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**Pelangio Exploration Inc.**

**Unaudited Condensed Interim Consolidated Financial Statements**

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**March 31, 2023**

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# **Pelangio Exploration Inc.**

## **Unaudited Condensed Interim Consolidated Financial Statements**

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**March 31, 2023**

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### **Notice of Non-Review of Consolidated Interim Financial Statements**

**The attached condensed interim consolidated financial statements for the three-month period ended March 31, 2023, have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.**

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**Pelangio Exploration Inc.****Condensed Interim Consolidated Balance Sheet**

Unaudited – Prepared by Management)

Expressed in Canadian Dollars

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	March 31, 2023	December 31, 2022
	\$	\$
<b>Assets</b>		
<b>Current:</b>		
Cash	397,435	603,638
Amounts receivable	1,164	80,995
Prepaid expenses	8,839	9,218
Marketable securities, <i>note 5</i>	305,836	326,311
<b>Total current assets</b>	<b>713,274</b>	<b>1,020,162</b>
<b>Non-current assets:</b>		
Equipment	7,094	7,617
<b>Total Assets</b>	<b>720,368</b>	<b>1,027,779</b>
<b>Liabilities</b>		
<b>Current:</b>		
Accounts payable and accrued liabilities, <i>note 9</i>	504,570	607,123
Loan repayable, <i>note 11</i>	40,000	-
<b>Total current liabilities</b>	<b>544,570</b>	<b>607,123</b>
<b>Non-current liabilities:</b>		
Loan repayable, <i>note 11</i>	-	40,000
<b>Total Liabilities</b>	<b>544,570</b>	<b>647,123</b>
<b>Shareholders' Equity</b>		
Issued capital, <i>note 7</i>	59,403,667	59,403,667
Equity reserves, <i>note 8</i>	2,400,586	2,365,846
Deficit	(61,628,455)	(61,388,857)
<b>Total Equity</b>	<b>175,798</b>	<b>380,656</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>720,368</b>	<b>1,027,779</b>

Nature of operations and going concern, note 1

Commitments and contingencies, note 10

Subsequent events, note 14

See accompanying notes to the unaudited condensed interim consolidated financial statements

Approved on behalf of the Board:

"Ingrid Hibbard" Director"JC St-Amour" Director

**Pelangio Exploration Inc.**  
**Condensed Interim Consolidated Statements of**  
Unaudited – Prepared by Management)  
Expressed in Canadian Dollars

For the three-months ended March 31	2023	2022
	\$	\$
<b>Revenue:</b>		
Option income	-	400,000
<b>Expenses:</b>		
Salaries and employee benefits, <i>note 9</i>	26,090	21,839
Consulting services, <i>note 9</i>	63,694	50,435
Exploration and evaluation expenses, <i>note 6</i>	16,207	479,530
Foreign exchange recovery	2,212	(18,126)
Insurance	8,404	8,057
Investor relations	5,954	69,235
Office and general	22,897	37,307
Professional fees, <i>note 9</i>	33,318	59,185
Share-based payments, <i>note 8</i>	34,740	60,112
Transfer agent and filing fees	7,161	10,228
Amortization	523	1,263
Total Expenses	<b>221,200</b>	<b>779,065</b>
<b>Loss from operations</b>	<b>(221,200)</b>	<b>(379,065)</b>
<b>Other gains and losses</b>		
Interest income	2,077	-
Unrealized loss on marketable securities, <i>note 5</i>	(20,475)	(29,743)
	<b>(18,398)</b>	<b>(29,743)</b>
<b>Net loss and comprehensive loss for the period</b>	<b>(239,598)</b>	<b>(408,808)</b>
<b>Net income loss per common share:</b>		
- basic	(0.00)	(0.00)
- diluted	(0.00)	(0.00)
<b>Weighted average number of common shares outstanding:</b>		
- basic	109,321,173	82,375,049
- diluted	109,321,173	82,375,049

See accompanying notes to the unaudited condensed interim consolidated financial statements

## Pelangio Exploration Inc.

### Condensed Interim Consolidated Statements of Changes in Equity

Unaudited – Prepared by Management)

Expressed in Canadian Dollars

	Shares #	Share Capital \$	Equity reserves \$	Shares to be issued \$	Deficit \$	Total equity \$
<b>December 31, 2021</b>	78,700,243	58,507,212	2,573,340	31,500	(60,626,504)	485,548
Non-brokered private placement, net of issuance costs	4,170,930	388,470	-	(31,500)	-	356,970
Valuation of warrants issued in private placement	-	(55,386)	55,386	-	-	-
Shares issued for property	100,000	13,000	-	-	-	13,000
Share based payments, note 8	-	-	60,112	-	-	60,112
Loss for three months	-	-	-	-	(408,808)	(408,808)
<b>March 31, 2022</b>	82,971,173	58,853,296	2,688,838	-	(61,035,312)	506,822
Expiry of warrants	-	-	(542,494)	-	542,494	-
Expiry of options	-	-	(57,000)	-	57,000	-
Non-brokered private placement, net of issuance costs	24,000,000	641,549	-	-	-	641,549
Valuation of warrants issued in private placement	-	(186,178)	186,178	-	-	-
Shares issued for property	2,350,000	95,000	-	-	-	95,000
Share based payments	-	-	90,324	-	-	90,324
Loss for nine months	-	-	-	-	(953,039)	(953,039)
<b>December 31, 2022</b>	<b>109,321,173</b>	<b>59,403,667</b>	<b>2,365,846</b>	-	<b>(61,388,857)</b>	<b>380,656</b>
Share based payments, note 8	-	-	34,740	-	-	34,740
Loss for three months	-	-	-	-	(239,598)	(239,598)
<b>Balance at March 31, 2023</b>	<b>109,321,173</b>	<b>59,403,667</b>	<b>2,400,586</b>	-	<b>(61,628,455)</b>	<b>175,798</b>

See accompanying notes to the unaudited condensed interim consolidated financial statements.

## Pelangio Exploration Inc.

### Condensed Interim Consolidated Statements of Cash Flows

Unaudited – Prepared by Management)

Expressed in Canadian dollars

For the three-months ended March 31	2023	2022
	\$	\$
<b>Cash was provided by (used in):</b>		
<b>Operating activities:</b>		
Net loss for the period	(239,598)	(408,808)
Items not affecting cash:		
Unrealized loss on marketable securities, <i>note 5</i>	20,475	29,743
Shares issued for exploration and evaluation expenses	-	13,000
Amortization	523	1,263
Share-based payments, <i>note 8</i>	34,740	60,112
	<b>(183,860)</b>	<b>(304,690)</b>
Cash was provided by (used to finance) changes in the following working capital items:		
Amounts receivable	79,831	(34,879)
Prepaid expenses	379	64,274
Accounts payable and accrued liabilities	(102,553)	(189,848)
Net change in non-cash working capital	<b>(22,343)</b>	<b>(160,453)</b>
<b>Net cash used in operating activities</b>	<b>(206,203)</b>	<b>(465,143)</b>
<b>Financing activities:</b>		
Share subscriptions	-	(31,500)
Non-brokered private placement	-	417,093
Issue costs	-	(28,623)
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>356,970</b>
<b>Change in cash</b>	<b>(206,203)</b>	<b>(108,173)</b>
Cash, beginning of period	603,638	714,644
<b>Cash, end of period</b>	<b>397,435</b>	<b>606,471</b>

See accompanying notes to the unaudited condensed interim consolidated financial statements

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# Pelangio Exploration Inc.

## **Notes to the Condensed Interim Consolidated Financial Statements**

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For the three months ended March 31, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars unless otherwise noted)

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### **1. Nature of operations and going concern**

Pelangio Exploration Inc. (the "Company" or "Pelangio") was incorporated on February 27, 2008 under the Alberta Business Corporations Act and continued under the Canada Business Corporations Act (the "Act") on June 25, 2009. The principal business of the Company is the acquisition, exploration and development of mineral property interests in Canada and Ghana, Africa. The Company is a publicly listed company incorporated in Canada with limited liability under the legislation of Canada. The head office is located at 82 Richmond Street East, Toronto, Ontario M5C 1P1.

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 recoverability of amounts expended on exploration and evaluation activities is dependant upon a discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such properties at a profit. The Company may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation, currency exchange fluctuations and restrictions and political uncertainty.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements, unregistered prior claims and agreements, aboriginal claims, social license requirements and non-compliance with regulatory requirements

Consistent with other companies, in the sector of mineral exploration, the Company has incurred operating losses since inception, has limited sources of revenue, is unable to self-finance operations and has significant cash requirements to meet its overhead and maintain its mineral interests.

The Company had a net loss of \$239,598 (March 31, 2022 - \$408,808) for the three months ended March 31, 2023 and had an accumulated deficit of \$61,628,455 (December 31, 2022 - \$61,388,857) and working capital of \$168,704 (December 31, 2022 - \$413,039) as at March 31, 2023. These conditions indicate the existence of material uncertainties that cast significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on the Company being able to satisfy its liabilities as they become due, the Company being able to obtain the necessary financing to complete the development of its mineral properties, the attainment of profitable mining operations, and, or the receipt of proceeds from the disposition of its mineral properties. The outcome of these matters cannot be predicted at this time. There is no assurance that funds will be available on terms acceptable to the Company or at all. These consolidated financial statements do not include any adjustments to the carrying values and classification of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its liabilities in anything other than the ordinary course of operations. Such adjustments could be material.

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# Pelangio Exploration Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars unless otherwise noted)

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### 1. Nature of operations and going concern (continued)

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

### 2. Basis of presentation

#### (a) Statement of Compliance with International Financial Reporting Standards

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the IASB, has been omitted or condensed.

#### (b) Basis of preparation

These unaudited condensed interim consolidated financial statements do not include all note disclosures required by IFRS for annual financial statements. The same accounting policies and methods of computation were followed in the preparation of these condensed interim consolidated financial statements as were followed in the preparation and described in Note 3 of the annual consolidated financial statements as at and for the year ended December 31, 2022. Accordingly, these condensed interim consolidated financial statements for the three-month period ended March 31, 2023 and 2022 should be read together with the annual consolidated financial statements as at and for the year ended December 31, 2022.

In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three-month period ended March 31, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023.

#### Current accounting changes

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded.

#### (c) Approval of the condensed interim consolidated financial statement

These consolidated financial statements were authorized for issuance by the Board of Directors on May 26, 2023.



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# Pelangio Exploration Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

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For the three months ended March 31, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars unless otherwise noted)

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### 3. Significant accounting policies

#### Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated upon consolidation.

#### Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The subsidiaries of the Company are as follows:

<b>Company</b>	<b>Registered</b>	<b>Ownership</b>	<b>Principal activity</b>
Pelangio Mines (B) Inc.	Barbados	100%	Holdco
Pelangio Adansi Asaasi (G) Limited	Ghana	100%	Exploration
Pelangio Kyereboso Mining (G) Limited	Ghana	100%	Exploration
Pelangio Adansi Gold (G) Limited	Ghana	100%	Exploration
Pelangio Edubiase (G) Limited	Ghana	100%	Exploration
Pelangio Ahafo (B) Inc.	Barbados	100%	Holdco
Pelangio Ahafo (G) Limited	Ghana	100%	Exploration
5007223 Ontario Inc.	Canada	100%	Inactive

On March 17, 2022, the Company dissolved its wholly owned subsidiary 222967 Ontario Inc. The subsidiary was dissolved in order to condense and more efficiently manage Pelangio's holdings.

During the three-months ended March 31, 2023, the Company did not have any changes to its subsidiaries.

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# Pelangio Exploration Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

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For the three months ended March 31, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars unless otherwise noted)

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### 3. Significant accounting policies (continued)

#### Use of critical estimates and judgments

The preparation of these condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year if the revision affects both current and future year.

In preparing these condensed interim consolidated financial statements, the significant judgments and estimates made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended December 31, 2022.

### 4. Operating segments

#### *Geographical information*

The Company operates primarily in the gold exploration industry with its activities include exploration and development of gold properties. The Company's primary exploration operations are in Canada and Ghana.

The reportable segments are those operations whose operating results are reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance provided those operations pass certain quantitative thresholds. Operations whose exploration expenditures or assets exceed 10% of the total exploration activity or assets are reportable segments.

In order to determine reportable operating segments, management reviews various factors, including geographical location and managerial structure. It was determined by management that a reportable operating segment generally consists of an individual exploration property managed by a single general manager and management team.

The Company maintains equipment in both geographical locations. The total value of the equipment in both operating segments as at March 31, 2023 and December 31, 2022 was immaterial.

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## Pelangio Exploration Inc.

### Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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For the three months ended March 31, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars unless otherwise noted)

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#### 5. Marketable securities

The Company holds shares in certain public and private companies in the mining industry. During the three-month period ended March 31, 2023, these shares were fair valued and this resulted in an unrealized loss of \$20,475 (March 31, 2022 – loss of \$29,743).

The following table summarizes information regarding the Corporation's public investments for the three-months ended March 31, 2023 and the year ended December 31, 2022.

As at	March 31, 2023	December 31, 2022
	\$	\$
Balance, beginning of period	132,816	170,822
Acquisitions	-	50,000
Disposals	-	(17,837)
Realized gain	-	(24,385)
Change in fair value	(20,475)	(45,784)
Balance, end of period	112,341	132,816

The following table summarizes information regarding the Corporation's private investments for the three-months ended March 31, 2023 and the year ended December 31, 2022.

As at	March 31, 2023	December 31, 2022
	\$	\$
Balance, beginning of period	193,495	191,726
Disposals	-	(32,778)
Change in fair value	-	34,547
Balance, end of period	193,495	193,495

Total marketable securities for the three-months ended March 31, 2023 and the year ended December 31, 2022 were:

As at	March 31, 2023	December 31, 2022
	\$	\$
Public investments	112,341	132,816
Private investments	193,495	193,495
Marketable securities	305,836	326,311

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## Pelangio Exploration Inc.

### Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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For the three months ended March 31, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars unless otherwise noted)

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#### 6. Exploration and evaluation expenses

Total exploration and evaluation expenditures for the three-months ended March 31, 2023 were \$16,207 (March 31, 2022 - \$479,530).

##### Ghana properties

As at March 31, 2023, the Company held three exploration and evaluation properties in Ghana. Exploration and evaluation expenditures for the Ghana properties for the three-months ended March 31, 2023 and the three-months ended March 31, 2022 are as follows:

	March 31, 2023	March 31, 2022
	\$	\$
<b>Manfo</b>		
Geologists	8,764	741
Logistics	3,937	39,456
Land holding expense	-	164,106
Other	47	7,557
	<b>12,748</b>	<b>211,860</b>
<b>Dankran</b>		
Logistics	-	(9,044)
	-	<b>(9,044)</b>
<b>Obuasi</b>		
Geologists	-	11,726
Logistics	129	3,650
Legal	-	5,395
	<b>129</b>	<b>20,771</b>
<b>Total Ghanaian Exploration</b>	<b>12,877</b>	<b>223,587</b>

##### **Obuasi, Ghana**

Pursuant to an option agreement dated May 3, 2006, and satisfied by the Company in 2011, certain of the Company's subsidiaries acquired 100% (subject to a 5% royalty interest and a 10% interest held by the Ghanaian government and the right of the Ghanaian government to acquire a further 20% interest on mutually agreed terms) of a property in southwest Ghana, West Africa. The optioned property consisted of the Kyereboso #2, Kyereboso #3, Meduma and Adokwae concessions. The Meduma concession expired on January 26, 2023. The Meduma concession, Adokwae concession, the Kyereboso #2 and Kyereboso #3 renewal applications are pending and such renewals are not assured.

The property is subject to net smelter return royalties of 2%.

##### **Manfo, Ghana**

During 2011, the Company satisfied the terms of the three 2010 definitive option agreements in respect of the concessions comprising the Manfo Property pursuant to which the Company had an option to acquire a 100% interest (subject to a 5% royalty interest and a 10% interest held by the Ghanaian government and the right of the Ghanaian government to acquire a further 20%

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## Pelangio Exploration Inc.

### Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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For the three months ended March 31, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars unless otherwise noted)

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#### 6. Exploration and evaluation expenses (continued)

##### Ghana properties (continued)

interest on mutually agreed terms) in each of the concessions. The Subriso, Twabidi and Sempekrom concessions are referred to as the Manfo Property. The Subriso concession is in good standing until January 27, 2024, the Sempekrom concession is in good standing until February 4, 2024 and Twabidi concession renewal is pending and such renewal is not assured.

The property is subject to a 2% net smelter royalty ("NSR") subject to the Company's right to repurchase 1% of the NSR for a payment of US \$4,000,000. The Company (or its successor or permitted assignee) will pay the optionor a discovery bonus totaling the sum of (i) US\$1,000,000 plus (ii) US\$1.00 per ounce of proven and probable gold reserves set out in the first positive feasibility study published or released in respect of the Manfo Property.

The Company enter into a review period, subject to certain financial conditions, with the optionor of the Manfo property regarding the NSR repurchase terms. As at March 31, 2023, the Company remains in the review period.

##### **Dankran Property**

On November 12, 2020, the Company entered into an Option Agreement with BNT Resources Ghana Ltd., ("BNT") to acquire 100% interest in the Subriso-Kokotro concession, located adjacent to the Company's Obuasi project. In order to acquire a 100% interest in the Dankran property, the Company must make aggregate cash payments of \$300,000 USD (paid) to BNT; issue 2,250,000 common shares (issued) to BNT and grant to BNT a 2% NSR within 10 days of fulfilling all of the cash payments and share issuances. The shares issued were valued at \$97,500 based on the quoted market price on the date of issuance. At March 31, 2023, the Company was in the process of granting BNT the 2% NSR, which was subsequently granted On April 1, 2023.

##### Canadian properties

At March 31, 2023, the Company held several exploration properties in Canada. Exploration and evaluation expenditures for the Canadian properties for the three-months ended March 31, 2023 and the three-months ended March 31, 2022 totalled \$3,330 (2022 - \$255,942).

	<b>March 31,</b>	<b>March 31,</b>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Dome West</b>		
Drilling and assaying	-	27,978
Logistics	294	3,000
Option payment	-	113,000
OJEP Grant	-	(150,000)
	<b>294</b>	<b>(6,022)</b>
<b>Gowan</b>		
Geologists	294	13,846
Drilling and assaying	-	243,304
Logistics	-	38,777
OJEP Grant	-	(34,963)
	<b>294</b>	<b>260,964</b>

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## **Pelangio Exploration Inc.**

### **Notes to the Unaudited Condensed Interim Consolidated Financial Statements**

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For the three months ended March 31, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars unless otherwise noted)

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#### **6. Exploration and evaluation expenses (continued)**

##### Canadian properties (continued)

Other Canadian properties incurred exploration and expenditures of \$2,742 (2022 - \$1,000) during the three-months ended March 31, 2023.

##### **Dome West Property**

The Dome West Property consists of certain mining cells in Tisdale Township. Pursuant to an agreement dated January 29, 2019, the Company has a right to earn a 100% interest in the property by issuing an aggregate of 500,000 shares, make cash payments of \$220,000 and complete \$750,000 of exploration expenses. As at March 31, 2023, the Company made the cash payments of \$220,000, issued the 500,000 shares and incurred \$450,000 of exploration expenditures. The shares issued were valued at \$99,000 based on the quoted market price on the date of issuance.

As of March 31, 2023, the only remaining obligation under the Dome West Property agreement was to incur \$300,000 of exploration expenses on or before January 31, 2023. The Company invoked the force majeure provision of the agreement at the onset of the COVID-19 pandemic thereby extending the above deadline to November 19, 2023. Upon exercise of the option the Dome West Property will be subject to net smelter return of 3%. The Company has the right to purchase a 1.0% royalty for \$1,000,000.

##### **Gowan Property**

The Gowan Property consists of certain claims located in Gowan Township.

On January 20, 2022, the Company entered into a earn-in letter agreement with 11530313 Canada Inc. ("Privco"), whereby Privco can earn up to a 50% interest in the Gowan Property by making payments in aggregate of \$500,000 over 18 months and completing \$1,500,000 of exploration expenditures over 30 months. An option payment in the amount of \$400,000 was received in the year ended December 31, 2022.

##### **Grenfell Property**

The Grenfell Property consists of certain leases and claims located in Grenfell Township.

On August 19, 2022, the Company entered into an earn-in agreement with Record Gold Corp. ("Record Gold"), on the Company's Grenfell property. Record Gold may earn an 80% interest in the Grenfell property by incurring \$2,000,000 of exploration expenditures and making \$60,000 of option payments to the Company. The agreement term is five years.

##### **Kenogaming Property**

On April 28, 2022, the Company agreed to acquire a 100% interest in the Kenogaming Property for 350,000 common shares of the Company. The shares issued were valued at \$35,000 based on the quoted market price on the date of issuance. The property consists of certain claims located in Kenogaming Township and is subject to a 3% NSR, of which 70% is held by a wholly-owned subsidiary of the Company. One-third of the 3% NSR can be purchased at any time for \$1,000,000.

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## Pelangio Exploration Inc.

### **Notes to the Unaudited Condensed Interim Consolidated Financial Statements**

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For the three months ended March 31, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars unless otherwise noted)

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#### **6. Exploration and evaluation expenses (continued)**

##### Canadian properties (continued)

##### **Hailstone property**

On July 15, 2019, the Company entered into an option agreement, amended October 1, 2019, and satisfied in 2021, in which it acquired a 90% interest in the Hailstone property, comprised of certain mineral claims located in La Ronge, Northern Mining District, Saskatchewan pursuant to an agreement between First Geolas Consulting and the Company.

The property is subject to a 1.5% net smelter royalty ("NSR").

##### **Birch Lake, Canada**

Birch Lake consists of the following:

- (i) a 100% interest in 28 unpatented mining claims in Keigat Lake and Casummit Lake Townships, Ontario. The property is subject to net smelter return royalties of 2%.
- (ii) 100% interest in 10 unpatented mining claims in Keigat Lake and Casummit Lake Townships, Ontario.

##### **Birch Lake West**

The Birch Lake West property consists of certain unpatented claims in the Casummit Lake Township, Ontario, west of and adjacent to the Company's Birch Lake property.

##### **Earn-in Agreement Birch Lake and Birch Lake West**

On October 4, 2021, the Company entered into an earn-in agreement with 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. Gold Canyon may earn up to an 80% interest in the Birch Lake properties by incurring \$3,500,000 of exploration expenditures, making \$750,000 of option payments to the Company, of which \$400,000 may be made in shares of First Mining at First Mining's option and issuing 1,300,000 shares of First Mining to the Company. The agreement covers six years and has a 51% earn-in point, as an intermediary step. The Company received the initial option payment of \$100,000 and 500,000 shares of First Mining in 2021 and received \$50,000 and 500,000 shares of First Mining in 2022.

##### **Poirier Gold, Canada**

Poirier Gold consists of one mining lease made up of two mining claims in Bristol Township, Ontario. The property is subject to net smelter return royalties of 2%.

#### **7. Issued capital**

- (i) Authorized

Authorized share capital consists of an unlimited number of common shares without par value.

- (ii) Non-brokered private placements

##### Three-months ended March 31, 2023

There were no private placements during the three-months ended March 31, 2023.

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## Pelangio Exploration Inc.

### Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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For the three months ended March 31, 2023

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#### 7. Issued capital (continued)

##### Three-months ended March 31, 2022

On January 12, 2022, the Company completed the second tranche of its non-brokered private placement financing. This tranche of 3,170,930 units at a price of \$0.10 per unit for gross proceeds of \$317,093 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, 2023. The Company paid a finder's fee of \$1,600 in cash. On January 13, 2022, the Company completed the third and final tranche of its non-brokered private placement financing. This tranche of 1,000,000 units at a price of \$0.10 per unit for gross proceeds of \$100,000 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 13, 2023.

(iii) Shares issued for properties

##### Three-months ended March 31, 2023

There were no shares issued for properties during the three-months ended March 31, 2023.

##### Three-months ended March 31, 2022

In January 2022, the Company issued 100,000 shares pursuant to the Dome West option. The shares issued were valued at \$13,000 based on the quoted market price on the date of issuance.

#### 8. Equity reserves

The following is a continuity schedule for outstanding options and warrants as at March 31, 2023 and December 31, 2022:

	Number of Options	Weighted average Exercise Price (\$)	Number of Warrants	Weighted average Exercise Price (\$)
<b>December 31, 2021</b>	<b>6,154,000</b>	<b>0.17</b>	<b>35,872,200</b>	<b>0.26</b>
Granted/expensed	1,705,000	0.06	26,063,732	0.05
Expired	(176,500)	0.50	(3,601,025)	0.39
<b>December 31, 2022</b>	<b>7,682,500</b>	<b>0.13</b>	<b>58,334,907</b>	<b>0.15</b>
Forfeited	(711,250)	0.15	-	-
Expired	(20,000)	0.55	-	-
<b>March 31, 2023</b>	<b>6,951,250</b>	<b>0.13</b>	<b>58,334,907</b>	<b>0.15</b>



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## Pelangio Exploration Inc.

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#### 8. Equity reserves (continued)

##### *Employee share option plan*

The Company has a share option plan to assist the Company in attracting, retaining and motivating directors, key officers, employees and consultants of the Company and to closely align the personal interests of such parties with those of the shareholders by providing them with the opportunity, through options, to acquire common shares of the Company. The maximum number of shares reserved for issuance under the share option plan is limited to 10% of the issued and outstanding common shares of the Company. Each stock option converts into one common share of the Company upon exercise. Share options granted under the share option plan vest in four equal installments, being at the date of grant, and at the end of each six-month period ended thereafter.

The Company recorded share-based compensation expense related to stock options of \$34,740 and \$60,112 for the three-months ended March 31, 2023 and March 31, 2022, respectively, to the unaudited condensed interim consolidated statements of operations and comprehensive loss.

The unvested options at March 31, 2023 are scheduled to vest as follows:

During the year ended:	Number of options	Stock-based compensation expense (\$)
December 31, 2023	470,000	34,589
December 31, 2024	345,000	3,946
	<b>815,000</b>	<b>38,535</b>

The following table reflects the share option arrangements outstanding as at March 31, 2023:

Date Granted	Options Granted	Options Exercisable	Exercise Price \$	Expiry Date
November 1, 2018	350,000	350,000	0.18	November 1, 2023
February 27, 2019	85,000	85,000	0.32	February 27, 2024
July 11, 2019	15,000	15,000	0.16	July 11, 2024
May 4, 2020	427,500	427,500	0.14	May 4, 2025
June 2, 2020	160,000	160,000	0.19	June 2, 2025
August 20, 2020	65,000	65,000	0.23	August 20, 2025
November 5, 2020	2,412,500	2,412,500	0.17	November 5, 2025
August 24, 2021	1,787,500	1,787,500	0.115	August 24, 2026
April 28, 2022	250,000	125,000	0.095	April 28, 2027
August 31, 2022	1,398,750	708,750	0.05	August 31, 2027
	<b>6,951,250</b>	<b>6,136,250</b>		

The table below provides the weighted average exercise price and weighted average remaining contractual life of options exercisable at March 31, 2023.

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For the three months ended March 31, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars unless otherwise noted)

#### 8. Equity reserves (continued)

Exercise Price	Total options outstanding			Total options exercisable		
	Number	Weighted average remaining contractual life (years)	Weighted average exercise price (\$)	Number	Weighted average remaining contractual life (years)	Weighted average exercise price (\$)
0.18	350,000	0.03	0.01	350,000	0.03	0.01
0.32	85,000	0.01	0.00	85,000	0.01	0.00
0.16	15,000	0.00	0.00	15,000	0.00	0.00
0.14	427,500	0.13	0.01	427,500	0.15	0.01
0.19	160,000	0.05	0.00	160,000	0.06	0.00
0.23	65,000	0.02	0.00	65,000	0.03	0.00
0.17	2,412,500	0.91	0.06	2,412,500	1.03	0.07
0.115	1,787,500	0.88	0.03	1,787,500	1.00	0.03
0.095	250,000	0.15	0.00	125,000	0.08	0.00
0.05	1,398,750	0.89	0.01	708,750	0.51	0.01
	<b>6,951,250</b>	<b>3.08</b>	<b>0.13</b>	<b>6,136,250</b>	<b>2.91</b>	<b>0.14</b>

During the three-months ended March 31, 2023, 20,000 stock options expired unexercised. The options had an exercise price of \$0.55 and an estimated grant date fair value \$10,000. During the three-months ended March 31, 2023, 711,250 options with a weighted average exercise price of \$0.15 were forfeited. The forfeited options had initial expiry dates ranging from February 27, 2024 to August 27, 2027.

The fair value of share options outstanding as at March 31, 2023, has been estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions:

Grant date	Expected dividend yield	Risk-free interest rate	Expected volatility	Expected Life	Estimated grant date fair value
	%	%	%		\$
November 1, 2018	0	2.27	173	5 years	133,000
February 27, 2019	0	1.91	174	5 years	38,000
July 11, 2019	0	1.62	164	5 years	2,000
May 4, 2020	0	0.40	151	5 years	65,000
June 2, 2020	0	0.38	151	5 years	27,000
August 20, 2020	0	0.41	141	5 years	26,000
November 5, 2020	0	0.45	137	5 years	390,000
August 24, 2021	0	0.87	116	5 years	200,155
April 24, 2022	0	0.99	126	5 years	35,288
August 31, 2022	0	3.34	140	5 years	72,750

There were no options granted during the three-months ended March 31, 2023.

The risk-free rate for periods within the contractual term of the option is based on the Bank of Canada administered interest rates in effect at the time of the grant. The Company has assumed that any granted stock options will not be exercised until the expiry date. Expected volatilities are based on historical volatilities of stock prices of comparable companies given the limited life of the Company as an exploration and development company. Expected forfeiture rates have been assumed to be nil to date.

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## Pelangio Exploration Inc.

### Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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#### 8. Equity reserves (continued)

##### Warrants

The following warrant arrangements were in existence as at March 31, 2023:

Warrants #	Exercise Price \$	Grant Date	Expiry Date
3,200,000	0.20	December 18, 2018	July 31, 2023
1,800,000	0.20	January 18, 2019	July 31, 2023
9,420,000	0.18	May 19, 2020	May 19, 2023
7,950,000	0.18	December 3, 2020	December 3, 2024
6,650,000	0.18	December 3, 2020	December 3, 2024
1,484,375	0.20	June 10, 2021	December 10, 2024
859,375	0.20	June 10, 2021	December 10, 2024
907,425	0.15	January 12, 2022	December 30, 2024
1,042,732	0.15	December 30, 2021	December 30, 2024
7,833,333	0.05	November 1, 2022	November 1, 2025
315,000	0.05	November 1, 2022	November 1, 2025
16,166,667	0.05	December 16, 2022	December 16, 2025
706,000	0.05	December 16, 2022	December 16, 2025
<b>58,334,907</b>	<b>0.13</b>		

The weighted average life of the outstanding warrants at March 31, 2023 is 3.40 years (December 31, 2022 – 1.99 years).

The fair value of warrants granted has been estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions:

Grant date	Expected dividend yield %	Risk-free interest rate %	Expected volatility %	Expected life (Years)	Estimated grant date fair value \$
December 18, 2018	0	1.90	173	3	194,439
January 18, 2019	0	1.83	171	3	107,436
May 19, 2020	0	0.42	150	2	343,164
December 3, 2020	0	0.46	137	2	292,527
December 10, 2020	0	0.46	136	2	244,693
June 10, 2021	0	0.82	119	1.5	84,968
June 17, 2020	0	0.94	119	1.5	49,002
December 30, 2021	0	1.28	111	1	24,675
January 12, 2022	0	1.52	111	1	11,844
January 13, 2022	0	1.50	111	1	6,811
November 1, 2022	0	3.43	140	3	69,825
December 25, 2022	0	2.91	140	3	153,028

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## Pelangio Exploration Inc.

### **Notes to the Unaudited Condensed Interim Consolidated Financial Statements**

For the three months ended March 31, 2023

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#### **9. Related party information**

The following transactions were entered into with related parties that are not subsidiaries of the Company during the three-months ended March 31, 2023 and March 31, 2022:

For the three-months ended March 31	2023 \$	2022 \$
With Canadian corporations controlled by an officer of the Company:		
Exploration and evaluation (Senior VP Exploration)	6,601	12,977
Consulting services (Senior VP Exploration)	5,140	6,471
Exploration and evaluation (V.P. Corporate Development)	-	13,846
With a partnership in which an officer of the Company is a partner:		
Accounting services	40,424	48,441
With a Canadian corporation providing services to the Company:		
Corporate Secretary	4,238	4,173

Of the accounting service fees, \$10,732 (three-months ended March 31, 2022 - \$28,538) is included in professional fees and \$29,692 (three-months ended March 31, 2022 - \$19,904) is included in consulting services on the statement of operations.

Accounts payable and accrued liabilities as at March 31, 2023 include amounts owing to directors and officers in the amount of \$346,136 (December 31, 2022 - \$336,496). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

These transactions with related parties were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

The remuneration of directors and other members of key management personnel during the three-months ended March 31, 2023 and 2022 were as follows:

For the three-months ended March 31	2023 \$	2022 \$
Short-term benefits	11,250	12,064
Share-based payments	18,539	65,041

#### **10. Commitments and contingencies**

##### Employment agreements

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 a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

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## Pelangio Exploration Inc.

### **Notes to the Unaudited Condensed Interim Consolidated Financial Statements**

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For the three months ended March 31, 2023

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#### **10. Commitments and contingencies (continued)**

##### Legal claims

The Company's mining and exploration activities are subject to various 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.

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business.

The Company has been named in an action involving one of the vendors of the Obuasi Property relating to such vendor's corporate history and founding shareholders and the ownership of the lands covered by the Kyereboso #2 and Kyereboso #3 prospecting licences. The action is the subject of a pre-trial motion and has not yet proceeded to trial. An interlocutory injunction has been granted preventing all parties from selling any interest in the property pending final determination of the matter. Pelangio has appealed against this ruling and such appeal is yet to be determined.

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

The Company cannot reasonably predict the likelihood or outcome of these actions. The Company does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations. As at March 31, 2023 and December 31, 2022, no amounts have been accrued related to such matters.

##### Flow through share issuance

The Company indemnifies subscribers to flow-through shares for tax-related amounts that may become due as a result of the Company not meeting its obligations under the flowthrough subscription agreements.

#### **11. Loan Payable**

On May 7, 2020, the Company was approved for a \$40,000 non-interest bearing bank loan under the Canadian Emergency Business Assistance ("CEBA") program funded by the Government of Canada. The CEBA loan may be repaid at any time without notice or penalty. Up to 25% of the loan may be forgiven if 75% of the CEBA loan is repaid by December 31, 2023. In addition, the loan is not subject to any interest charges if repaid prior to December 31, 2023. As at March 31, 2023, the Company has not made any repayments of the loan.

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## **Pelangio Exploration Inc.**

### **Notes to the Unaudited Condensed Interim Consolidated Financial Statements**

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#### **12. Capital management**

The capital of the Company consists of common shares, treasury shares, warrants and options. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of its exploration and evaluation assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, seek debt financing, or acquire or dispose of assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no significant changes in the risks, objectives, policies and procedures in 2023 or 2022.

The Company's capital management objectives, policies and processes have remained unchanged during the three-months ended March 31, 2023 as well as the years ended December 31, 2022 and 2021. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As at March 31, 2023 and December 31, 2022, the management of the Company assessed that it is compliant with Policy 2.5.

#### **13. Financial risk factors**

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

##### **Credit risk**

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

##### **Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2023, the Company had a cash balance of \$397,435 (December 31, 2022 - \$603,638) to settle current liabilities of \$544,570 (December 31, 2022 - \$607,123). The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The company's loan repayable is described in Note 11.

Of the accounts payable and accrued liabilities as at March 31, 2023, \$212,500 (December 31, 2022 - \$212,500) is accrued wages to the Company's president. This amount is unsecured, non-interest bearing and is due on demand.

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# Pelangio Exploration Inc.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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### 13. Financial risk factors (continued)

#### Interest rate risk

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

#### Price risk

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

#### Fair value of financial instruments

IFRS require 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 judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

As at March 31, 2023 and December 31, 2022, the carrying and fair value amounts of the Company's financial instruments, other than marketable securities 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 and loan repayable 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 of the annual consolidated financial statements.

The following tables illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at March 31, 2023.

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#### 13. Financial risk factors (continued)

Investments, fair value	Level 1	Level 2	Level 3	Total
	(Quoted Market price)	(Valuation technique - observable market inputs)	(Valuation technique - non-observable market inputs)	
Publicly traded investments	112,341	-	-	112,341
Private investment	-	-	193,495	193,495
<b>March 31, 2023</b>	<b>112,341</b>	<b>-</b>	<b>193,495</b>	<b>305,836</b>

#### Fair value of financial instruments

Within Level 3, the Company includes private company investments that are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies. The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at March 31, 2023.

Description	Fair value (\$)	Valuation technique	Significant unobservable input(s)	Range of significant unobservable input(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 March 31, 2023. As at March 31, 2023, 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.



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# Pelangio Exploration Inc.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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### 13. Financial risk factors (continued)

The sensitivity analysis is intended to reflect the significant uncertainty inherent in the valuation of private investments under current market conditions, and the results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the estimated fair value of these investments. Furthermore, the analysis does not indicate a probability of changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

#### Market Risk

##### Commodity price risk

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

##### Foreign exchange risk

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

##### Sensitivity analysis

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

As at March 31, 2023, the Company held approximately \$55,370 (December 31, 2022 -\$6,500) of cash balances denominated in US dollars. As at March 31, 2023, the Company had accounts payable and accrued liabilities denominated in US dollars of \$17,376 (December 31, 2022 - \$17,886). A 10% change in the value of the Canadian dollar compared to the other foreign currencies in which the Company transacts would result in a corresponding foreign exchange gain/loss of approximately \$3,800 based on the balance of monetary assets and liabilities at March 31, 2023 (December 31, 2022 - \$1,000).

### 14. Subsequent events

#### (a) Warrant extension

On May 5, 2023, the TSX Venture approved the extension of 9,420,000 warrants initially set to expire on May 19, 2023, to December 3, 2024. In connection with the extension of the warrants, the warrants are also deemed to have been amended to include an acceleration provision whereby, if at any time following May 19, 2023, the volume weighted average price of the Company's common shares is equal to or greater than \$0.30 for a period of 15 consecutive trading days, the Company may accelerate the expiry date of the warrants by disseminating a press release, and in such case the warrants will expire at 5:00 p.m. on the 20<sup>th</sup> day after the date of which such press release is disseminated.

#### (b) Warrant extension

On April 1, 2023, the Company granting BNT a2% NSR on its Dankran property.

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