PELANGIO EXPLORATION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS Form 51-102F1

For the Year Ended December 31, 2022

April 24, 2023

PELANGIO EXPLORATION INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

This Management's discussion and analysis ("MD&A") of the consolidated operating results and financial condition of Pelangio Exploration Inc. (the "Company", "Pelangio", "us", "we", "our" or similar terms) for the year ended December 31, 2022, has been prepared based on information available to Pelangio as of April XX, 2023, and should be read in conjunction with the audited consolidated financial statements and the related notes for the years ended December 31, 2022 and December 31, 2021. This MD&A is dated April 24, 2023. The Company's public filings can be viewed on the SEDAR website (www.sedar.com), and on the Company's website (www.pelangio.com).

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

CORPORATE OVERVIEW

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

FORWARD LOOKING INFORMATION

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

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

Often, but not always, forward-looking statements or information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things, the price of gold, and the state of the economy and equity markets. Although our management believes that the assumptions made, and the expectations represented by such statement or information are reasonable, there can be no assurance that a forward-looking statement or information referenced herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Such risks, uncertainties and other factors include, among other things, the following:

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

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

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

HIGHLIGHTS OF 2022

- Raised gross proceeds of $1,137,093 in two non-brokered private placements in 2022
- Acquisition of the Kenogaming Polymetallic property
- Completion of 1,000m drill program at Gowan project, Timmins
- Optioned the Grenfell project to Record Gold Corp.

SELECTED ANNUAL INFORMATION

Selected Annual and Year to Date Information

Year ended	**2022** **$**	**2021** **$**	**2020** **$**
Net (loss)	(1,361,847)	2,725,945	(1,806,508)
Net (loss) per share			
- Basic	(0.02)	(0.04)	(0.04)
- Diluted	(0.02)	(0.04)	(0.04)
Total assets	1,027,779	1,226,431	2,569,802
Long-Term Liabilities	40,000	40,000	40,000

SELECTED QUARTERLY INFORMATION
Summary of Quarterly Results

For the three-month period ended

	December 31, 2022 **$**	**September 30, 2022** **$**	**June 30, 2022** **$**	**March 31, 2022** **$**
Net (loss)	(318,198)	(307,021)	(327,820)	(408,808)
Net (loss) per share				
- Basic	(0.00)	(0.00)	(0.00)	(0.01)
- Diluted	(0.00)	(0.00)	(0.00)	(0.01)
Total assets	1,027,779	492,417	781,901	1,057,857

For the three-month period ended

	December 31, 2021 **$**	**September 30, 2021** **$**	**June 30, 2021** **$**	**March 31, 2021** **$**
Net (loss)	(648,907)	(441,324)	(901,552)	(734,162)
Net (loss) per share				
- Basic	(0.01)	(0.01)	(0.01)	(0.01)
- Diluted	(0.01)	(0.01)	(0.01)	(0.01)
Total assets	1,226,431	1,329,032	1,742,733	1,861,041

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

RESULTS OF OPERATIONS
Years ended December 31, 2022 and 2021

The following table outlines the significant increases (decreases) experienced by the Company in the year ended December 31, 2022 compared with the year ended December 31, 2021.

	For the year ended December 31		
	2022 **$**	**2021** **$**	**Increase (Decrease)** **$**
Consulting services	174,973	299,897	(124,924)
Exploration and evaluation expenses	789,605	1,923,308	(1,133,703)
Investor relations	149,613	65,697	(83,916)
Professional fees	236,932	172,211	64,721
Share-based payments	150,436	334,072	(183,636)

- *Consulting services has decreased due to the changing requirements of the company;*
- *Exploration and evaluation expenses decreased due to more exploration programs undertaken in the prior year as the company was able to raise more funds in the prior year;*
- *Investor relations increased due to the engagement of service providers to assist in raising funds for the company;*
- *Professional fees increased due to increased audit and bookkeeping costs;*
- *Share-based payments, representing the Black-Scholes value of options vested in the period. The expense decreased due to the decrease in the share price of the shares over the past two years.*

Three Months ended December 31, 2022

The following table outlines the significant increases (decreases) experienced by the Company in the three months ended December 31, 2022, compared with the three months ended December 31, 2021.

	For the three months ended		
	December 31, 2022 **$**	**December 31, 2021** **$**	**Increase (Decrease)** **$**
Exploration and evaluation expenses	279,193	639,183	(359,990)
Professional fees	84,972	64,931	20,041
Share-based payments	9,122	32,915	(23,793)

- *Exploration and evaluation expenses decreased as the Company had more funds available in the prior year to advance the Company's properties;*
- *Professional fees increased due to additional legal costs incurred in the period compared to the same period in 2021;*
- *Share-based payments, representing the Black-Scholes value of options vested in the period. The expense decreased due to the decrease in the share price of the shares over the past two years.*

Financing
During the year ended December 31, 2022, the Company sources of financing were the following:

(i) On January 12 and 13, 2022, the Company completed the second and third tranches of a non-brokered private placement financing for aggregate gross proceeds of $417,093. Each unit is comprised of one common share and one quarter of a common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.15 per common share until January 12 and 13, 2023.

(ii) On November 1, 2022, the Company completed the first tranche of a non-brokered private placement for gross proceeds of $235,000. Each hard dollar unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.05 per common share until November 1, 2025.

(iii) On December 16, 2022, the Company completed the second tranche of a non-brokered private placement for gross proceeds of $485,000. Each hard dollar unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.05 per common share until December 16, 2025.

(iv) Cash payment from Gowan Property Deal of $400,000

(v) Cash payment from Birch Lake Deal of $50,000.

(vi) During the year the Company realized proceeds of $50,615 on the disposal of shares of public companies received from the optioning of properties.

LIQUIDITY

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

Uses

Our expenditures in Canada on exploration activities during the year ended December 31, 2022 totaled $275,403.

The significant components of costs were as follows:

	Dome West **$**	**Gowan** **$**	**Kenogaming** **$**
Drilling and assays	44,051	266,448	246
Field supplies	3,005	27,200	2,523
Geologists	2,519	1,375	12,286
Consultants	-	16,959	12,719
IP survey	-	498	-
VTEM survey	-	3,150	-
Other	751	5,354	-
Geophysics	-	26,493	-
Option payments	113,000	-	35,000
Government grant	(150,000)	(150,000)	-
Total:	**13,326**	**197,477**	**62,774**

Our expenditures in Ghana on exploration activities during the year ended December 31, 2022 totaled $514,202.

The significant components of costs were as follows:

	Manfo $	Dankran $	Obuasi $
Contract workers	45,395	-	-
Consultancy	5,213	4,362	17,981
Drilling and assaying	-	-	-
Geologists	-	-	-
In-country logistics	10,295	440	982
Land holding costs	61,906	-	203,414
Option payments	-	130,758	-
Other	20,423	1,465	11,568
Total:	**143,232**	**137,025**	**233,945**

Exclusive of exploration and evaluation expenses, general and administrative cash costs for the year ended December 31, 2022 totaled $844,071 ($835,786 – 2021).

Working Capital
As at December 31, 2022, Pelangio has working capital of $413,039 compared to working capital of $515,633 at December 31, 2021.

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

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

OFF-BALANCE SHEET ARRANGEMENTS
Pelangio has not entered into any off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES CONFIRM NUMBER OF REMAINING CANADIAN SUBS
The December 31, 2022 consolidated financial statements include the financial statements of the Company and its subsidiaries. Their respective effective ownership listed in the following table:

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

5007223 Ontario Inc. (Canada)	100%

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

	Year ended December 31	
	2022 **$**	**2021** **$**
With a Ghanaian corporation whose President is an officer of the Company		
Ghanaian exploration and evaluation expenses	nil	139,898
With a corporation whose President is an officer of the Company		
Exploration and evaluation expenses (Senior V.P. Exploration)	63,414	86,273
Consulting services (Senior V.P. Exploration)	22,580	29,467
Exploration and evaluation expenses (V.P. Corporate Development)	13,375	73,046
With a partnership in which an officer of the Company is a partner		
Accounting services	157,872	133,877

Of the accounting service fees, $65,658 (2021 - $42,372) is included in professional fees and $80,793 (2021 - $84,886) is included in consulting services on the statement of operations.

Accounts payable and accrued liabilities as at December 31, 2022 include amounts owing to related parties in the amount of $336,496 (December 31, 2021 - $364,991). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

In the 2022 and 2021 non-brokered private placements described on page six, directors and officers of the Company and members of their families subscribed for the following units and gross proceeds:

	Units/Shares	**Proceeds**
June 2021 – Flow through	1,250,000	$200,000
January 2022	250,000	$25,000
November 2022	3,000,000	$90,000

The remuneration of directors and other members of key management personnel during the year ended December 31, 2022 and 2021 were as follows:

	Year ended December 31	
	2022 **$**	**2021** **$**
Short-term benefits	48,353	48,257
Share-based payments	53,726	252,216

CRITICAL ACCOUNTING ESTIMATES

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

CHANGES IN ACCOUNTING POLICIES

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded.

OPERATING AND FINANCIAL STRATEGIES

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

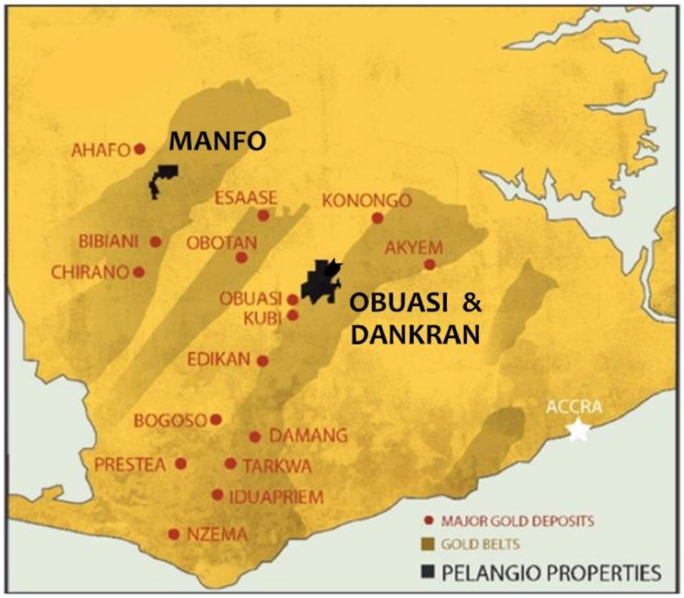
The Company's most well-known success was the acquisition, exploration, re-envisioning, and subsequent sale of the Detour Lake deposit in Northern Ontario to Detour Gold Corporation. This property is now a long life, large-scale open pit mining operation with reserves of over 16 million ounces of gold.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

TECHNICAL DISCLOSURE

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

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

PROPERTY DESCRIPTIONS: GHANA PROPERTIES



MANFO

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

Pelangio completed the expenditure requirements of US $2,000,000 and the required payments of US $435,000 under the Manfo Agreements and granted the Optionor a 2.5% net smelter return ("NSR") royalty, subject to Pelangio's right to buy back 1% of such NSR for an aggregate total payment of US $4,000,000. Additionally, Pelangio (or its successor or permitted assign) will pay the Optionor a discovery bonus equal to the sum of (i) US $1,000,000 plus (ii) US $1.00 per ounce of proven and probable gold reserve set out in the first positive feasibility study published or released in respect of the Manfo Property. Pelangio now holds a 100% interest in the Manfo Property (subject to the Government Interest) and subject to the 2.5% NSR to the Optionor. The Minister of the Ministry of Lands and Natural Resources of Ghana approved the transfer of title to the Manfo Property in 2012. The Subriso concession is in good standing until January 27, 2024. The Sempekrom concession is in good standing until February 4, 2024. The Twabidi concession renewal is pending and such renewal is not assured.

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

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

EXPLORATION ACTIVITIES

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

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

The highlighted results of the initial gold resource indicate:

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

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

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

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

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

The Manfo project is at a relatively early stage of exploration. The gold mineralization delineated by drilling is not completely closed off by drilling. For this reason, SRK considers that the gold mineralization located outside a conceptual pit shell but above the bottom of the pit shell may eventually be shown to be amenable for open pit extraction.

Accordingly, all blocks located outside the conceptual pit shell were reclassified as Inferred. Open Pit Mineral Resources are reported at cut-offs of 0.40 g/t for oxide material and at 0.50 g/t for transitional and fresh material.

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

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

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

Cautionary Note Regarding Mineral Resource Estimates

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

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

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

Outlook for the Manfo Property

A program of air-core exploration drilling has been engineered as a first pass drill test of some of the most promising targets, coincident with generally lower order Au in soil anomalism. These targets occur along and near to (within 1 km of) the principal mineralized trend and will be tested by 22 air-core drill fences for a total of 6,750 meters of proposed drilling.

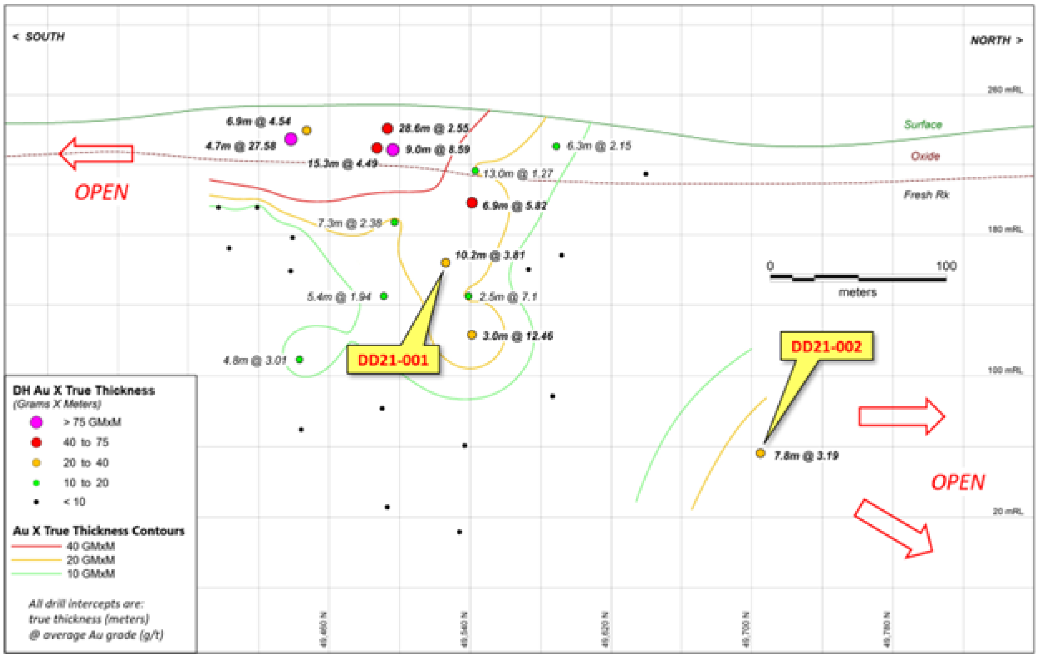
A program of diamond drilling has also been planned with the aim of testing for potential extensions to the gold mineral resource at the Pokukrom East and Pokukrom West deposits. A total of 20 diamond drill holes totaling 3,130 meters has been designed, which will test for possible extensions to the ore zones down-dip and down-plunge, plus evaluate an interpreted fold axis between the two deposits along which significant Au in soil anomalism occurs. Refer to the following figure.

In 2021, the Company carried out a test drill program at Manfo. Two diamond drill holes totaling 383.2 meters were completed at Pokukrom West to better understand structural controls to mineralization and to test for an extension of the mineralization down-plunge. Hole DD21-001 drilled in the middle of previous drill holes returned 3.81 g/t gold over 15 meters including 5.65 g/t gold over 7 meters, comparable to or better than adjacent past drilling. Hole DD21-002 drilled approximately 175 meters down-plunge of the Pokukrom West zone returned 3.19 g/t gold over 12 meters including 6.85 g/t gold over 3 meters effectively discovering a new lode of mineralization which is open further down-plunge and along strike to the north.

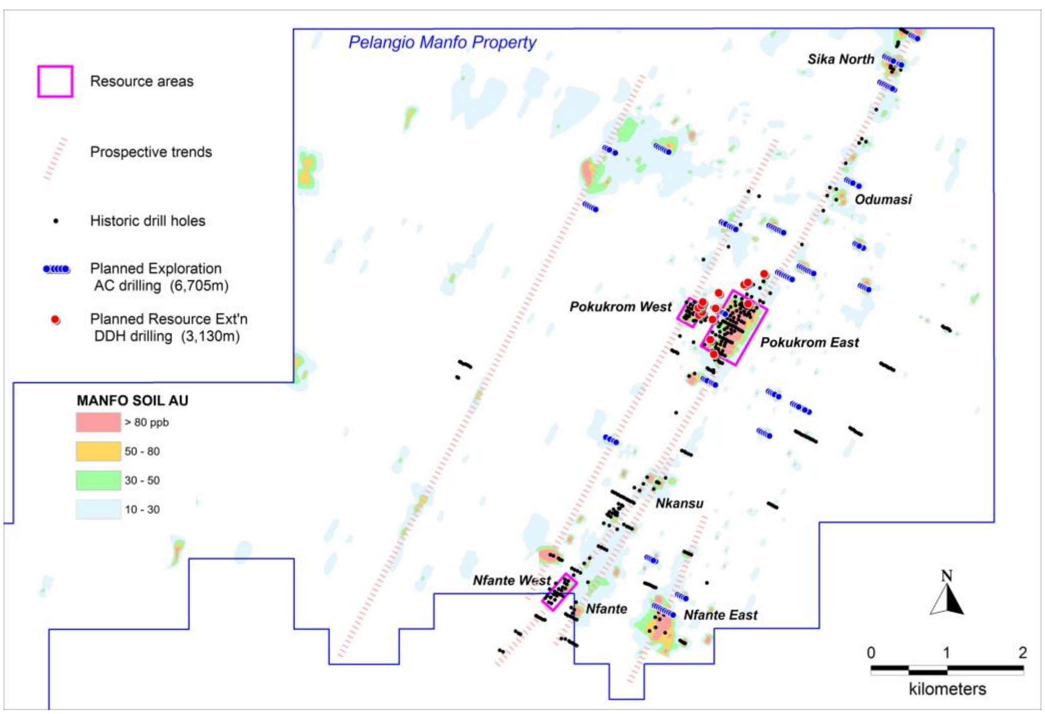
In April 2022, a small, mechanized auger drilling program was completed at Manfo to test for possible strike extensions of the high-grade oxide mineralization previously drilled at Pokukrom West and which forms part of the 2013 Mineral Resource Estimate for Manfo. Twenty-four auger holes averaging approximately 8 meters in depth were drilled to the north and south of the Pokukrom West resource area to test for gold in basal soils and saprolite below potentially masking regolith, and also to confirm a gold-in-soil anomaly located between the Pokukrom East and West deposits. Highly anomalous auger results were returned in several holes up to 100 meters south of the current Pokukrom West resource, which suggests the high-grade oxide mineralization may continue at least 100 meters to the south. This area will be added to the current diamond drilling program for testing and possible resource addition. Highly anomalous auger results were also returned from the soil anomaly situated between Pokukrom East and West, validating the soil anomaly. This target was already planned for diamond drill testing in the upcoming program.

Plans for continued diamond drilling on the Manfo project were finalized in Q4 with a 1,000 meter drill program engineered to commence in Q1 of 2023. The 1,000 meter drill plan comprises the highest priority drill holes from the larger 3,130 meters diamond drilling program designed to test for resource extensions to the Pokukrom deposits, and will include strike extension drill tests of the shallow, high-grade oxide mineralization in Pokukrom West, follow up of hole DD21-002 drilled in late 2021, which demonstrated a continuation of the Pokukrom West mineralization down-plunge, plus a test of the soil and auger drill hole anomalism delineated between the Pokukrom East and West deposits.

Pokukrom West Deposit Vertical Longitudinal Section with Recent Drilling



Planned Air-Core and Diamond Drilling Programs for the Manfo Project



OBUASI PROPERTY

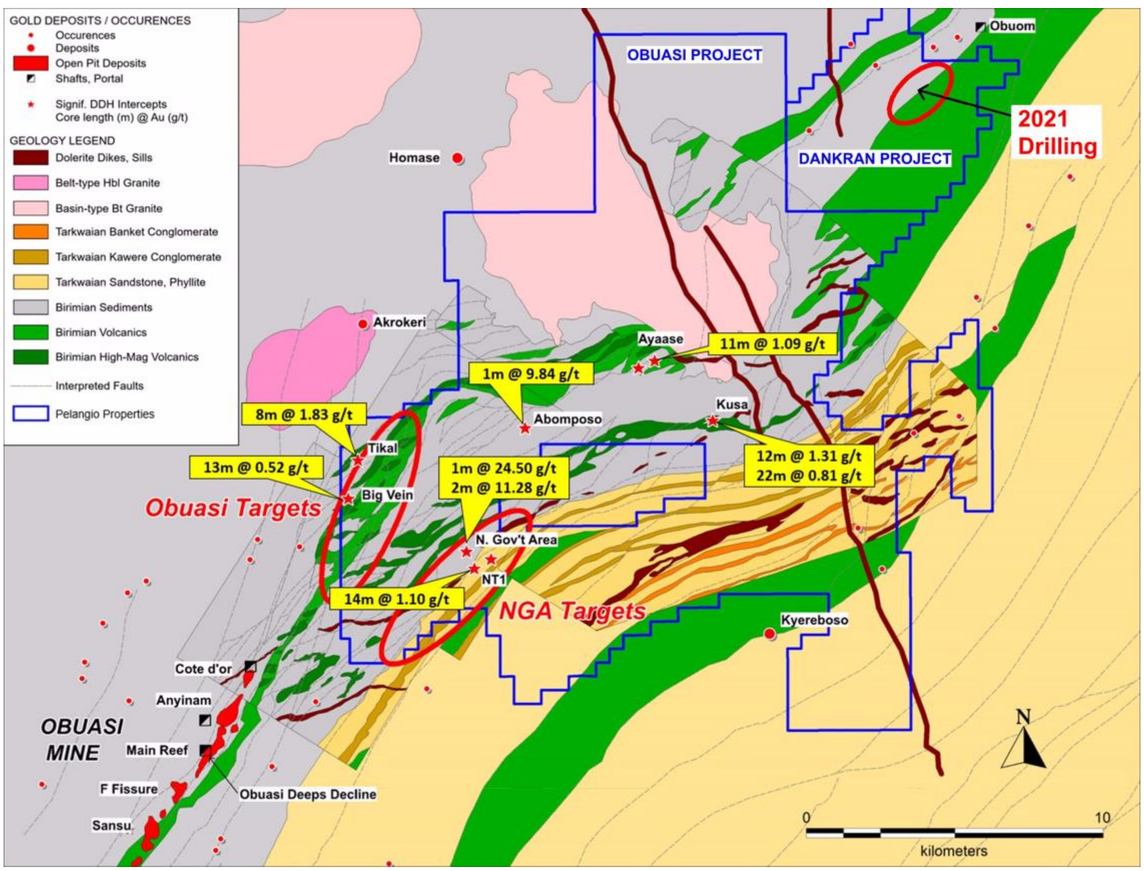
The Obuasi property consists of the Kyereboso 2, Kyereboso 3, Meduma and Adokwae concessions totaling 284 km².The Meduma license is valid until January 26, 2023. The remaining three concession renewal applications are pending, and such renewals or extensions are not assured. The Obuasi property was acquired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

Pelangio now holds a 100% interest in the Obuasi Property (subject to the Government Interest as defined above, and subject to a 2% NSR to the Optionors). The Obuasi Agreements are available under Pelangio's profile on www.sedar.com.

Outlook for the Obuasi Property

Data reanalysis and targeting exercises to rank exploration targets and determine the path forward for renewed exploration activities on the Obuasi project have been undertaken. Detailed exploration programs will be developed to evaluate the most prospective targets with work on the ground likely to be considered following exploration programs on the Manfo project. There was no fieldwork carried out on the Obuasi property during 2022.

Obuasi Property Map
Obuasi and NGA targets shown on simplified geology



DANKRAN PROPERTY

In November 2020, Pelangio entered into an option agreement with BNT Resources Ghana Ltd., ("BNT") to acquire a 100% interest in the Subriso-Kokotro concession ("Dankran property"). The Dankran property covers an area of 34.65 km^2 contiguous to the northeastern corner of Pelangio's Obuasi project covering seven kilometers of strike of the world-class Ashanti Belt, one of the last remaining under-explored strike-extensive stretches of highly favourable Ashanti Belt geology The Dankran property covers the same Birimian sedimentary and volcanic stratigraphy that hosts AngloGold Ashanti's 30 million ounce Obuasi Mine located 25 kilometers to the southwest. It is located adjacent to historic Obuom mine which in the 1930's produced 29,000 ounces at an average grade of 16 g/t Au, with recent extensive artisanal mining activity evident extending from the mine site into the Dankran property. Limited exploration to date on the property offers Pelangio excellent opportunities for early discovery.

Terms of the Option Agreement

In order to acquire 100% interest in the Dankran property, Pelangio must pay to BNT Ghana an aggregate of $300,000, and issue 1,000,000 shares in accordance with the following schedule:

Cash Payments (USD)	Share Issuances	Year
$50,000	-	On the date an offer letter is received from the Minerals Commission of Ghana (paid)
$50,000	-	On the Effective Date (paid)
$100,000	250,000	On or before six months from the Effective Date (paid and issued)
$100,000*	750,000*	On or before the date two years from the date the Agreement was executed.*
$300,000	**1,000,000**	

**On November 12, 2022, the Company and BNT agreed to amend the option agreement to provide that the final cash payment of $100,000 USD be paid in two tranches: $50,000 USD on or before December 15, 2022 and $50,000 USD on or before April 1, 2023 and to provide that the final share issuance be increased to 2,000,000 common shares of the Company to be issued on or before December 1, 2022. The final payments have been made.*

The Agreement was subject to:

1. Valid issuance of the Prospecting License to BNT Ghana (completed);
2. Approval of the Agreement by the Minister of Lands and Natural Resources of the Republic of Ghana (completed); and
3. Approval of the Agreement by the TSXV Exchange (collectively, 'Preliminary Authorizations') (completed).

Pelangio's interest is subject to right of the Government of the Republic of Ghana, to a 10% free carried interest in the rights and obligations of the mineral operations of the project and a 2% NSR.

Property Details

The Dankran project covers an area of 34.65 km^2 contiguous to the northeastern corner of Pelangio's Obuasi project. The Prospecting License covers the same Birimian sedimentary and volcanic stratigraphy that hosts AngloGold Ashanti's 30+ million ounce Obuasi Mine, 25 kilometers to the southwest, plus several prospective north-easterly striking regional structures.

An historic gold mine, the Obuom Mine, is located approximately 1.5 kilometers to the northeast of the Dankran project boundary, in an area that is presently designated for formalized Small Scale Mining. The Obuom deposit was discovered during the gold rush in Ghana at the close of World War I and was developed into a small underground operation which ran intermittently during the 1920's and 1930's at a peak capacity of 1,000 tons per day, and shut down in 1936 after having reportedly produced 29,000 ounces Au at an average grade of approximately 16 g/t Au. (Gold Deposits of Ghana; Ghana Minerals Commission, 2002). The mining operation focused on two or more 1 to 1.5 meter wide high-grade gold bearing quartz veins occurring along the sheared contact between Birimian metasediments to the northwest and Birimian metavolcanics to the southeast.

Since the 1930's there appears to have been very limited exploration in the Dankran project area. The Ghana Geological Survey mapped the northern Ashanti Belt in the 1960's and the BRGM (Bureau de Recherches Géologiques et Minières; the Geological Survey of France) conducted a stream sediment sampling program over the district in the 1980's. In the early 1990's Johannesburg Consolidated Investment (JCI) of South Africa conducted soil sampling and geological mapping plus sampling. The details of BRGM and JCI's work, including precisely where their work was conducted and the results, are not available.

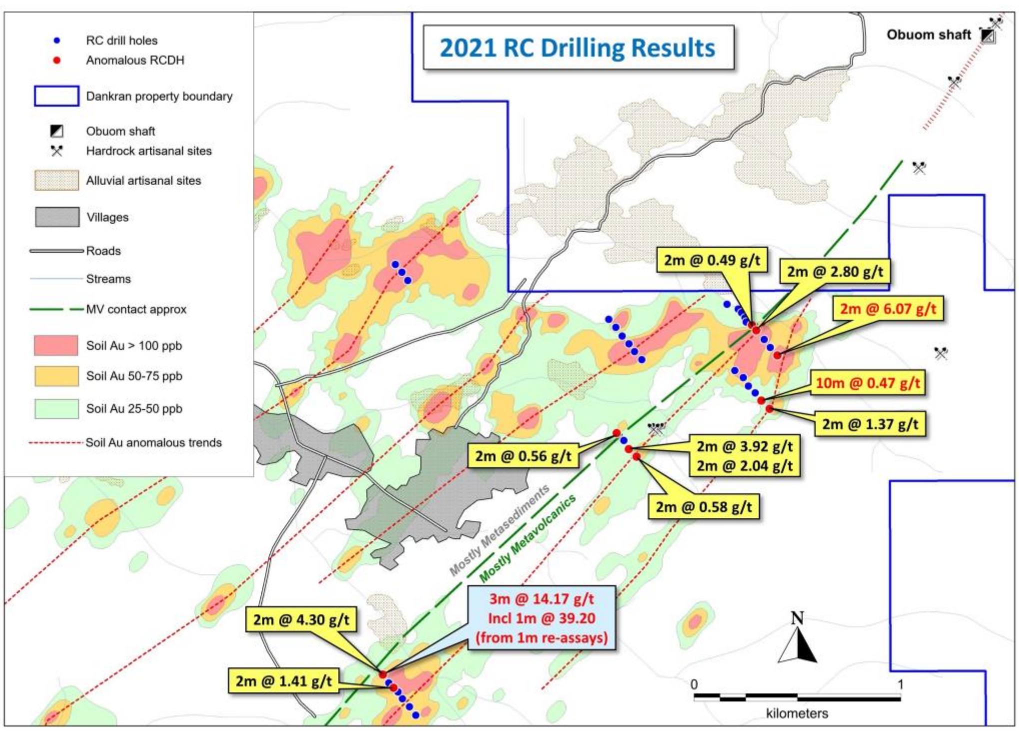
There are no reports of exploration drill testing having been conducted over the Dankran project area in the available literature, making the Dankran project, with 7 kilometers of strike of the world-class Ashanti Belt, one of the last remaining strike-extensive stretches of highly favourable Ashanti Belt geology and structure that has not been significantly explored; certainly not in recent times.

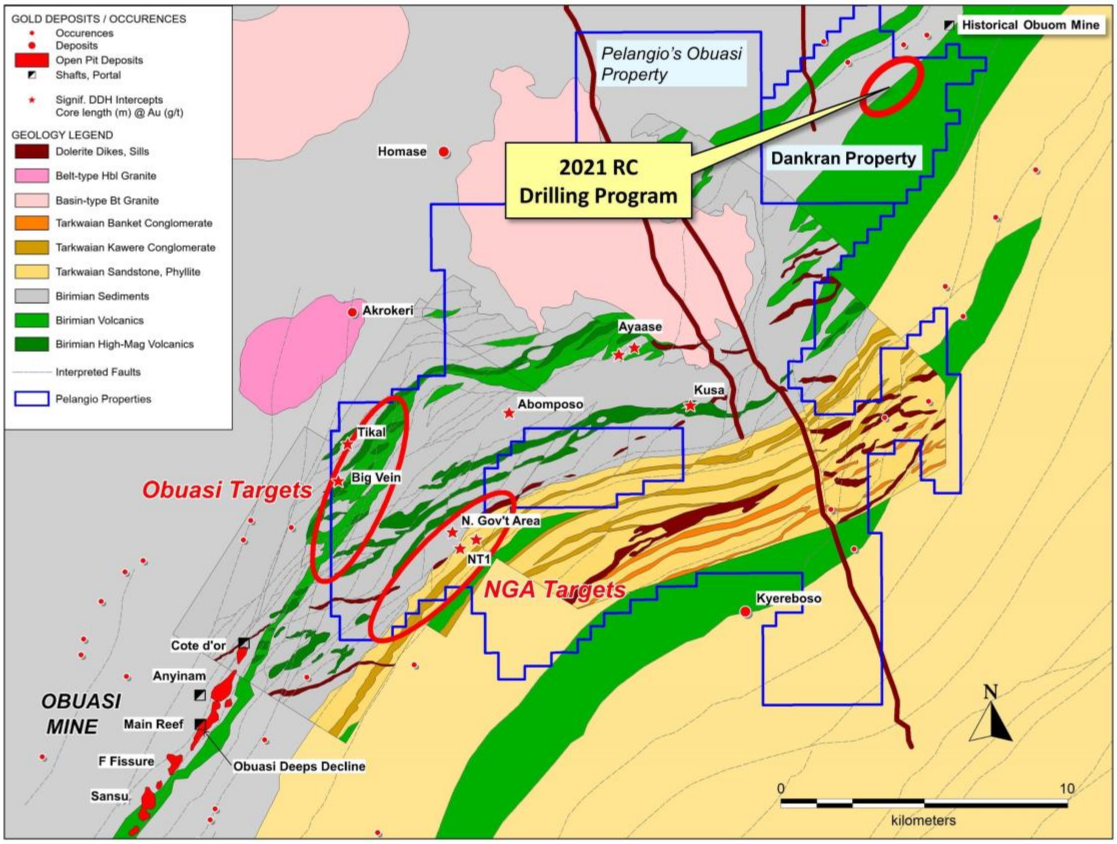
Work conducted on the Dankran project by Pelangio included several campaigns of soil sampling, mapping and prospecting conducted between December 2020 and May 2021 which identified extensive Au in soil anomalism particularly along the principal Obuasi metavolcanic-metasedimentary contact, followed by a small maiden RC drilling program conducted in May-June 2021 to test several of the better soil anomalies. A total of 2,491 meters of RC drilling in 36 holes on 6 drill fences was conducted with drill holes averaging less than 70 meters in length.

Dankran Exploration Results

Early works by Pelangio on the Dankran property quickly resulted in a new discovery with 14.17 g/t Au over 3 meters (including 39.20 g/t Au over 1 meter) returned from an RC hole drilled in the small maiden drilling program of May-June 2021. The RC drilling program defined a 2.5 kilometer-long trend of gold mineralization along the main Obuasi metavolcanic-metasedimentary contact with 10 RC holes intersecting gold mineralization including the high-grade hole at the western end of the trend. Drill testing to date has been light and shallow and further drilling is warranted to test the zone for a potentially economic discovery and will include further RC drilling along the 2.5 km long zone plus diamond drilling to probe the mineralization at depth and provide geological and structural data to assist further drill targeting. Refer to Figure 2.

There was no exploration work carried out on the Dankran project in 2022.





CANADIAN PROPERTIES

All of the properties in which Pelangio owns a 100% interest are in good standing or have sufficient work credits to be maintained for a minimum of one year. All leased and patented properties are in good standing through payment of taxes, and we are completing any necessary work commitments on any properties that are under option to Pelangio.

Location of the Pelangio Ontario Properties

Pelangio's Canadian properties in Ontario are the Dome West, Gowan, Kenogaming, Birch Lake and Grenfell properties, all located in prolific mining regions of Ontario, Canada, and the Hailstone property located in Saskatchewan. Pelangio also holds a 10% interest in the Dalton Property located proximal to the Hollinger Gold Mine.

GRENFELL PROPERTY, KIRKLAND LAKE, ONTARIO

On August 19, 2022, the Company entered into an earn-in agreement ("Earn-In") with Record Gold Corp. ("Record Gold"), a privately held mineral exploration company, on the Grenfell gold project, located in Grenfell Township, near Kirkland Lake, Ontario, approximately 10 km northwest of the Macassa Mine, one of the highest gold grade mines in the world.

Record Gold may acquire up to an 80% interest in the Grenfell project by incurring $2,000,000 in exploration expenditures and making $60,000 in cash option payments to Pelangio over a period of five years according to the following schedule:

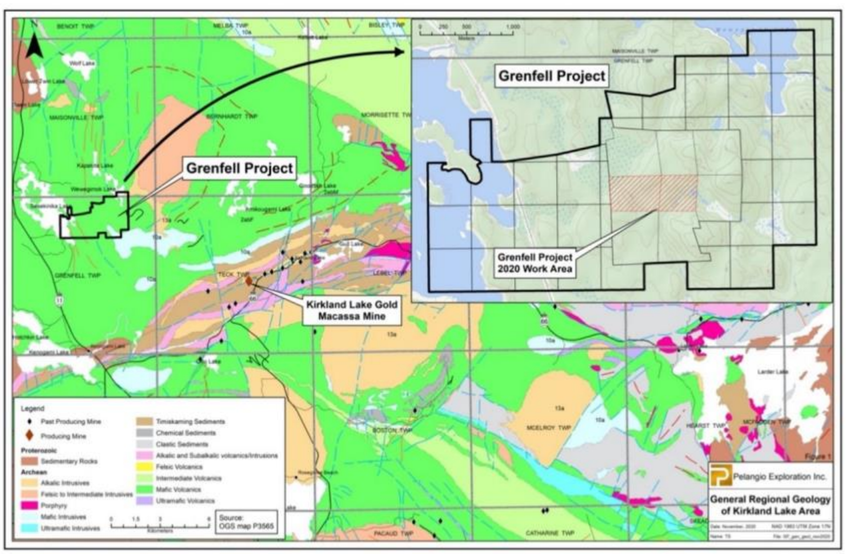
Cash Payments	Exploration Expenditures	Year
$60,000	$250,000	On or before the Second Anniversary of the Agreement Execution
	$500,000	On or before the Third Anniversary of the Agreement Execution
	$750,000	On or before the Fourth Anniversary of the Agreement Execution
	$500,000	On or before the Fifth Anniversary of the Agreement Execution

This agreement ensures significant ongoing exploration at this project and maintains the upside potential of this project with a retained 20% interest for Pelangio shareholders post earn-in. Pelangio currently owns approximately 3.87 million common shares of Record Gold, so Pelangio shareholders have exposure to any share appreciation and depreciation if realized. Further, Pelangio retains a 100% interest in the Grenfell project until the Earn-In option is completed. When the Earn-In is completed, Pelangio and Record Gold shall form an 80%/20% joint venture with respect to the Grenfell Project**.**

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

Pelangio completed two diamond drill programs in 2020. The drill programs consisted of 13 holes which evaluated various targets; the No.1/No.6 Vein/Structures in the vicinity of the historical shaft and the SW Zone and Central Zone. The SW Zone and Central Zone targets were located southwest of the shaft area. Pelangio demonstrated the potential for both narrow vein high-grade mineralization and identified a number of new zones of near surface lower grade gold mineralization associated with the No.6 and No.1 Vein systems.

Grenfell Project location and regional geology of the Kirkland Lake area



DOME WEST PROPERTY, TIMMINS GOLD CAMP

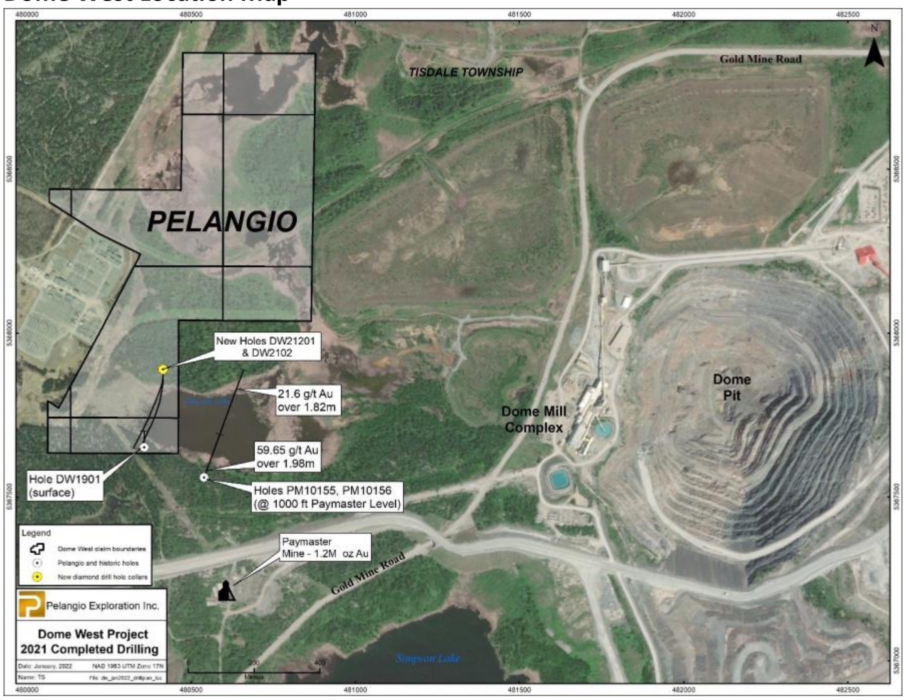
The Dome West property is a significant and highly prospective property for Pelangio. In 2021, the Company continued with the option agreement to acquire a 100% interest in the Dome West property located in Tisdale Township, Timmins, Ontario, from Mr. Francois Desrosiers and 6398651 Canada Inc. The Dome West property comprises 10 mining cells covering 56 hectares and is strategically located adjacent to both Newmont's Dome Mine property and the former Paymaster Mine property.

Drilling in 2019 intersected a mineralized interval that returned **3.21 g/t gold over 1.25 meters** including a higher-grade intercept of **4.754 g/t Au over 0.75 meters**. The program confirmed the presence of seven new quartz veins within known prospective stratigraphy extending from the Dome and Paymaster mines. Some of these quartz veins are proximal to numerous altered porphyry intrusives.

Exploration Activities:
Planned exploration and advancement of the Dome West project was curtailed in early 2020 due to certain COVID-19 access restrictions by surface rights holders. As a result of this unforeseen delay in work progress, Pelangio has exercised the "force majeure" clause equal to the delay. The final work commitment has been extended to November 19, 2023 as a result.

In late 2021, the Company completed a 1446.5-meter drill program in two holes. While the drill program intercepted the targeted Vipond stratigraphy, which hosts much of the gold mineralization in the nearby mines, no significant gold intercepts were returned in this program. The three holes drilled to date by Pelangio at Dome West have effectively only tested one section with much of the 400 meter strike of favourable Vipond stratigraphy untested by drilling. Further drill testing along strike is warranted and will be considered in the near future.

Dome West Location Map



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

Share Issuance	Cash Payments	Work Commitment	Year
150,000 shares	$15,000	-	On the date the agreement is accepted by the TSXV – January 31, 2019 (paid)
150,000 shares	$30,000	$110,000	On or before January 31, 2020 – issued, paid, and incurred
100,000 shares	$75,000	$115,000	On or before January 31, 2021 – issued, paid, and incurred
100,000 shares	$100,000	$225,000	On or before January 31, 2022 – issued, paid, and incurred
-	-	$300,000	On or before January 31, 2023 – (Extended to November 19, 2023 due to Force Majeure)
500,000 shares	**$220,000**	**$750,000**	

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

GOWAN POLYMETALLIC PROPERTY, TIMMINS, ONTARIO

The Gowan Property is a 2.6 km^2 property located in Gowan Township approximately 27 kilometers northeast of the City of Timmins and approximately 20 km southeast of Glencore's Kidd Creek Mine. The Kidd Creek Mine is a copper zinc Volcanogenic Massive Sulphide ("VMS") deposit hosted in a felsic volcanic suite of rocks. The Gowan Property hosts a historical VMS intercept in a geological environment similar to that found at the Kidd Creek Mine.

In the spring of 2021, some limited down hole geophysical surveying was completed. Geotech Ltd. was engaged in March 2021 to complete a VTEM Plus airborne geophysical survey. This identified a significant electromagnetic anomaly. A follow-up ground induced polarization (IP) survey was completed in the fall of 2021, outlining two IP chargeability anomalies. In the northeastern portion of the property, a compelling IP anomaly (IP Anomaly 1) was defined. IP Anomaly 1 is associated with historical copper mineralization within a package of felsic volcanics or a typical VMS environment. The second anomaly (IP Anomaly 2) suggested the presence of a nickel-copper type target coincident with a previously identified airborne electromagnetic (EM) and a VTEM target associated with a strong magnetic response. These targets were the focus of a 6-hole 1,035 meter diamond drilling program completed in the first quarter of 2022. Hole GO2202 returned an anomalous zinc intercept of 0.25% Zn over 1 meter from 206 to 207 meters. Hole GO2202 included a 6.24 meter interval from 121.30 to 127.54 meters with up to 10% pyrite and strongly conductive semi massive pyrite over short sections with moderately anomalous copper values up to 0.11% copper over 0.5 meters. Hole GO2202 returned 0.24% Cu over 1.5 m from 76.5 m to 78 m. A follow-up Airborne electromagnetic (AirTEM) survey was completed and a petrographic and whole-rock geochemical study was recently completed to improve understanding of the geology at Gowan.. With the additional geophyics data and a better understanding of the geology, further drilling at Gowan to test both the northern VMS targets and the southern nickel-copper type target would be the next step.

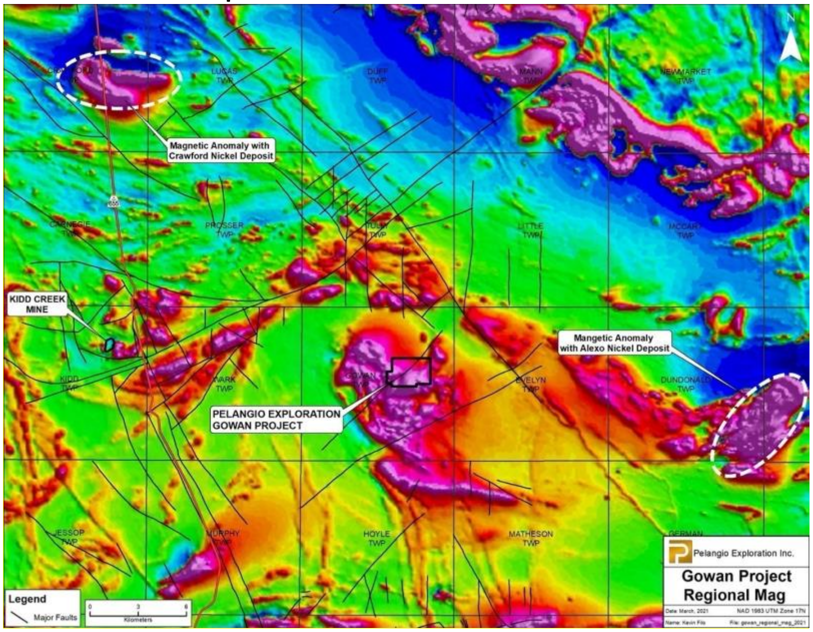
During the first quarter of 2022, Pelangio entered into an earn-in letter agreement with 11530313 Canada Inc. ("Privco") on its Gowan Project. Pursuant to the earn-in agreement between Pelangio and Privco, Privco may earn an initial 25% interest in the Gowan Project by paying Pelangio a total of $400,000 in cash, incurring $600,000 in exploration expenditures in accordance with the following schedule:

Cash Payments	Exploration Expenditures	Year
$400,000		On the Closing Date (Received)
	$600,000	On or before July 1, 2023

Upon completion of the 25% earn-in, Privco has the right to earn a further 25% interest (for a total interest of 50%) in the Gowan Project by paying $100,000 on or before July 1, 2023 and incurring an additional $900,000 in exploration expenditures on or before July 1, 2024.

Cash Payments	Exploration Expenditures	Year
$100,000		On or before July 1, 2023
	$900,000	On or before July 1, 2024

Gowan Location Map



BIRCH LAKE PROPERTY, RED LAKE DISTRICT

The Company owns a 100% interest in a total land package of 3,400 hectares (34 km^2) in the Keigat Lake area, approximately 120 km northeast of Red Lake, Ontario. The original 453-hectare property is subject to an underlying agreement whereby Newmont retains a 2% NSR on 28 of the historical claims. All other claims are not subject to any royalty. There are currently no obligations to Newmont other than payment of the royalty on production.

In September 2020, Pelangio entered into an option agreement with Jubilee Minerals Inc., a private Quebec corporation, on its Birch Lake Property. In accordance with the terms of this agreement, Pelangio received $5,000 and 4,667,940 common shares of Record Gold. Jubilee Minerals did not meet the work commitments of the option agreement and the option was cancelled. Pelangio retained the common shares of Record Gold.

In October 2021, Pelangio entered into an earn-in agreement with a well-financed, strategic partner, First Mining Gold Corp. (“First Mining”) and Gold Canyon Resources Inc. (“Gold Canyon”), a wholly-owned subsidiary of First Mining, on Pelangio’s Birch Lake and Birch Lake West properties (together, the “Birch Lake Project”). The Birch Lake Project is adjacent to First Mining’s Springpole Gold Project (see map above), located approximately 120 km northeast of Red Lake, Ontario.

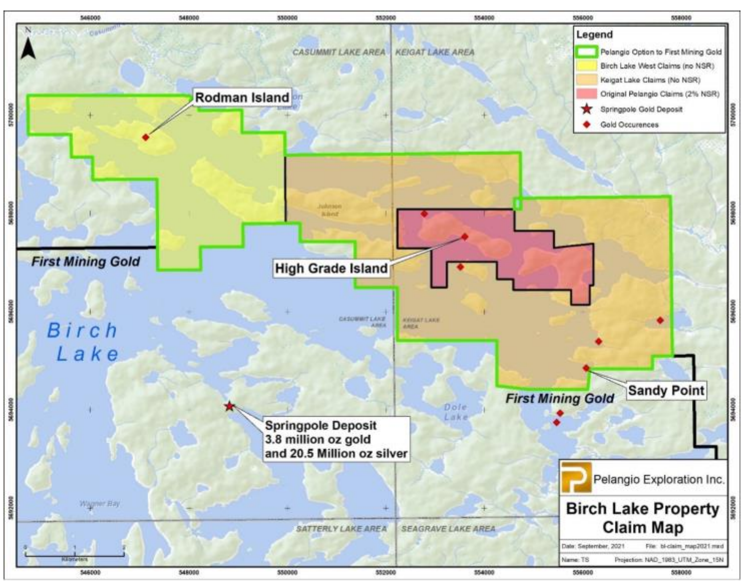
Agreement Terms:
Pursuant to the earn-in agreement among Pelangio, First Mining and Gold Canyon, Gold Canyon may earn an initial 51% interest in the Birch Lake Project by paying Pelangio a total of $350,000 in cash, issuing to Pelangio 1,300,000 First Mining shares and completing $1,750,000 in exploration expenditures, in accordance with the schedule below:

Cash Payments	Share Issuances	Exploration Expenditures	Year
$50,000	250,000		On the Closing Date – (Received)
$50,000	250,000	Minimum $250,000	On or before the First Anniversary of the Closing Date (Cash & Shares Received) Exploration Expenditures extended to on or before the Second Anniversary of the Closing Date
$50,000	250,000		On or before the Second Anniversary of the Closing Date
$50,000	250,000		On or before the Third Anniversary of the Closing Date
$150,000	300,000	Additional $1,500,000	On or before the Fourth Anniversary of the Closing Date

Upon completion of the 51% earn-in, Gold Canyon has the right to earn a further 29% interest (for a total interest of 80%) in the Birch Lake Project for a period of up to two years from the date of the exercise of the 51% earn-in right (the "Second Earn-In Period"). In order to earn the additional 29%, Gold Canyon or First Mining shall complete, within the Second Earn-In Period, a further $1,750,000 in exploration expenditures and either pay Pelangio $400,000 in cash or issue to Pelangio such number of shares of First Mining equal to $400,000 divided by the market price of First Mining shares on the day immediately prior to the date of issuance. Gold Canyon and Pelangio shall form a 51%/49% joint venture with respect to the Birch Lake Project if the 51% earn-in is completed and the second earn-in is not completed. If the second earn-in is completed, Gold Canyon and Pelangio shall form an 80%/20% joint venture with respect to the Birch Lake Project.

In 2022 First Mining commenced a planned multi-year district-scale exploration program over properties in the Birch-Uchi Greenstone Belt, including over the optioned Birch Lake property. A high resolution magnetic and SkyTEM electromagnetic airborne survey has been completed and considerable soil and rock geochemical surveys were conducted across the district during the 2022 field season with numerous samples obtained from the Birch Lake property. Multiple priority drill targets have been developed across the district, including on the Birch Lake property, with drilling programs to commence in 2023.

Birch Lake Property Claim Map



HAILSTONE PROPERTY, LA RONGE, SASKATCHEWAN

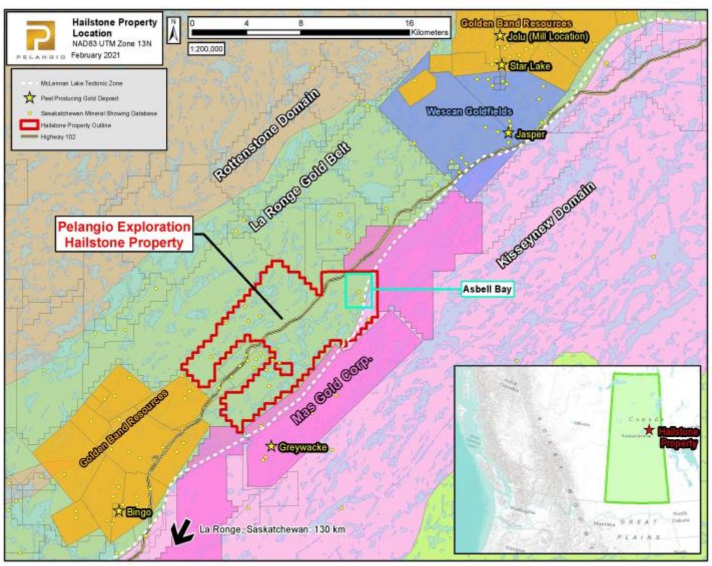
In 2019, Pelangio entered in an option agreement to acquire the Hailstone Gold Property in the La Ronge area of Saskatchewan from First Geolas Consulting. Pelangio completed the option agreement and now holds a 90% interest in the project subject with First Geolas holding a 10% interest and a 1.5% Net Smelter Royalty. The property is comprised of certain mineral claims located approximately 100 kilometers northeast of La Ronge, Saskatchewan, and is flanked by a number of small but high-grade historical gold mines in geological environments similar to that found at the Hailstone Property.

Geological Description

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

Prospecting confirmed the presence of numerous gold and base metal occurrences in the Asbell Bay target area in a prospective monzonite intrusive with grab samples returning grades of up to **15.9 g/t gold.** Gold mineralization was detected in isolated exposures across the 1.5 km north south extent of the intrusive proximal to northeast trending shear zones and the belt bounding McLennan Lake Tectonic Zone. An initial 908-meter diamond drill program was completed at the Hailstone gold project in 2021, no significant assays were returned. The drill program focused on the Asbell Bay target area, which represents a small portion (3%) of the entire 75 km^2 property. Additional exploration and target development programs are being considered for the next field season, in 2023.

Hailstone property region outlining the Asbell Bay target area



Terms of the Option Agreement and Work Commitment

1. Pursuant to the agreement the company agreed to issue 50,000 shares, make cash payment of $75,000 and complete $285,000 of exploration expenditures over a three year period from the acceptance date of the agreement.

During 2021, the Company completed the option terms and had earned a 90% interest in the Hailstone Property. The property is subject to a 1.5% net smelter royalty ("NSR"). There was no work conducted on the Hailstone project during 2022.

KENOGAMING PROPERTY, TIMMINS, ONTARIO

During the second quarter Pelangio purchased a 100% interest in the highly prospective, 178 hectare gold, silver, zinc polymetallic project in Kenogaming Township, located approximately 63 km (see Figure 1) southwest of the City of Timmins, Ontario.

Highlights Of the Kenogaming Project

- The Kenogaming Project covers 800 m of strike length on an established 300 meter wide strongly pyritized corridor of highly altered felsic rocks that are geochemically enriched in gold and zinc.

- Significant gold and base metal mineralization has been intersected within this corridor by previous explorers.
- Highlights of historical drilling include intercepts grading **35.65 g/t gold over 1.21 meters**, **18.5 g/t gold over 1.0 meters** and **0.59 g/t gold, 1.8 g/t silver and 1.10% zinc over 10 meters**.
- Minimal drilling has been completed below 150 vertical meters with approximately 400 meters of untested strike length.

The Kenogaming Project is a drill-ready project and a 1,000 meter drill program has been designed to test the strike and down dip extensions of both the NZ and Dunvegan Zones.

Agreement Terms:
Pelangio purchased a 100% interest in the Kenogaming Project by granting DSB Capital Corp. ("**DSB**") a 1% net smelter return royalty and issuing to DSB 350,000 common shares in the capital of Pelangio. The Kenogaming Project is subject to an underlying 3% net smelter return royalty. Pelangio will have the right to buy-out 1% of the 3% NSR for $1,000,000. A wholly-owned subsidiary of Pelangio holds 70% of the underlying royalty.

Kenogaming Summary and Geological Description:
In 1996, Eastmain Resoures Inc. conducted the last major drilling campaign on the adjoining Glencore patents and a few holes on the adjoining Kenogaming Project. Eastmain prospecting, geophysics and drilling demonstrated the presence of a strongly pyritized corridor of highly altered felsic rocks which are geochemically enriched in gold and zinc. This corridor was reported to have extended for approximately four km over a width of 300 meters. Approximately 800 meters of prospective strike length within this corridor is located on the Kenogaming Project. Coincident with the pyritized corridor and an associated alteration package of sericite, chlorite, silica and fushite is the historical Dunvegan gold, zinc occurrence. The original Dunvegan occurrence and a substantial portion of the known gold-bearing Dunvegan trend is now located within the Kenogaming Project.

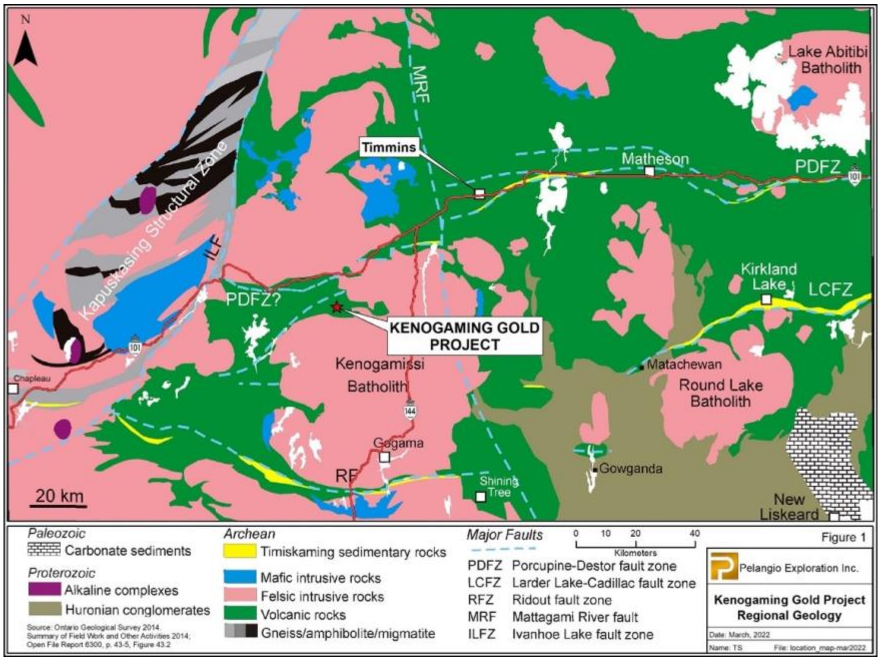
Limited drilling by Eastmain on the Kenogaming Project demonstrated considerable gold and base metal potential associated with the Dunvegan trend. Eastmain drill hole EAK-96-20 returned 0.59 g/t gold, 1.8 g/t silver and 1.10 % Zn across 10 meters. A higher-grade intercept in Eastmain hole EAK-96-20 returned 18.5 g/t gold over 1 meter.

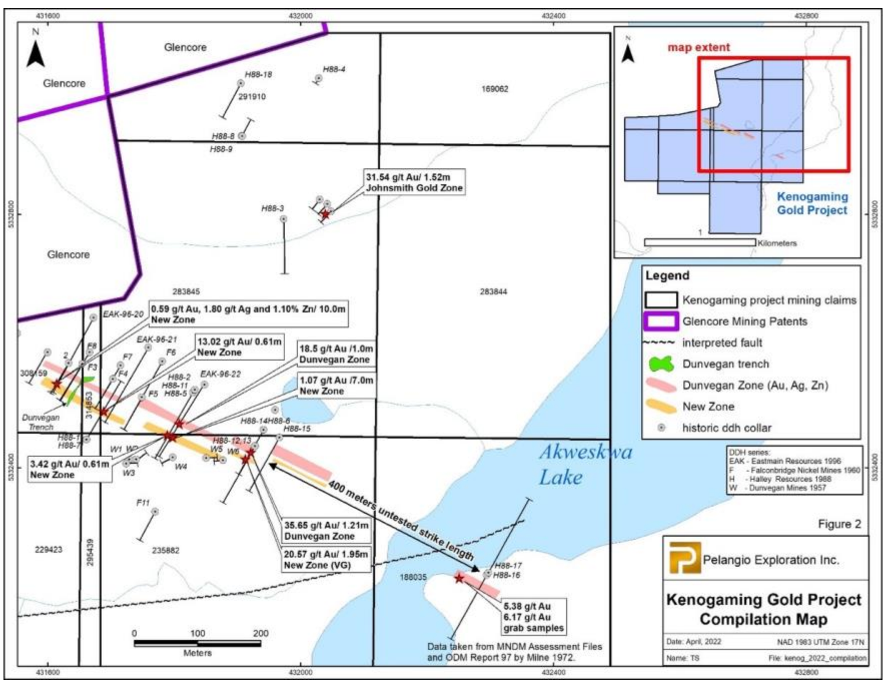
Prior to Eastmain's work, Halley Resources Inc. completed a series of holes in 1988 on the Kenogaming Project. A number of holes were drilled on the Dunvegan trend. A highlight from Halley's work on the Duvegan trend included an intercept of 35.65 g/t gold over 1.21 meters. More importantly, Halley found a second gold -bearing zone which was designated the "New Zone" (NZ). The NZ appears to lie in the footwall of Dunvegan Zone. Drilling on the NZ returned a number of significant drill hole intercepts including 20.57 g/t gold over 1.95 meters in hole H88-6, and 13.02 g/t gold over 0.61 meters in hole H88-1. (Note: All values reported are core lengths.)

With respect to new exploration potential, drilling to date for the most part has been focused above 150 meters vertical on the Kenogaming Project. More recent results by Eastmain and Halley suggest that there is excellent potential to increase metal grade and thickness on the known zones with further drilling at depth and along strike. Further, the discovery of the NZ below the Dunvegan Zone suggests there may be potential for other mineralized zones within the large alteration corridor noted by Eastmain geologists.

Several brief visits were made to the Kenogaming property during the 2022 field season in order to determine access routes for a drilling program planned for 2023.

(References: Ontario Government Assessment Files for Eastmain Resourec Inc., Halley Resources Inc., Falconbridge Nickel Mines, Dunvegan Mines, and OGS Report 97 by V.G. Milne, 1972)





ADDITIONAL CANADIAN PROPERTIES (No work was completed on these properties in 2021 nor during 2022)

- *Mann Property*
  The Mann property is located in Mann Township 50 km northeast of the City of Timmins and covers an area of approximately 2km^2. The patented claims cover a portion of a large ultramafic complex that is prospective for nickel, copper and cobalt. Some historical untested EM anomalies are present on the property.

- *Dalton Property, Timmins Gold Camp*
  On September 10, 2018, Pelangio entered into an option agreement to acquire 100% interest in the Dalton Property located in Timmins, Ontario from the Kean Group and 5SD Capital.

In July 2020, the Company completed 826 meters of diamond drilling in four drill holes to test two coincident geochemical and geophysical anomalies on the Dalton Project. Drilling intersected sulphide mineralization and a number of quartz veins, though, no significant gold mineralization was detected. Based on the lack of significant results, Pelangio relinquished its option to earn a 90% interest in the Dalton Property but retains a 10% interest in this project, in light of its proximity to the Hollinger Gold Mine.

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

- *Seeley Property, Hemlo Area*
  Pelangio owns 100% of the 307.6 hectares Seeley (Lorna Lake) property and there is no underlying royalty. The Seeley property is located in the historic Hemlo area and is contiguous with Hemlo Explorers Wire Lake Property which is now under option to Barrick Gold. . The Hemlo area is again becoming one of the more active exploration regions in Ontario. No activity is currently planned.

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

- *Black Township, Timmins Gold Camp*
  Pelangio owns a 100% interest in the Black Township property located 100km east of Timmins, Ontario. The property consists of two mineral leases acquired in 2010. The property has no underlying royalty. The leases cover a historical gold occurrence.

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

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

Exploration for Minerals is Speculative in Nature
Exploration for minerals is speculative in nature, involves many risks, and is frequently unsuccessful. All of the properties in which we have an interest, or to which we have a right are in the exploration stage only and are without mineral reserves and mineral resources except the Manfo Property, which was the subject of the Manfo Initial Resource Evaluation filed on SEDAR June 21, 2013. There can be no assurance that our current, proposed, or future exploration and development programs or properties in which we have an interest or may in future have an interest will result in the discovery of mineralization or a profitable commercial mining operation. Furthermore, once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new

properties, to construct mining and processing facilities. The commercial viability of a mineral resource is dependent on a number of factors including the price of minerals, exchange rates, the particular attributes of the deposit, such as its size, grade and proximity to infrastructure, as well as other factors including financing costs, taxation, royalties, land tenure, land use, water use, power use, importing and exporting minerals and environmental protection. As a result of these uncertainties, no assurance can be given that our exploration programs will result in the establishment of mineral resources or mineral reserves.

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

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

Foreign Operations

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

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

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

Litigation

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

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

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

Additional Capital

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

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

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

Limited Operating History

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

Competition

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

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

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

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

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

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

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

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

Price and Volume Fluctuations
In recent years, the securities markets have experienced an elevated level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of our securities.

Risks Related to the Mining Industry Generally *Mineral Prices*

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

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

Commodity Prices

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

Mining

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

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

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

Infrastructure

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

Government Regulation

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

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

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

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

Community Action

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

Environmental and Safety Risks

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

Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Permits from a variety of regulatory authorities are required for many aspects of mine development, operation and reclamation. Future legislation and regulations could cause additional expense, capital expenditures, restrictions, liabilities, and delays in the development of the properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of reclamation plans, mining companies must comply with standards and laws and regulations which may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority.

Insurance Risks

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

Corporate Structure

Our foreign operations are conducted through foreign subsidiaries and substantially all of our assets are held in such entities. To our knowledge, there are no limitations on the transfer of cash or other assets between the parent corporation and such entities or among such entities; however, if such limitations are put in place in the future, it could restrict our ability to fund our operations efficiently.

COMMITMENTS AND CONTINGENCIES

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

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

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

As at December 31, 2022 and 2021, the carrying and fair value amounts of the Company's financial instruments, other than the shares of public companies, are approximately the same because of the short-term nature of these instruments.

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

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

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

The following table illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at December 31, 2022 and 2021.

Investments, fair value	Level 1 (Quoted Market price)	Level 2 (Valuation technique – observable market inputs)	Level 3 (Valuation technique – observable market inputs)	Total
Publicly traded investments	132,816	-	-	132,816
Private investments	-	-	193,495	193,495
December 31, 2022	132,816	-	193,495	326,311

Investments, fair value	Level 1 (Quoted Market price)	Level 2 (Valuation technique – observable market inputs)	Level 3 (Valuation technique – observable market inputs)	Total
Publicly traded investments	170,822	-	-	170,822
Private investments	-	-	191,726	193,495
December 31, 2021	170,822	-	191,726	362,548

Within Level 3, the Company includes private company investments that are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies. The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at December 31, 2022.

Description	Fair Value	Valuation Technique	Significant Unobservable inputs(s)	Range of significant unobservable inputs(s)
Record Gold Corp	$193,495	Recent financing	Marketability of shares	0% discount

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

Record Gold Corp.

On September 2, 2020, the Company entered into an option agreement with Jubilee Minerals Inc. on its Birch Lake property. Consideration received for this option was 4,667,940 common shares of Record Gold Corp. During the year 2022, 798,044 shares of Record Gold Corp. were exchanged for 798,044 shares of Silk Road Energy Inc. The valuation of the remaining 3,869,896 shares of Record Gold Corp. is based on the most recent financing and management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at December 31, 2022. As at December 31, 2022, a +/- 10% change in the fair value of Record Gold Corp. will result in a corresponding +/- $19,350 change in the carrying amount. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances.

OUTSTANDING SHARE DATA (*As at April 24, 2023)*

- Authorized share capital of an unlimited number of common shares of which a total of 109,321,173 common shares are issued and outstanding;
- Stock options outstanding totaling 7,662,500 exercisable for common shares at prices ranging from $0.05 per share to $0.32 per share; and
- Warrants outstanding totaling 58,334,907 exercisable for common shares at prices ranging from $0.05 per share to $0.20 per share.

SUBSEQUENT EVENTS

- On February 27, 2023, 20,000 options with an exercise price of $0.55, as disclosed in note 10 to the audited consolidated financial statements, expired unexercised.
- Diamond drilling underway during the first quarter 2023 at Manfo and at Birch Lake
- On April 1, 2023 the Company made a cash payment of $50,000 USD to BNT, as per the Dankran property option agreement disclosed above.

ADDITIONAL INFORMATION

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