporation encourages shareholders to vote their common shares prior to the Meeting following the instructions set out in this Management Information Circular and Proxy.**

**Appointment and Revocation of Proxies**

The persons named in the accompanying form of proxy are nominees of the Corporation's management. A SHAREHOLDER OF RECORD DESIRING TO APPOINT SOME OTHER PERSON (who need not be a Shareholder) to represent the Shareholder at the Meeting may do so, either by:

- (a) STRIKING OUT THE PRINTED NAMES AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY; OR
- (b) BY COMPLETING ANOTHER PROPER FORM OF PROXY.

The completed proxy must be deposited at Computershare Investor Services Inc. ("Computershare"), Proxy Dept., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or at the office of the Corporation, 82 Richmond Street East, Toronto, ON M5C 1P1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment of the Meeting.

A proxy given by a Shareholder of record for use at the Meeting may be revoked in any manner permitted by law. A Shareholder of record may revoke a proxy by depositing an instrument or act in writing executed by the Shareholder of record, or by the Shareholder's attorney authorized in writing, or if the Shareholder of record is a corporation or association, under its corporate seal, or by an officer or attorney thereof duly authorized, at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chair of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits the proxy is revoked. The registered office of the Corporation is The Canadian Venture Building, 82 Richmond Street East, Suite 208, Toronto, Ontario, M5C 1P1.

**Signature of Proxy**

The enclosed instrument of proxy will not be valid unless executed by the Shareholder of record or his attorney authorized in writing, or if the Shareholder of record is a corporation or association, the proxy should be signed in its corporate name under its corporate seal or by an authorized officer whose title should be indicated. A proxy signed by a person acting as attorney or in some other representative capacity should reflect such person's capacity following his signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation). In

addition, Computershare provides both telephone voting and internet voting as described on the proxy itself which contains complete instructions.

### **Voting of Proxies**

All common shares ("Common Shares") of the Corporation represented at the Meeting by properly executed proxies will be voted or withheld from voting in accordance with your instructions as a Shareholder of record on any ballot that may be called and if you, as a Shareholder of record, specify a choice on the enclosed form of proxy with respect to any matter to be acted upon, your shares will be voted for or against or withheld from voting in accordance with your instructions as specified in the proxy you deposit.

Except where otherwise stated, a simple majority of 50% plus 1 of the votes cast at the Meeting is required to approve all the business matters of the Meeting.

**IN THE ABSENCE OF ANY INSTRUCTIONS ON THE PROXY, IT IS INTENDED THAT ANY PERSON DESIGNATED BY MANAGEMENT IN THE ACCOMPANYING FORM OF PROXY WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY:**

1. **FOR THE NOMINEES OF MANAGEMENT FOR DIRECTORS;**
2. **FOR THE RE-APPOINTMENT OF MCGOVERN HURLEY LLP, CHARTERED PROFESSIONAL ACCOUNTANTS AS AUDITORS OF THE CORPORATION; AND FOR AUTHORIZING THE DIRECTORS TO FIX THE REMUNERATION OF THE AUDITORS;**
3. **FOR THE RE-APPROVAL OF THE STOCK OPTION PLAN OF THE CORPORATION**
4. **FOR THE TRANSACTION OF SUCH FURTHER AND OTHER BUSINESS AS MAY PROPERLY BE BROUGHT BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF.**

### **Exercise of Discretion by Proxies**

The form of proxy affords the Shareholder an opportunity to specify that the Common Shares registered in the Shareholder's name shall be voted for or withheld from voting in respect of the election of directors and the appointment of auditors and shall be voted for or against the authorization of the directors to fix the remuneration of the auditors.

The form of proxy accompanying this Management Information Circular confers discretionary authority upon the named proxy holder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters, which may properly come before the Meeting.

As of the date of this Management Information Circular, Management knows of no such amendment or variation or other matters to come before the Meeting. However, if any other matters, which are not now known to Management, should properly come before the Meeting, then the Management designees intend to vote in accordance with the judgment of Management. In particular, in the event that any vacancies occur in the slate of nominees, it is intended that such discretionary authority shall be exercised to vote the Common Shares represented by such proxies for the election of such other person or persons nominated in accordance with the best judgment of management.

### **Voting of Shares**

The board of directors ("Board" or "Board of Directors") has fixed the record date of the Meeting at the close of business on May 18, 2022 (the "Record Date"). Shareholders of record of the Corporation as at that date are entitled to receive notice of the Meeting and to vote at the Meeting.

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As at May 9, 2022, 83,321,173 Common Shares were issued and outstanding. Each Common Share carries the right to one vote at the Meeting on a poll.

**Two or more holders of not less than ten percent of the shares entitled to vote at the Meeting present in person or represented by proxy will constitute a quorum at the Meeting.**

### **Principal Holders of Voting Securities**

To our knowledge, there are no persons beneficially owning or exercising control or direction, directly or indirectly, over 10% or more of the voting rights attached to all issued and outstanding Common Shares.

## **Advice to Beneficial Holders of Common Shares**

**The information set forth in this section is of significant importance to many Shareholders of the Corporation, as a substantial number of Shareholders do not hold Common Shares in their own name.** Shareholders who do not hold their Common Shares in their own name (referred to in this Management Information Circular as "Beneficial Shareholders" or "Non-Registered Holders") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those shares will not be registered in the Shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the Shareholder's broker or an agent or nominee of that broker. In Canada, the vast majority of shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients.

There are two kinds of Beneficial Shareholders or Non-Registered Holders – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). Subject to the provision of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* ("NI 54-101"), issuers can request and obtain a list of their NOBOs from intermediaries via their transfer agents and use this NOBO list for distribution of proxy-related materials directly (not via Broadridge Investor Communications ("Broadridge")) to NOBOs.

We are taking advantage of those provisions of NI 54-101 that permit us to directly deliver proxy-related materials to our NOBOs who have not waived the right to receive them (and are not sending proxy-related materials using notice-and-access this year). As a result, NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") together with the Notice of Meeting, this Management Information Circular and related documents from our transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions. In that regard, Computershare is required to follow the voting instructions properly received from NOBOs. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive. **NOBOs should carefully follow the instructions of Computershare, including those regarding when and where to complete VIFs that are to be returned to Computershare.**

Should a NOBO wish to attend and vote at the Meeting in person, the NOBO must insert the NOBO's name (or such other person as the NOBO wishes to attend and vote on the NOBO's behalf) in the blank space provided for that purpose on the VIF and return the completed VIF to Computershare or the NOBO must submit, to the Corporation or Computershare, any other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxy holder. In such circumstances with respect to proxies held by management in respect of securities owned by the NOBO so requesting, the Corporation must arrange, without expense to the NOBO, to appoint the NOBO or a nominee of the NOBO as a proxy holder in respect of those securities. Under NI 54-101, if the Corporation appoints a NOBO or a nominee of the NOBO as a proxy holder as aforesaid, the NOBO or nominee of the NOBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101, if the Corporation appoints a NOBO or its nominee as proxy holder as aforesaid, the Corporation must deposit the proxy within the timeframe specified above for the deposit of proxies if the Corporation obtains the instructions at least one (1) business day before the termination of that time. **If a NOBO or a nominee of the NOBO is approved as a proxy holder pursuant to such request, the appointed proxy holder will need to attend the Meeting in person in order for their votes to be counted.**

**NOBOs that wish to change their vote must contact Computershare to arrange to change their vote in sufficient time in advance of the Meeting.**

In accordance with the requirements of NI 54-101, we have distributed copies of the Notice of Meeting, this Management Information Circular and related documents (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless in the case of certain proxy-related materials the OBO has waived the right to receive them. Very often, Intermediaries will use service companies such as Broadridge to forward the Meeting Materials to OBOs. With those Meeting Materials, Intermediaries or their service companies should provide OBOs of Common Shares with a "request for voting instruction form" which, when properly completed and signed by such OBO and **returned to the Intermediary or its service company**, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs of Common Shares to direct the voting of the Common Shares that they beneficially own. The Corporation will pay for Intermediaries to deliver the proxy-related materials and request for voting instruction form to OBOs.

Should an OBO wish to vote at the Meeting in person, the OBO must insert the OBO's name (or such other person as the OBO wishes to attend and vote on the OBO's behalf) in the blank space provided for that purpose on the request for voting instruction form **and return the completed request for voting instruction form to the Intermediary or its service provider** or the OBO must submit, to their Intermediary, any other document in writing that requests that the OBO or a nominee of the OBO be appointed as proxy holder. In such circumstances an Intermediary who is the registered holder of, or holds a proxy in respect of, securities owned by an OBO is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or a nominee of the OBO as a proxy holder in respect of those securities. Under NI 54-101, if an Intermediary appoints an OBO or the nominee of the OBO as a proxy holder as aforesaid, the OBO or nominee of the OBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of the Intermediary, in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101 an Intermediary who appoints an OBO or its nominee as proxy holder as aforesaid is required under NI 54-101 to deposit the proxy within the timeframe specified above for the deposit of proxies if the Intermediary obtains the instructions at least one (1) business day before the termination of that time. **If the OBO or a nominee of the OBO is appointed a proxy holder pursuant to such request, the appointed proxy holder will need to attend the Meeting in person in order for their votes to be counted.**

**OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the completed request for voting instructions is to be delivered.**

**Only registered Shareholders have the right to revoke a proxy. OBOs of Common Shares who wish to change their vote must, sufficiently in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary, revoke their proxy in accordance with the revocation procedures set out above.**

#### GENERAL INFORMATION ON THE CORPORATION

The Corporation was incorporated under the *Business Corporations Act* (Alberta) (the "ABCA") on February 27, 2008. On September 6, 2008, Pelangio Mines Inc. ("Mines") transferred all of its property, other than 19 million Common Shares of Detour Gold Corporation ("Detour") and \$500,000, to the Corporation pursuant to a court-approved plan of arrangement (the "Arrangement"). In connection with the Arrangement, Mines changed its name to "PDX Resources Inc." ("PDX") and subsequently amalgamated with a subsidiary of Detour and the amalgamated corporation was dissolved. Any reference to "Mines" herein is a reference to Mines as it was prior to the Arrangement and any reference to "PDX" is a reference to PDX as it was post-Arrangement and prior to the dissolution.

Subsequent to the Arrangement, on September 10, 2008, the Corporation's Common Shares were listed and commenced trading on the TSX Venture Exchange (the "TSX-V") under the symbol "PX".

Pursuant to the approval of Shareholders at an annual and special shareholders meeting on June 25, 2009, the Corporation was continued under the *Canada Business Corporations Act* (the "CBCA") on June 25, 2009.

Pursuant to the approval of Shareholders at an annual and special shareholders meeting on May 29, 2018, the Corporation completed the consolidation of its issued and outstanding shares on a ten to one basis effective July 6, 2018.

All share and per share information in this Management Information Circular give effect to the Consolidation on a retroactive basis, unless otherwise indicated.

## MATTERS TO BE ACTED UPON AT THE MEETING

### Receiving and Considering the Audited Financial Statements

The Corporation's Audited Financial Statements for the fiscal year ended December 31, 2021 and the report of the Auditors thereon were filed on SEDAR on May 2, 2022.

### Election of Directors

At the Meeting, it is proposed that five directors be elected to serve on the Board until the next annual general meeting or until their successors are elected or appointed in accordance with the CBCA and the by-laws of the Corporation.

For details regarding the Corporation's majority voting policy, see "Corporate Governance – Majority Voting Policy".

Except as noted under "Voting of Proxies", proxies received in favour of Management designees will be voted for the following proposed director nominees (or for substitute nominees in the event of contingencies not known at present).

No class of Shareholders has the right to elect a specified number of directors or to cumulate their votes with respect to the election of directors.

The following table sets out the names of the nominees for directors, the date that each such person first became a director, the principal occupation of each such person and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by each such person. All five of the nominees are currently directors of the Corporation. The information contained in this table, including the information as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, is based upon information furnished to the Corporation by the respective nominees as at May 9, 2022.

Name and Municipality of Residence	Board/Committee Membership	Director Since <sup>(1)</sup> & Status	Stock Options Held	Common Shares Beneficially Owned or Over Which Control is Exercised <sup>(2)</sup>	Other Directorships
Ingrid J. Hibbard, Ontario, Canada	Director, President and Chief Executive Officer	February 27, 2008 Non-independent	690,000	3,555,514	
Jean Claude (J.C.) St-Amour <sup>(3)(4)(5)</sup> , Ontario, Canada	Director and Chairman	February 27, 2019 Independent	507,500	110,000	Infinite Ore Corp Sky Gold Corp Mink Ventures Corp
Al Gourley <sup>(4)</sup> , London, UK	Director	August 20, 2020 Independent	482,500	-	Trident Royalties PLC Diamond Fields Resources Inc.
David V. Mosher <sup>(3)</sup> <sup>(4)(5)</sup> , Nova Scotia, Canada	Director	February 27, 2008 Independent	475,000	1,144,650	Erdene Resource Development Corp Pancontinental Resources Corporation
Kevin P. Thomson <sup>(3)(5)</sup> , Ontario, Canada	Director, Senior Vice President, Exploration	May 30, 2017 Non-Independent	660,000	20,000	-

**Notes:**

(1) Each director holds office until the next annual meeting of shareholders or until a successor is elected or appointed

(2) Based on information provided by the individuals as at May 9, 2022



- (3) *Member of the Company's Audit Committee*
- (4) *Member of the Company's Compensation Committee*
- (5) *Member of the Company's Technical Committee*

All the above nominees were elected to their present term of office by a vote of Shareholders at a Shareholders meeting.

**Ingrid J. Hibbard, LL.B** is currently a director and the Chief Executive Officer of the Corporation. Ms. Hibbard has spent her life in the mining industry, beginning with Ingamar Explorations Limited, an exploration company formed by her parents, which acquired large tracts of exploration land, including land surrounding Detour Lake. Ms. Hibbard is the President and Chief Executive Officer and a director of Pelangio Exploration Inc. and was the Chief Executive Officer of PDX Resources Inc. (formerly Pelangio Mines Inc.) from 1997 to 2009. Ms. Hibbard has played a key role throughout the history of the Detour Lake mine property including as President of Pelangio-Larder Mines Limited which, in 1998, acquired the property under a joint venture with Franco-Nevada Mining Company Limited from Placer Dome (CLA) Ltd. (now Newmont) up to Pelangio's sale of the Detour Lake assets to Detour Gold Corporation in 2007. Ms. Hibbard holds a Bachelor of Arts degree and an LL.B from the University of Western Ontario and is called to the Bar in both Ontario and Manitoba. Ms. Hibbard's law practice focused on mining and securities law, with clients ranging from junior exploration companies to major mining companies.

**J.C. St-Amour M.Sc., CFA** is currently Chairman of the Corporation. Mr. St-Amour is President and CEO of VanStar Mining Resources, President and Director of Infinite Ore Corp. and a Director of Sky Gold Corp. and Mink Ventures Corporation. Mr. St-Amour is a bilingual investment banker and corporate executive with over 20 years of experience in corporate finance, mergers and acquisitions, and managing corporate relationships. J.C. is a Chartered Financial Analyst with strengths and expertise in capital markets, financial and investment analysis, asset valuation, due diligence, and managing financing and M&A processes, particularly where they apply to the resource sector. During his career, J.C. has held the roles of Director, Investment Banking and member of the Executive Committee with Fraser Mackenzie Limited; Vice President, Investment Banking at Blackmont Capital Inc.; Senior Vice President, Corporate Development and Chief Financial Officer at Defiance Mining Corporation and Vice President, Corporate Development at Rio Narcea Gold Mines Ltd.

**Albert C. Gourley, BBA, LL.B.** is currently a director of the Corporation. Mr. Gourley is the London Managing Partner of Fasken Martineau, an international law firm, where his practice focuses on finance and asset transactions in the natural resource industry. Mr. Gourley is currently on the board of Diamond Fields Resources Inc. and Trident Royalties PLC. Mr. Gourley has served as a director of several TSX, TSX-V and AIM-listed mining and mineral exploration companies, including a company that discovered the Ahafo Mine in Ghana before being acquired by Newmont. Al has direct mining industry experience having worked for the Noranda Group (1992 to 1995) and having served as CEO of an AIM-listed industrial mineral producer (2011 to 2012). Mr. Gourley is a member of the Solicitors Regulatory Authority (England and Wales), a member of the Ontario Law Society and Chairman of the Board of the World Association of Mining Lawyers (WAOML), whose Advisory Council he led from the date of its formation in 2014 until 2018. Mr. Gourley holds a BBA from Schulich School of Business and an LL.B from the University of Ottawa.

**David V. Mosher, B.Sc. (Geo)** is currently a director of the Corporation. Mr. Mosher is a corporate director and consultant and President of Mosher Enterprises Ltd and director of Pancontinental Resources Corporation and Erdene Resource Development Corp. Mr. Mosher was previously a director of Roscan Minerals Corporation, Harvest Gold Corporation, and former President and CEO (1992-2008) and director (1988-2008) of High River Gold Mines Ltd., and former director of Equinox Minerals Limited (2004-2011) and Mines/PDX from October 2003 to March 2009. Mr. Mosher has a B.Sc. from Acadia University.

**Kevin P. Thomson, P.Geo.** is currently a director and the Senior Vice President, Exploration of the Corporation. Mr. Thomson is a senior mining professional with 29 years' experience, including international technical, corporate and project management experience in West Africa and Canada. His experience ranges from project generation and grass-roots exploration to resource development, project assessment and due diligence. Mr. Thomson previously resided in Ghana for 12 years, during which time he served as Group Exploration Manager at Perseus Mining Limited and Regional Exploration Manager at Newmont Mining Corp. Mr. Thomson holds an Hons. B.Sc. Geology & Physical Geography from McMaster University and is a member of the Association of Professional Geoscientists of Ontario (#0191).

**Board and Committee Meeting Attendance for the year ended December 31, 2021**

Name	Board/Committee Membership	Attendance Number of meetings	Percentage
Ingrid J. Hibbard	Board	4	100%
Albert C. Gourley	Board Compensation Committee	4 2	100% 100%
James Hannon <sup>(1)</sup>	Board Audit Committee	- -	- -
Dr. Joyce Aryee <sup>(2)</sup>	Board Audit Committee	1 1	100% 100%
David V. Mosher <sup>(3)</sup>	Board Audit Committee Comp. Committee Chair	4 4 1	100% 100% 100%
Jean Claude (J.C.) St-Amour	Board Chairman Audit Committee Chairman Compensation Committee	4 4 2	100% 100% 100%
Kevin P. Thomson	Board Audit Committee	4 2	100% 100%

**Notes:**

<sup>(1)</sup> Mr. Hannon resigned from the Board on March 17, 2021. Mr. Hannon attended all meetings of the board and audit committee during his tenure.

<sup>(2)</sup> Dr. Joyce Aryee was appointed on March 17, 2021 and resigned from the Board on July 21, 2021. Dr. Aryee attended all meetings of the board and audit committee during her tenure.

<sup>(3)</sup> David Mosher attended all meetings of the board and all committee meetings. He was appointed to the Compensation Committee on July 21, 2021.

*Corporate Cease Trade Orders or Bankruptcies*

None of the proposed directors of Pelangio or the personal holding company of a proposed director is as of the date hereof or, within the ten years prior to the date of this Management Information Circular, has been:

- (a) a director, chief executive officer or chief financial officer of any issuer (including the Corporation) that was the subject of a cease trade or similar order or an order that denied the issuer access to any exemptions under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while he or she was acting in that capacity or that was issued after he or she ceased to act in that capacity but that resulted from an event that occurred while he or she was acting in that capacity; or
- (b) a director or executive officer of any issuer that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or

instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

#### *Penalties or Sanctions*

No proposed director of Pelangio, or the personal holding company of a proposed director, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body including a self-regulatory body that would be likely to be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

#### *Personal Bankruptcies*

No proposed director of Pelangio, or the personal holding company of a proposed director, has, during the ten years prior to the date of this Management Information Circular, been declared bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

#### **Re-Appointment of Auditors and Authorization to Fix Remuneration**

In accordance with the recommendations of the Audit Committee, the Board recommends that at the Meeting the Shareholders vote for the re-appointment of McGovern Hurley, LLP, Chartered Accountants as the Corporation's auditor to hold office until the next annual meeting of shareholders and that the Shareholders authorize the Board to fix the remuneration of the auditors, McGovern Hurley, LLP Chartered Accountants. McGovern Hurley, LLP Chartered Accountants were first appointed as our auditors on February 27, 2008 and have since then served as our auditors.

#### **Re-Approval of Rolling Option Plan**

On May 25<sup>th</sup>, 2021, the Board of Directors of Pelangio approved an amendment to the stock option plan (the "Plan") for the Corporation to replace the fixed maximum number of Common Shares issuable under such Plan, namely 5.3 million Shares, with a fixed 10% percentage restriction which would limit the maximum number of Common Shares issuable under the option plan to 10% of the issued and outstanding Common Shares on the particular date of grant. As at May 9, 2022, there are 6,264,500 Options granted under the Plan and 1,903,617 Options available for grant under the Plan.

The Pelangio Board of Directors recommends that Shareholders vote in favour of the ordinary resolution (the "Option Plan Resolution") re-approving the Plan as is required at each annual meeting of the Company.

**All proxies appointing Management's designees will be voted in favour of the Option Plan Resolution, unless the proxy contains instructions to vote against the Option Plan Resolution. To be effective, the Option Plan Resolution must be passed by not less than a majority of the votes cast by the Shareholders present in person or by proxy at the Meeting.**

#### *The Option Plan Resolution*

The complete text of the Option Plan Resolution, which Management intends to place before the Meeting for confirmation and ratification, with or without modification, is as follows:

"IT IS HEREBY RESOLVED by a resolution of the shareholders of Pelangio Exploration Inc. (the "Corporation") that:

1. the Rolling Option Plan, is hereby re-approved and is hereby directed to be attached to the minutes of this Meeting as a Schedule thereto; and
2. any one (or more) director(s) or officer(s) of the Corporation is authorized and directed, for and on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all applications, certificates, forms, declarations, agreements, articles and other

documents and instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this resolution."

## CORPORATE GOVERNANCE

The following describes the Corporation's corporate governance practices pursuant to the disclosure requirements of National Instrument 58-101 – *Disclosure of Corporate Governance*. Policies, codes and mandates referenced herein are available on the Corporation's website at [www.pelangio.com](http://www.pelangio.com).

### Board of Directors

The Board is currently composed of five directors, three of whom are non-management directors. The Board reviews the independence status of each individual director annually. In that regard, the Board considers a director to be independent if they have no direct or indirect material relationship with the Corporation, which in the view of the Board of Directors could reasonably be perceived to materially interfere with the exercise of the director's independent judgment. In that regard, the Board has determined that three of the directors are independent as set out below:

Ingrid J. Hibbard	-	Non-independent
JC. St-Amour	-	Independent
Albert C. Gourley	-	Independent
David V. Mosher	-	Independent
Kevin Thomson	-	Non-Independent

Ms. Hibbard and Mr. Thomson are members of management and therefore are not independent directors.

For a list of other directorships held by each Nominee, please see "*Matters to be Acted Upon at the Meeting - Election of Directors*".

See "*Matters to be Acted on at the Meeting – Election of Directors*", above, for more information about each director including share ownership.

Mr. JC St. Amour has been appointed the Chairman pursuant to the Corporation's Policy and Mandate for the Chairman of the Board.

The independent directors do not hold regularly scheduled meetings at which members of management are not in attendance, rather a portion of each meeting is set aside for meetings of the independent directors if requested. The Board uses its committee structure to facilitate the functioning and operation of the Board independently of management.

The Board has established three committees of directors, being the Audit Committee, Compensation Committee, and Technical Committee. The Audit and Compensation Committees are responsible for key corporate governance matters as discussed below and the Audit and Compensation Committees are composed solely of independent directors. Each Board committee operates independently of management.

The Board requires that directors provide disclosure to it of all boards and committees that they are members of, and all offices held at other issuers. We also require conflicts of interest to be disclosed to the Board. In the event that conflicts of interest arise, a director who has such a conflict is generally required to abstain from voting for or against the approval of the matter. In addition, in considering transactions and agreements in respect of which a director has a material interest the Board will require that the interested person absent themselves from portions of Board or committee meeting so as to allow independent discussion of points in issue and the exercise of independent judgment.

The Board believes that all directors should attend all meetings of the Board and all meetings of each committee on which a director is a member. Please see *Matters to be Acted on at the Meeting – Election of Directors*", above, for a summary of the attendance of the Board and committee members from January 1, 2021 to December 31, 2021.

## **Board Mandate**

The Board has adopted a written mandate, the Board of Directors Mandate in which it has explicitly assumed responsibility for our stewardship and responsibility for overseeing the management of our business. It is available at [www.pelangio.com](http://www.pelangio.com). In that regard, the Board carries out its mandate directly or through its committees described below. The responsibilities of the Board include:

- (a) to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;
- (b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business;
- (c) identifying the principal risks to our business, and the implementation of appropriate system to manage those risks;
- (d) succession planning (including appointing, training and monitoring senior management);
- (e) reviewing and assessing our internal control and management information systems; and
- (f) developing our approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to us.

## **Position Descriptions**

The Board has developed a Mandate for the Chairman of the Board as well as a Description of Duties of the Chief Executive Officer (“CEO”), both of which policies are on the Corporation’s website at [www.pelangio.com](http://www.pelangio.com).

### **Chair**

The Chair’s primary responsibility to the Board of Directors is to oversee the operations and affairs of the Board and to provide leadership to the Board to enhance the Board’s effectiveness. The Board has ultimate responsibility for the supervision of management of the Corporation.

### **CEO**

The CEO will report to the Board and provide dynamic leadership to the organization.

Key responsibilities for the CEO will include:

- Working with the Board of Directors and the senior management team to formulate the strategic direction of the organization
- Developing and managing an effective organization structure
- Developing a strong team
- Communicating strong business leadership and vision to all employees
- Motivating, guiding and directing employees and contractors to fully contribute to business objectives
- Providing hands-on leadership in pursuing major acquisitions and divestitures, and corporate development opportunities
- Developing positive and productive relationships with key business relationships, suppliers and investors
- Actively promoting and contributing to developing the culture of the organization
- Ensuring the development and maintenance of financial and administrative systems and controls
- Arranging for financing as required and acting as a visible, highly credible representative to financial markets, including analysts and investment dealers
- Creating a positive profile of the organization in the business and community at large
- Effectively capitalizing on the market potential

## **Orientation and Continuing Education**

The Board does not have a formal process for the orientation of new Board members regarding the role of the Board, its committees and its directors and the nature of operation of the business. New Board members are provided with written material to familiarize themselves with the Corporation and are provided the opportunity to meet with the President and CEO.

In addition, the Board also provides the opportunity for continuing education for our directors. The interested Board member either suggests courses or our President and CEO will suggest relevant courses for the Board member to attend.

### **Ethical Business Conduct**

The Board has developed a Code of Conduct and Business Ethics designed to encourage and promote a culture of ethical business conduct. A copy has been provided to each of the Corporation's directors, officers, employees and consultants. Our Code of Conduct is available on our website at [www.pelangio.com](http://www.pelangio.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). The Board has also implemented a Whistleblower Policy, whereby directors, officers, employees and consultants may relay any concerns they may have regarding the Corporation's financial practices to the chair of the Board's Audit Committee. This policy is also posted at [www.pelangio.com](http://www.pelangio.com).

See "Corporate Governance – Board of Directors", above, for a discussion of steps taken to allow for the exercise of independent judgment.

### **Nomination of Directors and Diversity**

The Board as a whole undertakes the nomination of individuals to the Board.

Nomination of directors has been conducted through discussion by the Board and upon advice of the President and CEO taking into consideration the skill set of the proposed nominee and the skill sets of the existing Board members.

The President and CEO provides a list of nominees suggested by either herself, Shareholders, or the Board, because of their corporate banking, financing, accounting, technical or geological expertise, which expertise would strengthen the overall skill set of the Board so that the Board would have an appropriate mix of expertise and professional background.

The Corporation believes that ensuring diversity is not only fundamental to its future growth and progress but is an integral part of all its business activities. The Corporation recognizes and appreciates the benefits of having diversity on its Board and in its senior management. At the same time, the Corporation also recognizes that Board and senior management appointments must be based on performance, ability and potential. The Board has not adopted a formal policy regarding the identification and nomination of directors who are women, Aboriginal peoples, persons with disabilities or members of visible minorities (collectively, the "Designated Groups"). Also, the Corporation recognizes the benefits of diversity within its Board, at the executive level and at all levels of the organization but does not believe that a formal policy would enhance the representation of Designated Groups on the Board beyond the current recruitment and selection process.

The Board as a whole is responsible for assessing the effectiveness of the process for identifying, evaluating and recommending director nominees. Similarly, with respect to senior management appointments, the Board is responsible for assessing the effectiveness of the process for identifying, evaluating and appointing senior management.

As of the date of this Management Information Circular, the Corporation has not adopted a target number or percentage, or a range of target numbers or percentages, for the members of any Designated Group to hold positions on the Board or to be members of senior management by a specific date, as it believes that imposing targets based on specific selection criteria would limit the Corporation's ability to ensure that the overall composition of the Board and senior management meets the needs of the Corporation and its shareholders.

As of the date of this Management Information Circular, the Corporation has a total of five directors and three members of senior management. One director (or 20% of the Board) are members of a Designated Group and one member of senior management (or 33% of senior management) is a member of a Designated Group.

### **Majority Voting Policy**

The Board of Directors has adopted a majority voting policy, which requires that a Director Nominee who receives more "withheld" votes than "for" votes, will promptly submit his or her resignation to the Compensation Committee for consideration. After review, the Compensation Committee will put forward a recommendation to the Board, and the Board's decision to accept or reject the resignation will be disclosed to the public. The Director Nominee who submitted his or her resignation will not participate in the deliberations regarding the resignation. This policy does not apply in the case of contested director elections.

## **Compensation**

Compensation of the President and CEO, Chief Financial Officer ("CFO"), any other senior officer, and the directors is recommended to the Board by the Compensation Committee and passed by the Board. See "*Corporate Governance – Board Committees - Compensation Committee*", below.

Compensation is determined in relation to current compensation standards in similar corporations and by assessment of individual performance. See "*Statement of Executive Compensation – Compensation Discussion and Analysis*".

## **Retirement Policy & Advisory Committee**

In 2013, a retirement policy was adopted providing that directors may serve on the Board until the annual meeting of shareholders following their 80<sup>th</sup> birthday, and may not be re-elected after reaching age 80, unless this requirement is waived by the Board on the recommendation of the Compensation Committee.

In order to continue to benefit from the wisdom and experience of certain directors after they resign as members of the board, they may continue to serve in an advisory role. Mr. David Paxton and Mr. Philip Olson are members of the Advisory Committee as of the date hereof.

## **Assessment**

The Board, its committees and individual directors are annually assessed with respect to their effectiveness and contribution. The Compensation Committee annually reviews members, attendance, membership on committees of directors, and contributions of ideas.

## **Board Committees**

### **Compensation Committee**

The Compensation Committee's role is to (i) establish a remuneration and benefits plan for directors, executives and other key employees; (ii) review the adequacy and form of compensation of directors and senior management; (iii) establish a plan of succession; (iv) undertake the performance evaluation of the CEO in consultation with the Chair; and (v) make recommendations to the Board as set out in the Compensation Committee Charter which the Compensation Committee has adopted and which sets out its mandate, and is available on the Corporation's website. As noted above, the Compensation Committee is currently composed of David Mosher (Chair), Al Gourley, and J.C. St-Amour, all of whom are independent.

Each of the members of the Compensation Committee has experience setting and monitoring appropriate compensation levels in such entities. The Compensation Committee does not use outside consultants regarding compensation and policies.

### **Audit Committee**

The Audit Committee is appointed by the Board of Directors of the Corporation to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- (a) provide an open avenue of communication between Management, the independent auditors, the internal auditors and the Board and assist the Board in its oversight of the Corporation;
- (b) review and monitor the integrity, adequacy and timeliness of the Corporation's financial reporting and disclosure practices;
- (c) implement processes for identifying the principal financial risks of the Corporation and the control systems in place to monitor them;
- (d) review and monitor compliance with legal and regulatory requirements related to financial reporting; and
- (e) review the independence and performance of the Corporation's independent auditor.

The Audit Committee also performs any other activities consistent with the Audit Committee Charter (attached hereto as Appendix A), the Corporation's by-laws and the governing laws as the Audit Committee or Board deems necessary or appropriate.

The Audit Committee is responsible for reviewing and approving annual and quarterly financial statements, MD&A, and any reports, opinions or significant transactions in connection with the financial statements of the Corporation.

Composition of the Audit Committee

The Corporation's Audit Committee currently composed of J.C. St-Amour (Chair), David Mosher, and Kevin Thomson. Dr. Aryee previously a member of the Audit Committee, resigned from the Board of Directors on July 21, 2021. James Hannon, previously a member of the Audit Committee, resigned from the Board of Directors on March 17, 2021. Each of the members of the Audit Committee is independent and financially literate within the meanings set out in National Instrument 52-110 – *Audit Committees* ("NI 52-110").

Relevant Education and Expertise

Please see "Election of Directors" for the relevant education and expertise of each committee member.

Pre-Approval Policies and Procedures

The Audit Committee is responsible for approving non-audit services. The Chairman of the Audit Committee will review requests for additional services submitted by Management and estimated costs thereof. The Chairman may approve such services or refer the request to the full committee or the Board of Directors.

The Audit Committee has adopted the following pre-approval policies:

- (a) Annually, the Audit Committee will review a list of audit, audit-related, tax and other non-audit services and recommend pre-approval of these services for the upcoming year.
- (b) All additional requests to engage our auditor for other services will be addressed on a case-by-case specific engagement basis. The engagement may only commence upon approval by the Audit Committee.

The Corporation has not relied on the *de minimis* non-audit service exemption contained in Section 2.4 of NI 51-110 since the commencement of the Corporation's most recently completed financial year.

**External Auditor Service Fees**

The aggregate fees billed for professional services rendered by our auditors, McGovern Hurley, LLP, Chartered Professional Accountants, to us for the year ended December 31, 2021, are as follows:

	Fiscal year ended December 31,	
	2021	2020
Audit Fees (for audit of Pelangio's annual financial statements for the respective year)	36,000	33,660
Audit-Related Fees	-	-
<b>Total Audit and Audit-Related Fees</b>	36,000	33,660
Tax Fees	-	-
All Other Fees	-	-
<b>Total Fees</b>	<b>36,000</b>	<b>33,660</b>

**STATEMENT OF EXECUTIVE COMPENSATION**

National Instrument 51-102 – *Continuous Disclosure Obligations* requires the Corporation to disclose its executive compensation by providing in this Management Information Circular the disclosure required by Form 51-102F6V. The disclosure of executive compensation below is being made in accordance with Form 51-102F6V. Set out below, are particulars of compensation paid to the following persons (the "Named Executive Officers" or "NEOs"):



- (a) the CEO;
- (b) the CFO;
- (c) the most highly compensated executive officer, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year (as determined in accordance with the requirements under Form 51-102F6V – Statement of Executive Compensation); and
- (d) any individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

As at December 31, 2021, the end of the most recently completed financial year of the Corporation, the Corporation had two NEOs, Ingrid Hibbard, President and CEO, Paul Rokeby, CFO. The Corporation does not have any executive officers whose total compensation exceeded \$150,000 for the year ended 2021.

### **Compensation Discussion and Analysis**

#### *Compensation Committee*

The Compensation Committee is primarily responsible for, among other things, the periodic review of the Corporation's short-term and long-term policies for attracting, retaining, developing and motivating executive officers of the Corporation. The Compensation Committee meets periodically to review compensation policies relating to the Corporation and its subsidiaries and to approve specific compensation awards and benefits. The CEO does not participate in discussions or reviews relating to her own compensation.

The Corporation's Compensation Committee currently comprises David Mosher (Chair), Al Gourley and J.C St.-Amour. Each of the members of our Compensation Committee is independent within the meaning set out in NI 52-110. In addition, none of our executive officers have served on the Compensation Committee (or in the absence of such committee the entire Board of Directors) of another issuer whose executive officer is a member of our Compensation Committee or the Board. See "*Corporate Governance – Board Committees - Compensation Committee*".

#### *Executive Compensation Policies*

The objectives of our compensation program are to:

- motivate executives to achieve corporate performance objectives and align their interests with the interests of our Shareholders;
- reward executives for exceptional contributions to corporate performance; and
- attract and retain qualified executive officers.

The Corporation's executive compensation policies are designed to recognize, and reward executive officers based upon individual and corporate performance, to be competitive with compensation arrangements of other junior gold exploration companies similar to the Corporation, and ideally to be consistent with the executive's contribution. In that regard, the Compensation Committee's policy is that executive officers of the Corporation, including the CEO and other Named Executive Officers, should be compensated based on the market value of the jobs they perform, their levels of performance and the performance of the Corporation while recognizing that the financial reality currently facing junior gold explorers. The Compensation Committee monitors levels of executive remuneration to determine whether overall compensation reflects the Corporation's objectives and philosophies and meets the Corporation's desired relative compensation position and will adjust compensation as appropriate.

#### *Elements of Compensation*

Executive officer compensation comprises base salary, annual bonus (short-term incentives) and participation in the Plan (long-term incentives). The Board and Compensation Committee consider the risks associated with the Corporation's compensation plans to be minimal. Cash compensation is closely monitored in the context of the Corporation's ongoing cash position. The Board and Management's ongoing oversight of the Corporation's operations and public disclosure minimizes any risks associated with Plan compensation.

In establishing executive officer compensation, the Compensation Committee periodically references externally prepared industry surveys and the range of publicly available compensation data for executive officers of similar stage and profile junior exploration companies with similarly experienced and proven management.

The Compensation Committee sets out to establish target levels for base salaries and salary ranges which, over time, will be competitive with salaries for positions of similar responsibility and experience at public junior exploration companies of a similar profile. Individual levels, which are set annually, may vary from this objective, depending upon individual performance levels.

As noted above, the Corporation provides annual incentive compensation to executive officers, including the NEOs, through the provision of incentive bonuses. Incentive bonuses may be awarded annually, on a discretionary basis and with particular consideration of the Corporation's cash and working capital resources, to executive officers based upon a review of corporate and individual performance over the prior financial year relative to each executive officer's area of responsibility.

The Plan permits the granting of options ("Options") to purchase Common Shares to eligible participants. The Plan was designed to encourage executives, directors, officers, consultants and employees to focus on the long-term interests of the Corporation and its Shareholders. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, the Compensation Committee will consider:

- the number and terms of outstanding incentive stock options held by the grantee;
- the portion of the potential ownership of the Corporation that the Compensation Committee intends to transfer as compensation;
- the potential dilution to Shareholders and the cost to the Corporation;
- general industry standards;
- the limits imposed by the terms of the Plan and by the TSX-V; and
- the utility of rewarding NEOs' efforts to increase value for Shareholders without using cash from treasury.

Pursuant to the Corporation's Insider Trading Policy (a copy of which is available on the Corporation's website), insiders (in such context including directors, officers, employees and specified consultants), may not at any time (i) sell securities of the Corporation short, (ii) engage in any transaction in publicly traded options on Common Shares, including put or call options, or (iii) engage in short-term, speculative trading in the Corporation's securities.

The Board granted 2,050,000 Options on August 24, 2021 pursuant to the Plan, to directors, officers, employees and consultants. The terms and conditions of such option grants, including vesting provisions and exercise prices, are governed by the terms of the Plan, which are described below.

#### *NEO Compensation*

The Compensation Committee approves the salary and contract ranges for each NEO based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills of the individual.

## Summary Compensation Tables

The following table below sets forth the compensation, excluding compensation securities of each NEO and of each director who is not an NEO, during the fiscal years ended December 31, 2021 and 2020.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Ingrid Hibbard, <sup>(1)</sup> President, CEO and Director	2021	45,000	Nil	Nil	Nil	Nil	45,000
	2020	45,000	Nil	Nil	Nil	Nil	45,000
Paul Rokeby, <sup>(2)</sup> CFO and Treasurer	2021	84,886	Nil	Nil	Nil	Nil	84,886
	2020	81,668	Nil	Nil	Nil	Nil	81,668
David Mosher, Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
JC St-Amour	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	-	-	-	-	-	-
Kevin Thomson, Director and Senior Vice- President, Exploration	2021	115,739	Nil	Nil	Nil	Nil	115,739
	2020	93,748	Nil	Nil	Nil	Nil	93,748
James Hannon <sup>(3)</sup> Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Al Gourley Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Dr. Joyce Aryee <sup>(4)</sup>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

### Notes:

- (1) The CEO is also a director of the Corporation, but she does not receive any additional compensation for her role as a director;
- (2) The CFO is a partner of MNP LLP, which invoices the Corporation on an hourly basis for the time the CFO spends on the Corporation's affairs during the year;
- (3) Mr. Hannon was appointed to the Board of Directors on August 20, 2020 and resigned on March 17, 2021
- (4) Dr. Joyce Aryee was appointed to the Board of Directors on March 17, 2021 and resigned on July 21, 2021.

## Compensation Securities

The following table sets forth all the compensation securities granted to directors in the year ended December 31, 2021.

Compensation Securities							
Name and Position	Type of Compensation Security <sup>(1)</sup>	Number of Compensation Securities/ Number of Underlying Securities/ Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
J.C St-Amour Director	Options	125,000/0.167%	Aug 24, 2021	0.115	0.115	0.10	Aug 24, 2026
David Mosher Director	Options	125,000/0.167%	Aug 24, 2021	0.115	0.115	0.10	Aug 24, 2026
Kevin P. Thomson Senior VP Exploration and Director	Options	225,000 / 0.3%	Aug 24, 2021	0.115	0.115	0.10	Aug 24, 2026
Ingrid Hibbard President and CEO and Director	Options	240,000 / 0.32%	Aug 24, 2021	0.115	0.115	0.10	Aug 24, 2026
Al Gourley Director	Options	125,000/0.167%	Aug 24, 2021	0.115	0.115	0.10	Aug 24, 2026
Dr. Joyce Aryee <sup>(3)</sup>	Options	150,000	March 17, 2021	0.17	0.17	0.10	March 17, 2026

### Notes:

(1) Share purchase options to acquire Common Shares

(2) James Hannon was not granted any options in the 2021 fiscal year

(3) Dr. Joyce Aryee resigned on July 21, 2021. Her options expired 90 days following her resignation as per the Plan.

### Equity Compensation Plan

The Plan is a “rolling stock option plan” whereby the maximum number of Common Shares issuable under the Plan is limited to 10% of the issued and outstanding Common Shares from time to time.

<b>Equity Compensation Plan Information as at December 31, 2021</b>			
	<b>Number of Securities to be issued upon exercise of outstanding options (a)</b>	<b>Weighted average exercise price of outstanding options (b)</b>	<b>Number of securities remaining available for future issuance under option plan (excluding securities reflected in column (a))</b>
Stock Option Plan (equity compensation plan approved by Shareholders)	6,154,000	\$0.18	1,552,024

The purpose of the Plan is to provide incentive to the Corporation’s employees, officers, directors, and consultants responsible for the continued success of the Corporation. The Plan provides that the Board may from time-to-time grant Options to any person who is a bona fide employee, officer or director of us or one of our subsidiaries or a consultant to us or to one of our subsidiaries. The Options are non-assignable and non-transferable otherwise than by will or by laws governing the devolution of property in the event of death of the optionee or to personal holding companies and certain registered plans. Each Option entitles the holder to one Common Share, subject to certain adjustments. The Board determines the exercise price for Options granted pursuant to the Plan on the date of the grant, which price may not be less than the market value. Market value is the closing board lot sale price of the Common Shares on the trading date immediately preceding the date of grant and if there is no board lot sale price, the last board lot sale price prior thereto. The term of the Options granted is determined by the Board, which term may not exceed a maximum of 10 years from the date of the grant. Unless otherwise determined by the Board, Options vest in four equal tranches, with 25% of the Options granted vesting on the date of grant and 25% vesting at each six-month interval thereafter. Options vest immediately if, within 12 months of a change of control (as defined in the Plan), (i) the Optionee’s employment, engagement or directorship is terminated for reasons other than cause or (ii) the Optionee has suffered a material adverse change in the location, salary, duties or responsibilities assigned to the Optionee and has provided 30 days’ notice in writing to the Corporation or related entity to the Corporation of such material adverse change. Pursuant to the Plan, the Board may impose additional terms and conditions on Options. The Plan does not contemplate that the Corporation will provide financial assistance to any Optionee in connection with the exercise of the Option.

The Plan includes the following restrictions:

- (a) The number of Common Shares issuable to insiders, at any time, under the Plan and any other security-based compensation arrangement of the Corporation shall not exceed 10% of the issued and outstanding Common Shares;
- (b) The number of Common Shares issued to insiders, within any one-year period, under the Plan and any other security compensation arrangement of the Corporation shall not exceed 10% of the issued and outstanding Common Shares;
- (c) The total number of Common Shares that may be reserved for issuance to any one person pursuant to Options granted under the Plan in any one year shall not exceed 5% of the outstanding Common Shares on the date of grant;
- (d) The number of Options granted under the Plan in any one-year period to any one consultant may not exceed 2% of the issued and outstanding Common Shares; and
- (e) The number of Options granted under the Plan in any one-year period to any employee or a related entity of the Corporation conducting Investor Relations Activities, as defined in Policy

1.1 of the *TSX-V Corporate Finance Manual* may not exceed 2% of the issued and outstanding Common Shares.

Unless otherwise determined by the Board, if the holder of the Option ceases to be an eligible holder under the Plan as a result of:

- (f) disability or retirement on or after the normal retirement age prescribed by the Corporation's applicable retirement plan or policy or due to early retirement as may be approved by the Board, the holder has up to 90 days to exercise any vested Options;
- (g) termination of employment, engagement or directorship within the six months following a change of control, the holder has 180 days from the date of such termination to exercise any vested Options;
- (h) death, the holder's estate has 365 days to exercise any vested Options; and
- (i) any reason other than death, disability, retirement, change of control or cause, the holder has 90 days to exercise vested Options;

provided that no Option may be exercised following the expiration of the applicable exercise period.

If a holder's employment, engagement or directorship is terminated for cause, all Options of that holder shall lapse and become null and void immediately upon termination.

In the event that Pelangio:

- subdivides, consolidates, or reclassifies its outstanding Common Shares, or makes another capital adjustment or pays a stock dividend, the number of Common Shares receivable under the Plan will be increased or reduced proportionately;
- amalgamates, consolidates with or merges with or into another body corporate, holders of Options under the Plan will, upon exercise thereafter of such Option, receive in lieu of Common Shares, such other securities, property or cash which the holder would have received upon such amalgamation, consolidation or merger if the Option was exercised immediately prior to the effective date of such amalgamation, consolidation or merger; and
- makes any other change affecting the Common Shares, the Board may make any adjustment it deems necessary or equitable by the Board to reflect the event;

The Plan also provides that if:

- the exchange or replacement of our shares with those in another Corporation is imminent because of a proposed merger, amalgamation or other corporate arrangement or reorganization, the Board may, in a fair and equitable manner, determine the manner in which all unexercised Options shall be treated including, requiring the acceleration of the time for the exercise of the Options by the holder and of the time for the fulfillment of any conditions or restrictions on such exercise; and
- an offer to purchase all of the Common Shares is made by a third party, the Board may require the acceleration of the time for the exercise of the Option and the time for the fulfillment of any conditions or restrictions on such exercise.

The Board may, subject to the terms and conditions in the Plan and the requirements of the securities regulators and the TSX-V, from time to time amend, suspend or terminate the Plan in whole or in part. Pursuant to the Plan, the Board is specifically authorized to amend or revise the terms of the Plan without obtaining Shareholder approval in the following circumstances:

- (a) to change the vesting provisions;
- (b) to change the termination provisions of the Option or Plan which does not extend beyond the original expiry date; and
- (c) other amendments of a housekeeping nature, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein and

updating provisions herein to reflect changes in the governing laws, including tax laws and the TSX-V requirements.

The Board may also amend or terminate any outstanding Options, including, but not limited to, substituting another award of the same or of a different type or changing the date of exercise, provided, however, that the holder of the Option must consent to such action if it would materially and adversely affect the holder. The exercise price of any outstanding Option may not be reduced unless Shareholder approval is obtained. The Plan also requires that disinterested Shareholder approval be obtained in accordance with regulatory requirements if the exercise price of any outstanding option granted to an insider is reduced or the exercise period extended to the benefit of insiders.

In addition, the Plan and any outstanding Options thereunder may be amended or terminated by the Board if the amendment or termination is required by any securities regulators, a stock exchange or a market as a condition of approval of a distribution to the public of Common Shares, or to obtain or maintain a listing or quotation of our Common Shares.

Any Shareholder may obtain a copy of the Plan by request to our Corporate Secretary at 416-848-7727.

### **Management and Employment Contracts**

Management functions of the Corporation are substantially performed by senior officers or directors of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted.

Unpaid CEO's salary until June 30, 2017 in the amount of \$212,500 has been accrued. Beginning July 1, 2017, the CEO has been paid a salary of \$45,000 per annum until such time as the Board of Directors in its sole discretion, determines the accrued amount be paid in whole or in part.

The CEO's employment agreement may be terminated upon 60 days written notice to the Corporation. See "*Termination and Change of Control Benefits*" for a discussion of change of control benefits.

The CFO invoices the Corporation for his services as CFO through MNP, an accounting partnership of which the CFO is a partner, and which also provides general financial accounting services to the Corporation. The CFO does not have a written agreement with the Corporation or a set salary in respect of his services. The Compensation Committee reviews the amounts payable to the CFO through this arrangement on an annual basis and has determined that the amounts invoiced during 2021 were reasonable and in line with industry practices.

### **Termination and Change of Control Benefits**

The employment agreement of the CEO, as amended, provides that, upon a change of control (as defined therein) of the Corporation, the CEO, as applicable, shall be entitled to elect to terminate the employment agreement within 120 days of such change of control, and the Corporation shall be obligated to pay (i) an amount equal to three-times base annual salary; (ii) an amount equal to three-times the bonus paid or payable, if any, in respect of the immediately preceding fiscal year; and (iii) an amount equal to two-times the present value (as agreed between the employee and the Corporation, acting reasonably and failing such agreement, determined by the auditors of the Corporation), of the benefits payable to the employee under the terms of the employment agreement. If the CEO had terminated her employment due to a change of control as at December 31, 2021, the CEO would have been entitled to an aggregate payment of approximately \$135,000.

Under the Plan, the CEO's unvested Options vest upon a change of control (as defined in the Plan) if her employment is terminated for any reason other than for cause by Pelangio or if the CEO terminated her own employment following such change of control because there was a material adverse change in location, salary, duties or responsibilities of the CEO in the 12 months following such change of control and she provided written notice to Pelangio within 30 days of such material adverse change. In the event that a change of control had occurred as at December 31, 2021, such provision would result in the vesting of Options worth nil, as the exercise price of all unvested options were above the market price of the Pelangio Shares as of such date.

### **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No existing or proposed director, executive officer or any employee of the Corporation is indebted to the Corporation, or any other entity where the indebtedness is the subject of a guarantee, support agreement, letter

of credit or similar arrangement provided by us or any of our subsidiaries by our present and former executive officers, directors and employees.

#### **DIRECTORS AND OFFICERS INDEMNIFICATION AND INSURANCE**

There was no indemnification payable this financial year to our directors or officers.

The Corporation maintains liability insurance for its directors and officers in the aggregate amount of \$5,000,000 subject to a \$25,000 loss deductible payable by the Corporation. The Corporation paid the premium, in the amount of \$22,410, for the period from June 30, 2021 to June 30, 2022.

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as set forth in this Management Information Circular, none of our directors or executive officers, nor any person who has held such a position since the beginning of our most recently completed financial year, nor any of our proposed nominees for election as a director of the Board, nor any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and the appointment of auditors.

#### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as disclosed herein, we are not aware of any material interest, direct or indirect of: any Shareholder who holds more than 10% of the voting rights attached to the Common Shares, any of our proposed nominees for election as a director of the Board, any of our subsidiaries' directors, any executive officers of the Corporation or subsidiaries of the Corporation or any associate or affiliate of any of the foregoing, in any transaction which has been entered into since the commencement of our most recent completed financial year or in any proposed transaction which, in either case, has materially affected or will materially affect us or any of our subsidiaries.

#### **SHAREHOLDERS PROPOSALS**

Pursuant to Section 137 of the CBCA, any notice of a Shareholder proposal intended to be raised at next year's annual meeting of our Shareholders of the Corporation must be submitted to us at our registered office, to the attention of the Secretary, on or before March 22, 2023 to be considered for inclusion in the management information circular for the annual meeting of our Shareholders next year.

It is our position that Shareholder proposals need be recognized only if made in accordance with the foregoing procedure and the provisions of the CBCA.

#### **ADDITIONAL INFORMATION**

Financial information is provided in our audited comparative financial statements for fiscal year ended December 31, 2021, the report of our Auditors thereon and the related Management's Discussion and Analysis. These documents and other additional information relating to us are available at [www.sedar.com](http://www.sedar.com) under our name. Copies of such documents can also be obtained from our Corporate Secretary by contacting the Corporate Secretary at 82 Richmond Street East, Toronto, Ontario, M5C 1P1, and will be provided to Shareholders free of charge.

#### **OTHER MATTERS**

Management is currently not aware of any other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters, which are not currently known to the Management, shall properly come before the Meeting, the form of proxy given pursuant to the solicitation by Management will be voted on such matters in accordance with the best judgment of the persons designated in such proxy.

#### **BOARD APPROVAL**

The contents of this Management Information Circular have been approved and its mailing has been authorized by the directors of the Corporation.



DATED as of May 9, 2022

“Ingrid Hibbard”

Ingrid Hibbard  
President and Chief Executive Officer  
Pelangio Exploration Inc.

**APPENDIX A**  
**PELANGIO EXPLORATION INC.**  
**(the "Company")**  
**Audit Committee Charter**

The Audit Committee (the "Committee") is a committee of the board of directors (the "Board") of the Company. The role of the Committee is to provide oversight of the Company's financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies. This includes helping directors meet their responsibilities, facilitating better communication between directors and the external auditor, enhancing the independence of the external auditor, increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor. Management is responsible for establishing and maintaining those controls, procedures and processes, and the Committee is appointed by the Board to review and monitor them. The Company's external auditor is ultimately accountable to the Board and the Committee as representatives of the Company's shareholders.

**Duties and Responsibilities**

**External Auditor**

- To recommend to the Board, for shareholder approval, an external auditor to examine the Company's accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.
- To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
- To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.
- To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
- To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company's financial statements:
  - (a) No member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;
  - (b) No former partner or employee of the external auditor may be made an officer of the Company or any of its subsidiaries for three years following the end of the individual's association with the external auditor;
  - (c) The CFO must approve all office hires from the external auditor; and,
  - (d) The CFO must report annually to the Committee on any hires within these guidelines during the preceding year.
- To ensure that the head audit partner assigned by the external auditor to the Company, as well as the audit partner charged with reviewing the audit of the Company, are changed at least every five years.
- To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.

### **Financial Information and Reporting**

- To review the Company's annual audited financial statements with the CEO and CFO and then the full Board. The Committee will review the interim financial statements with the CEO and CFO.
- To review and discuss with management and the external auditor, as appropriate:
  - (a) The annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and,
  - (b) Earnings guidance and other releases containing information taken from the Company's financial statements prior to their release.
- To review the quality and not just the acceptability of the Company's financial reporting and accounting standards and principles and any proposed material changes to them or their application.
- To review with the CFO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

### **Oversight**

- To review the internal audit staff functions, including:
  - (a) The purpose, authority and organizational reporting lines;
  - (b) The annual audit plan, budget and staffing; and
  - (c) The appointment and compensation of the controller, if any.
- To review, with the CFO and others, as appropriate, the Company's internal system of audit controls and the results of internal audits.
- To review and monitor the Company's major financial risks and risk management policies and the steps taken by management to mitigate those risks.
- To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive sessions and review issues and matters of concern respecting audits and financial reporting.
- In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

### **Membership**

- The Committee shall consist solely of three or more members of the Board, each of whom the Board has determined has no material relationship with the Company and is otherwise "unrelated" or "independent" as required under applicable securities rules or applicable stock exchange rules.
- Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.
- The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
- All members of the Committee must be "financially literate" (i.e., have the ability to read and understand a set of financial statements such as a balance sheet, an income statement and a cash flow statement).

### **Procedures**

- The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee (the "Chair"). In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.

- The Chair will appoint a secretary (the "Secretary") who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.
- The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
- The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the bylaws of the Company or otherwise determined by resolution of the Board.
- The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants, as it deems appropriate.
- The Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or the CFO such records and other matters considered appropriate.
- The Committee has the authority to communicate directly with the internal and external auditors.

#### **Reports**

- The Committee shall produce the following reports and provide them to the Board:
  - (a) An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make this report.
  - (b) A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.