

**Form 51-102F3
Material Change Report**

Item 1. Name and Address of Company

Pelangio Exploration Inc. (“**Pelangio**”, the “**Company**”, “us”, “we” or “our”)
4139 Britannia Road
Burlington, Ontario
L7M 0R8

Item 2. Date of Material Change

August 15, 2014.

Item 3. News Release

The news release was issued on August 15, 2014 and was disseminated via Marketwire and filed on SEDAR.

Item 4. Summary of Material Change

On August 15, 2014 (the “**Closing Date**”), Pelangio announced the closing of its previously announced non-brokered private placement (“**Private Placement**”) of 15,000,000 units (the “**Units**”) of the Company at a price of \$0.04 per Unit for gross proceeds of \$600,000 that will be used for continued exploration at the Company’s Ghana properties and general working capital purposes.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

On August 15, 2014 the Company announced the closing of its previously announced Private Placement of 15,000,000 Units at a price of \$0.04 per Unit for gross proceeds of \$600,000.

Each Unit sold pursuant to the Private Placement was composed of one common share (a “**Common Share**”) and one-half of one common share purchase warrant (each whole purchase warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one Common Share (a “**Warrant Share**”) at a price of \$0.05 prior to February 15, 2016, subject to acceleration and adjustment in certain cases. In the event that the Common Shares trade on the TSX Venture Exchange at a volume weighted-average price of \$0.075 or more for a period of at least 10 consecutive trading days subsequent to December 16, 2014, the Company shall be entitled to accelerate the exercise period to a period ending at least 30 days from the date notice of such acceleration is provided to the holders of Warrants.

The proceeds of the Private Placement will be used for continued exploration at our Ghana properties, including up to 3,000 metres of air core and reverse circulation drilling, and for general working capital purposes, which will include consulting fees and salaries, including to officers and other employees.

The Company paid a finder's fee of \$13,510 to certain introducing parties in respect of a portion of the proceeds of the Private Placement, subject to compliance with applicable securities legislation and TSX Venture Exchange policies. The Private Placement was subject to receipt of all necessary regulatory approvals, including the TSX Venture Exchange. The securities issued pursuant to the Private Placement are subject to a four month hold period in accordance with applicable Canadian securities laws and will not become freely tradable before December 16, 2014.

Carl Nurmi, Peter Crossgrove, Thor Eaton (indirectly through his associated entity, Notae Investments Limited) and Ingrid Hibbard (indirectly through her associated entity Ingamar Explorations Inc.), each of whom are directors of the Company, and Warren Bates, who, along with Ingrid Hibbard, is an officer of the Company, participated in the Private Placement to purchase (through subscription agreements) 1,250,000, 500,000, 2,250,000, 2,250,000 and 250,000 Common Shares, respectively, for a total of 6,500,000 Common Shares, which as of the Closing Date, together with the securities already held (directly and indirectly, as applicable), constitute approximately 0.60%, 0.76%, 7.53%, 6.32% and 0.35% of the issued and outstanding Common Shares on a non-diluted basis, respectively, and 1.20%, 1.17%, 8.14%, 7.58% and 1.04% on a partially diluted basis (assuming the exercise of any securities held beneficially by such director or officer that are convertible into common shares, including the Warrants issued under the Offering). The directors were aware of the participation of the above-noted directors and officers in the Private Placement and the board of directors approved the Private Placement.

The fair market value of the Common Shares issued to and Warrant Shares issuable to such directors and officers and any associated entities, represent approximately 5% of the market capitalization of the Company as of the close of business on July 31, 2014 (based on an average closing price for the Company's Common Shares during 20 business days ending July 31, 2014). To the extent applicable, pursuant to sections 5.5(a) or (b) and 5.7(1)(a) of Multilateral Instrument 61-101 ("MI 61-101"), no formal valuation or minority approval was required under MI 61-101. This material change report is being filed for completeness and a material change report was not required to be filed 21 days prior to the closing on March 15, 2013.

Forward-looking statements:

Certain statements herein may contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Forward-looking statements or information appear in a number of places and can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and information include statements regarding the Private Placement, the proposed use of proceeds and the Company's exploration plans. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including assumption about receipt of all necessary regulatory approvals and the state of the equity markets. Such forward-looking statements and information are subject to risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Such risks include the proposed use of proceeds, changes in equity markets, share price volatility, volatility of global and local economic climates, gold price volatility, political developments in Ghana, increases in costs, exchange rate fluctuations, speculative nature of gold exploration and other risks involved in the

gold exploration industry. See the Company's annual and quarterly financial statements and management's discussion and analysis for additional information on risks and uncertainties relating to the forward-looking statement and information. There can be no assurance that a forward-looking statement or information referenced herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Also, many of the factors are beyond the control of the Company. Accordingly, readers should not place undue reliance on forward-looking statements or information. We undertake no obligation to reissue or update any forward-looking statements or information except as required by law. All forward-looking statements and information herein are qualified by this cautionary statement.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

No significant facts remain confidential and no information has been omitted in this report.

Item 8. Executive Officer

Name of Executive Officer: Ingrid Hibbard
President and Chief Executive Officer

Telephone Number: (905) 875-3828

Item 9. Date of Report

August 20, 2014