



PELANGIO EXPLORATION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS Form 51-102F1

For the Three Months Ended March 31, 2023

May 26, 2023

**PELANGIO EXPLORATION INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MAY 31, 2023**

This Management's discussion and analysis ("MD&A") of the consolidated operating results and financial condition of Pelangio Exploration Inc. (the "Company", "Pelangio", "us", "we", "our" or similar terms) for the three months ended May 31, 2023, has been prepared based on information available to Pelangio as of May 26, 2023, and should be read in conjunction with the audited consolidated financial statements and the related notes for the year ended December 31, 2022 and the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2023. This MD&A is dated May 26, 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 Q1 2023

- Continued 1,000 Meter Diamond Drilling Program at Manfo, Ghana

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

	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
	\$	\$	\$	\$
Net (loss)	(239,598)	(318,198)	(307,021)	(327,820)
Net (loss) per share				
- Basic	(0.00)	(0.00)	(0.00)	(0.00)
- Diluted	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	720,368	1,027,779	492,417	781,901

For the three-month period ended

	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
	\$	\$	\$	\$
Net (loss)	(408,808)	(648,907)	(441,324)	(901,552)
Net (loss) per share				
- Basic	(0.01)	(0.01)	(0.01)	(0.01)
- Diluted	(0.01)	(0.01)	(0.01)	(0.01)
Total assets	1,057,857	1,226,431	1,329,032	1,742,733

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

RESULTS OF OPERATIONS

Three months ended March 31, 2023

The following table outlines the significant increases (decreases) experienced by the Company in the three months ended March 31, 2023 compared with the three months ended March 31, 2022.

For the three months ended March 31

	2023	2022	Increase (Decrease)
	\$	\$	\$
Consulting services	63,694	50,435	13,259
Exploration and evaluation expenses	16,207	479,530	(463,323)
Investor relations and promotion	5,954	69,235	(63,281)
Professional fees	33,318	59,185	(25,867)
Share-based payments	34,740	60,112	(25,372)

- Consulting services has increased by \$13,259 compared to the same period in 2022. The reason for the increase is due to the increase in CFO fees of \$10,165 in Q1 2023 compared to Q1 2022. In Q1 2023 the company engaged a consulting firm to update its internal technical reports, while there were no such expenditures incurred in 2022. Finally, in Q1 2022 the company incurred consulting fees for market support, while no such fees were incurred in Q1 2023;
- Exploration and evaluation expenses decreased by \$463,323 compared to the same period in 2022. Exploration programs are based on the timing and results of the previous program as well as managements overall expectations for the Company. As a result, exploration expenditures in one period are not reflective of expected expenditures in the next or comparative period;

- *Investor relations decreased by \$25,867 compared to the same period in 2022. In Q1 2023 management had suspended the majority of investor relation activity to conserve funds, while in Q1 2022 the Company was closing a private placement and had engaged service providers to assist in raising funds for the company;*
- *Professional fees increased due to decreased bookkeeping and accounting costs which is partially offset by an increase in legal costs relating to legal claims in Ghana (refer to Note 10 of the Financial Statements);*
- *Share-based payments, representing the Black-Scholes value of options vested in the period.*

Financing

There were no equity financings during the three months ended March 31, 2023.

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.

Exploration and evaluation activities

Our expenditures in Ghana on exploration activities during the three months ended March 31, 2023 totaled \$12,877.

The significant components of costs were as follows:

	Manfo	Obuasi
	\$	\$
Geologists	8,764	-
Logistics	3,937	129
Other	47	-
Total:	12,748	129

Our expenditures in Canada on exploration activities during the three months ended March 31, 2023 totaled \$3,330. There were no significant exploration expenditures incurred in Q1 2023.

Exclusive of exploration and evaluation expenses, general and administrative cash costs for the three months ended March 31, 2023 totaled \$167,518 (\$268,753 – 2022).

Working Capital

As at March 31, 2023, Pelangio has working capital of \$168,704 compared to working capital of \$413,039 at December 31, 2022.

CAPITAL RESOURCES

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

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

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS BETWEEN RELATED PARTIES

The March 31, 2023, unaudited condensed interim consolidated financial statements include the financial statements of the Company and its subsidiaries.

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

Three months ended March 31		
	2023	2022
	\$	\$
With a corporation whose President is an officer of the Company		
Exploration and evaluation expenses (Senior V.P. Exploration)	6,601	12,977
Consulting services (Senior V.P. Exploration)	5,140	6,471
Exploration and evaluation expenses (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:

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

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, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded.

A detailed summary of the Company's significant accounting policies is included in Note 3 of the Consolidated Financial Statements for years ended December 31, 2022 and 2021

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 Ghana, West Africa and secondary assets within prolific gold belts in Ontario and Saskatchewan, Canada.

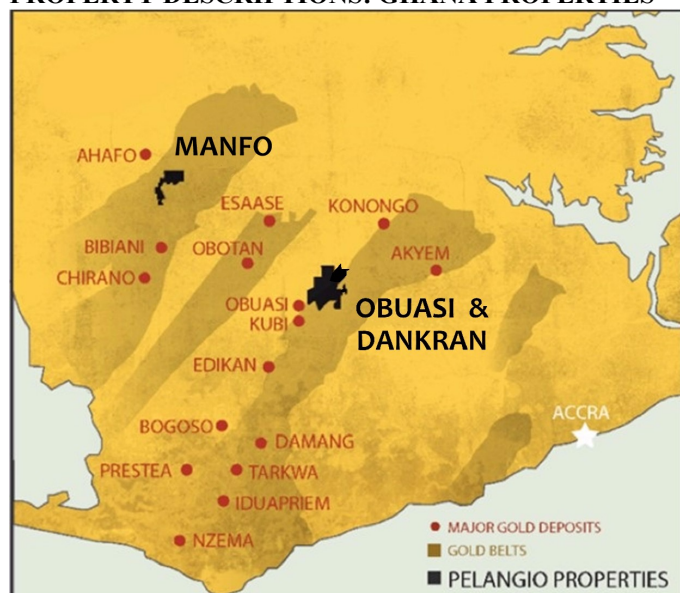
With the Company's most significant assets in Ghana, the primary focus of Pelangio is to continue its exploration programs in Ghana. In regards to the Canadian assets, Pelangio will continue exploration to the point in which it can find a partner to buy, joint venture or option into the properties.

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 Hrabí, P. Geo. (APGO #1723), under the supervision of Glen Cole, P. Geo. (APGO #1416) of SRK Consulting (Canada) Inc. ("SRK"). Ms. El-Rassi, Mr. Hrabí and Mr. Cole, are independent qualified persons as this is defined in National Instrument 43-101. Mr. Hrabí inspected the Manfo gold project from May 15 to 22, 2012.

PROPERTY DESCRIPTIONS: GHANA PROPERTIES



MANFO

In 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 (“km²”) and is located in the Ahafo Ano North district of the Ashanti region of Ghana, approximately 36 kilometers (“km”) southwest of Tapa, 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. On April 25, 2023, the Company received a response from its application of legal search on mining concessions legally/beneficially held by Pelangio’s Ghana subsidiaries from the Ghana Minerals Commission. While the letters stated that the renewal for the Twabidi concession was still pending it further stated that as of the date of the letter, the Commission was unaware of any pending or outstanding issues that would impede the extension of the term of the Twabidi concession.

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 mineralization’s.

On June 21, 2013, prior to publication of the 2019 Canadian Institute of Mining Metallurgy and Petroleum (“CIM”) *Estimation of Mineral Resources and Reserves Best Practices Guidelines*, the Company filed on SEDAR its report entitled *Mineral Resource Evaluation Technical Report, Manfo Gold Project, Ghana. (the “Manfo Initial Resource Evaluation”)*. Mineral resources were estimated in conformity with the then generally accepted CIM *Estimation of Mineral Resource and Reserves Best Practices Guidelines* and were 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 Hrabí, P. Geo. (APGO #1723) under the supervision of Glen Cole, P.Geo. (APGO#1416) of SRK. Ms. El-Rassi, Mr. Hrabí and Mr. Cole, who are independent qualified persons as this is defined in National Instrument 43-101. Mr. Hrabí inspected the Manfo gold project from May 15 to 22, 201

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

Category	Cut-off (Au g/t)	Indicated			Inferred		
		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 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.

The 43-101 Mineral Resource Evaluation Technical Report is available under Pelangio's profile on www.sedar.com.

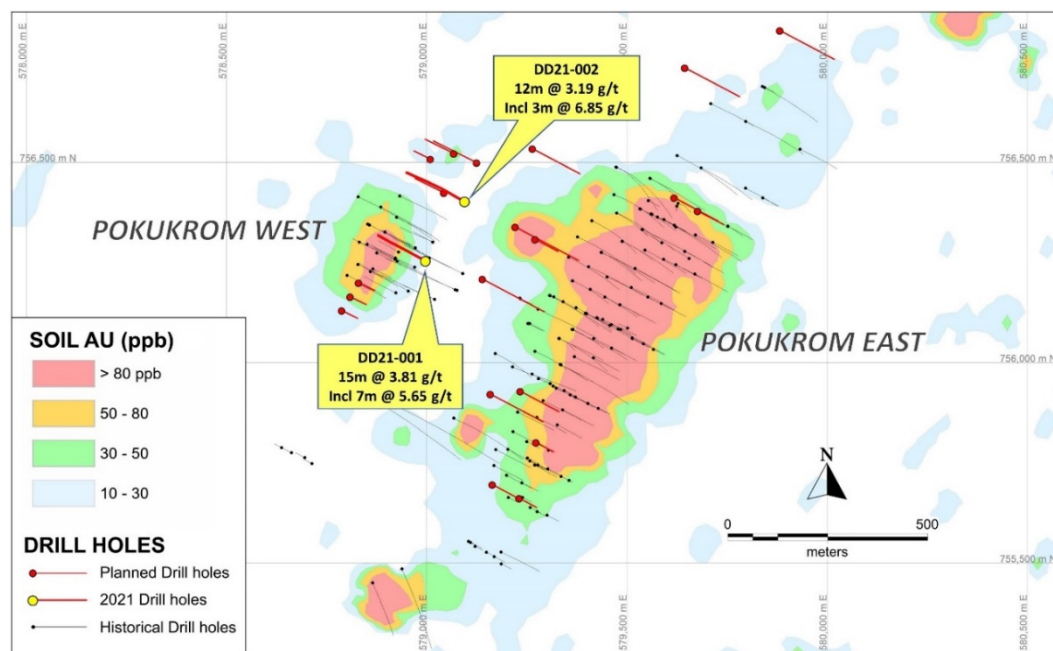
Outlook for the Manfo Property

Exploration drilling programs have been designed for the Manfo Project with the intent of demonstrating extensions to the known deposits which could yield resource additions with further drilling and to make new discoveries which could develop into satellite deposits with further drilling. Approximately 3,500 meters of diamond drilling has been planned for the Pokukrom East and West deposits to test open-ended gold mineralization down-dip and down-plunge plus test adjacent undrilled soil anomalism, and approximately 7,000 meters of air-core drilling has been designed to test multiple exploration targets for potential mineralization.

These drilling programs were commenced in late 2021 with the drilling of two diamond drill holes at the Poku West deposit. The two holes totaling 383.2 meters were drilled to gain a better understanding of the structural controls to the mineralization and to test for an extension of the Poku West mineralization down-plunge. Hole DD21-001 drilled near the centre of the deposit 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 deposit and 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-ended further down-plunge and along strike to the north.

In late Q1, 2023, Pelangio commenced the next phase of the exploration drill program with 1,000 meters of diamond drilling planned for this campaign. The program will test several higher priority targets around the Pokukrom East and West deposits including on strike and down dip tests of apparently open-ended mineralized zones plus a test of a strong soil and auger drill hole anomaly situated between the Pokukrom East and West deposits. As at the date of this MD&A this drilling program is approximately 50% complete and the Company has not yet received any drill assays.

Planned Drilling at the Pokukrom East and Pokukrom West Deposits



OBUASI PROPERTY

The Obuasi property consists of the Kyereboso 2, Kyereboso 3, Meduma and Adokwae concessions totaling 284 km². The Meduma concession is in good standing until January 26, 2023. The remaining three concession renewal applications are pending, and such renewals or extensions are not assured. The Obuasi property was acquired pursuant to option agreements (the "Obuasi Agreements"), with two private Ghanaian corporations and is located contiguous with AngloGold Ashanti's giant Obuasi gold mine within the prolific 300 km long Ashanti Gold Belt in southwest Ghana, West Africa. The Meduma concession lapsed on January 26, 2023, in April 2023, the Company put in a renewal letter to the Ghana Minerals Commission to extend the Meduma license, the Company does not foresee any issues with obtaining a renewal of the Meduma license. On April 25, 2023, the Company received a response from its application of legal search on mining concessions legally/beneficially held by Pelangio's Ghana subsidiaries from the Ghana Minerals Commission. While the

letters stated that the renewal for the Adokwae license was still pending it further stated that as of the date of the letter, the Commission was unaware of any pending or outstanding issues that would impede the extension of the term of the Adokwae license. The Kyereboso #2 and Kyereboso #3 renewal applications are pending and such renewals are not assured. On November 4, 2015, the Accra High Court granted the application for interlocutory injunction. As at the date of this MD&A the Accra High Court has not yet issued a ruling.

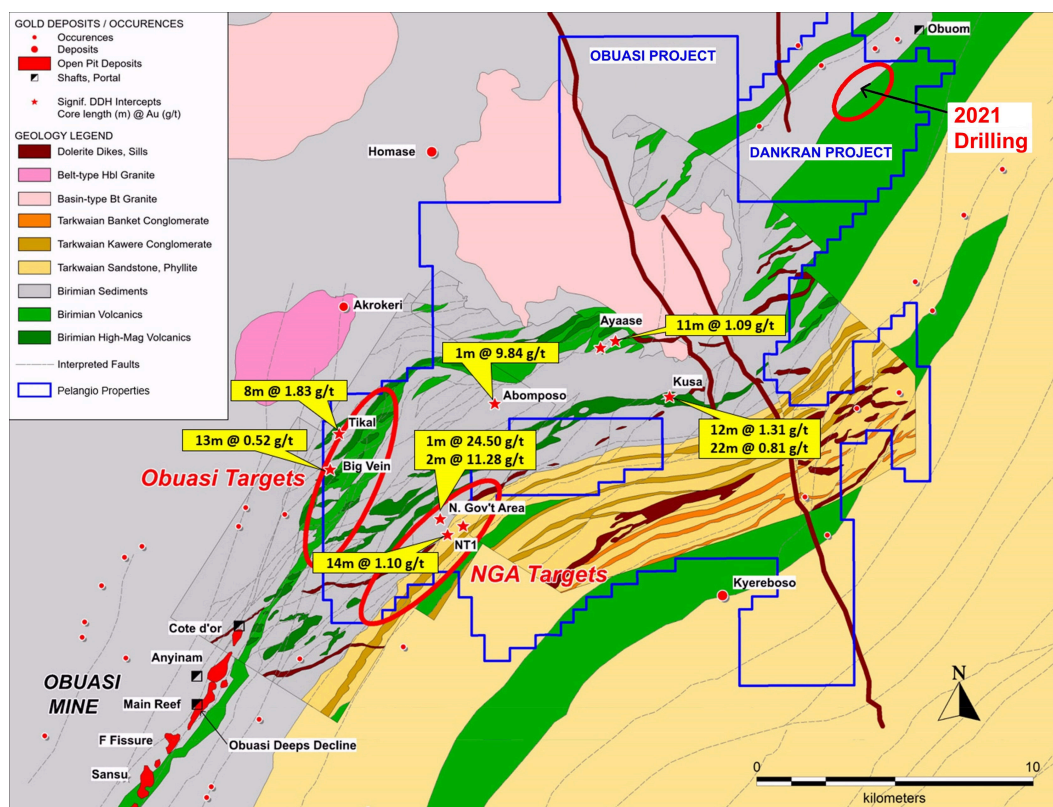
Pelangio now holds a 100% interest in the Obuasi Property (subject to the Government Interest as defined above, and subject to a 2% NSR to the Optionors). The Obuasi Agreements are available under Pelangio's profile on www.sedar.com.

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, which is the current priority for the Company in Ghana. Until the results of the Manfo drill program are received or additional funding is available, and the injunction affecting the Kyereboso licenses has been resolved, the Company does not intend to carry out any significant fieldwork on the Obuasi property.

Obuasi Property Map

Obuasi and NGA targets and significant drill hole intercepts 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 km² contiguous to the northeastern corner of Pelangio's Obuasi project extending over 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 and is adjacent to the historical Obuom mine which in the 1930's produced 29,000 ounces at an average grade of 16 g/t Au. Recent extensive small-scale artisanal mining activity evident around the old mine extends into the Dankran property along geologically favourable horizons. Limited exploration to date on the property offers Pelangio an excellent opportunity for early discovery. The Subriso-Kokotro concession is in good standing until November 11, 2023.

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 schedule below. As at the date of the MD&A the Company has satisfied all of the cash payments and share issuances as required in the option agreement. The Company is in the process of completing the final outstanding criteria which is the granting of a 2% NSR to BNT. Once Granted the option agreement will be completely satisfied and Pelangio will be the 100% owner of the Dankran property.

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. (paid and issued)
\$300,000	1,000,000	

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.

Dankran Exploration Results

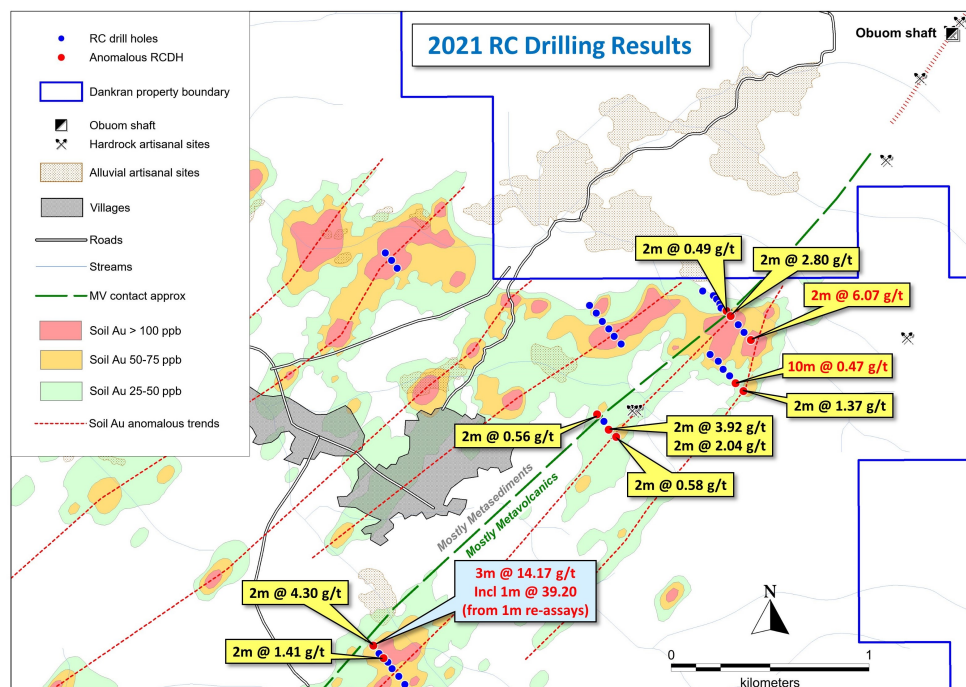
Following signing of the option agreement on Dankran in late 2020, a soil sampling campaign was undertaken which by April of 2021 delineated several strong Au in soil anomalies along and near to the principal Obuasi-Obuom sedimentary-volcanic contact. A maiden exploration Reverse Circulation drilling program was conducted in May and June of 2021 to test several of the anomalies with 36 shallow holes drilled for a total of 2,491 meters. The drilling program was successful in identifying possibly several zones of mineralization along approximately 2.5 kilometers of strike with drill highlights including 0.47 g/t Au over 10 meters, 6.07 g/t Au over 2 meters plus 14.17 g/t over 3 meters (uncut) including 39.20 g/t Au over 1 meter.

Outlook for the Dankran Property

The exploration drilling program conducted at Dankran was relatively cursory being wide-spaced and shallow depth. Given the encouraging results, further drilling of the principal target is warranted. Continued drill testing will include infill reverse circulation drill fences to better evaluate potential along the 2.5-kilometer-long target plus diamond drilling to probe the stronger mineralization at depth and provide geological and structural data to assist further drill targeting. Refer to the following figure.

With Pelangio's exploration priority in Ghana currently being drilling on the Manfo Project, the Company does not intend to conduct any significant field work or drilling programs on the Dankran property over the near term.

Reverse Circulation Drilling Results on the Dankran Property



CANADIAN PROPERTIES

All 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.

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.

Grenfell 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 6.7km². The 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.

DOME WEST PROPERTY, TIMMINS GOLD CAMP

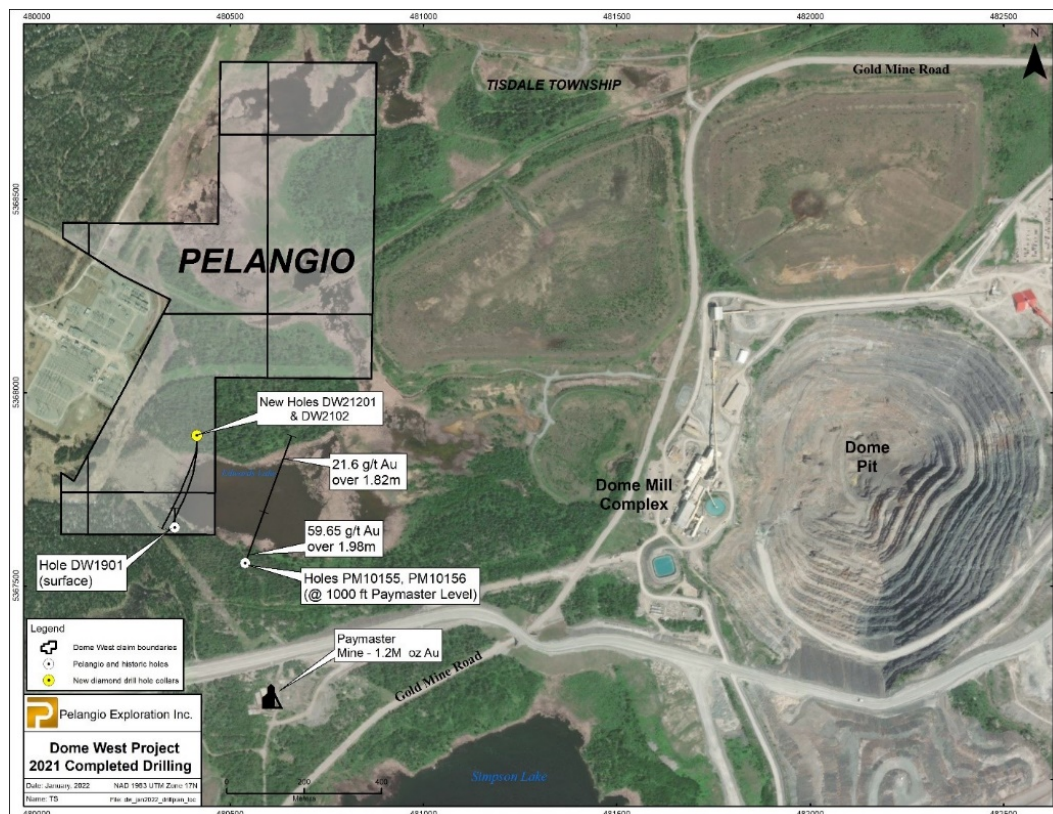
The Dome West property is a prospective property for Pelangio. In 2021, the Company continued with the option agreement to acquire a 100% interest in the Dome West property located in Tisdale Township, Timmins, Ontario, from Mr. Francois Desrosiers and 6398651 Canada Inc. The Dome West property comprises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

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 drill 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 km² 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 possibly similar to that found at the Kidd Creek Mine.

Exploration Activities:

During 2021 Pelangio conducted several geophysics surveys on the Gowan property including limited mise-a-la-masse survey of historical drilling, a VTEM Plus airborne survey flown by Geotech Ltd. followed by a ground induced polarization (IP) survey. The VTEM survey identified a significant electromagnetic anomaly which was 'fine-tuned' by the IP survey for targeting drill testing. Two prominent IP chargeability anomalies were identified; one in the northeastern part of the property associated with historical drill holes anomalous in copper, zinc and silver believed to represent a VMS-type target, and the other associated with the VTEM anomaly on the south and believed to possibly represent a disseminated nickel-copper type target. Limited drill testing of the IP targets was conducted in the first quarter of 2022 with the assays received in May of 2022. Three holes were drilled on the northern IP (VMS) target and one drilled on the southern IP/VTEM target for a total of 1,035 meters drilled. The assay results were weak returning anomalous copper and zinc values over narrow widths. While several geophysical targets remain untested on the Gowan property, there are no immediate plans for continued work at Gowan.

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

BIRCH LAKE PROPERTY, RED LAKE DISTRICT, ONTARIO

The Company owns a 100% interest in a total land package of 3,400 hectares (34 km²) 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 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 below), located approximately 120 km northeast of Red Lake, Ontario.

Agreement Terms:

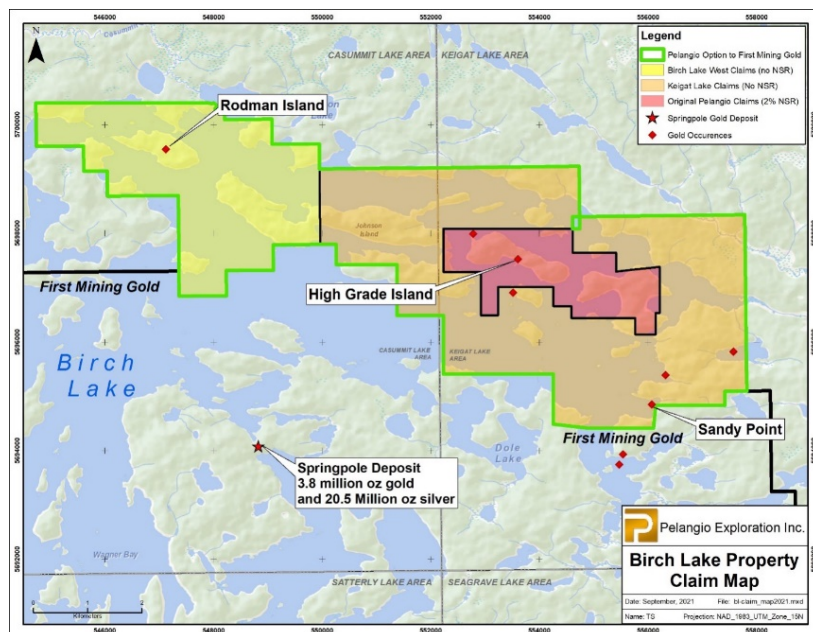
Pursuant to the earn-in agreement among Pelangio, First Mining and Gold Canyon, Gold Canyon may earn an initial 51% interest in the Birch Lake Project by paying Pelangio a total of \$350,000 in cash, issuing to Pelangio 1,300,000 First Mining shares and completing \$1,750,000 in exploration expenditures, 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. To date, there have been no results released from First Mining’s work on the Birch Lake property.

Birch Lake Property 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.

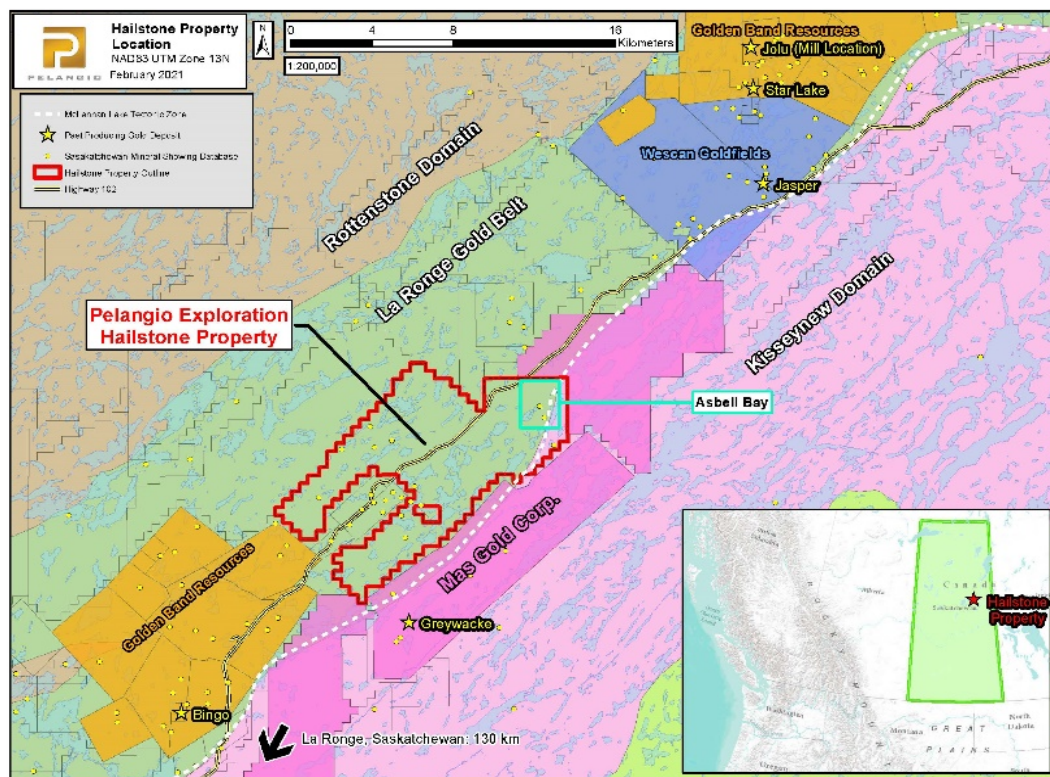
Hailstone Property Overview

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.

Exploration Activities:

Prospecting confirmed the presence of gold and base metal occurrences in the Asbell Bay target area at the northern end of the Hailstone property 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 by Pelangio 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 km² property. Additional exploration and target development programs are being considered to explore the greater property area, however field work is not expected to be undertaken this year.

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").

KENOGAMING PROPERTY, TIMMINS, ONTARIO

During the second quarter of 2022 Pelangio purchased a 100% interest in the highly prospective, 178 hectare gold, silver, zinc polymetallic property in Kenogaming Township, located approximately 63 km (see Figure 1) southwest of the City of Timmins, Ontario. The property covers 800 meters of strike of an up to 300 meter wide strongly pyritized corridor of highly altered felsic rocks that are geochemically enriched in gold and zinc. Drilling by previous explorers from the 1950's to the 1990's returned significant gold and base metal mineralization with diamond drilling highlights including 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 with little drilling below 150 meters and roughly half of the strike of the target zone untested by drilling.

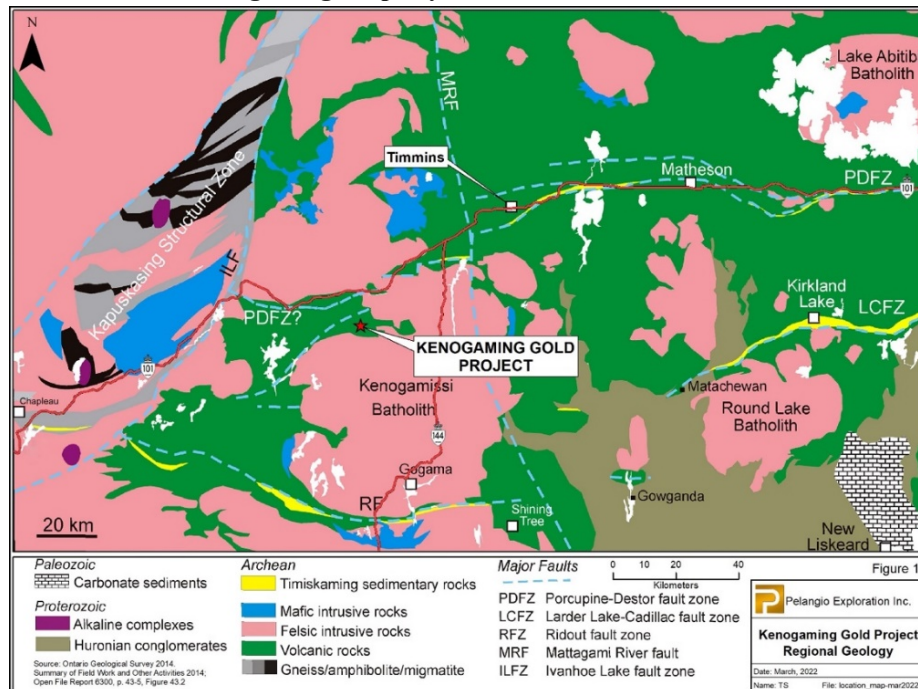
Agreement Terms:

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.

Outlook for the Kenogaming Property

Drilling to date on the Kenogaming property has been relatively shallow and has only tested approximately half of the strike of the principal target horizon. An initial 1,000 meter diamond drilling program has been designed to test more of the strike plus down-dip extensions to the mineralization and limited field work was conducted on the property in the summer of 2022 to scout out access for a drill program to be conducted when funding is available.

Location of the Kenogaming Property



ADDITIONAL CANADIAN PROPERTIES

- Mann Property**
 The Mann property is located in Mann Township 50 km northeast of the City of Timmins and covers an area of approximately 2km². 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 SSD Capital. Subsequently, 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 (GhC), 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

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.

Laws

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. Refer to the Litigation risk for contingencies related to legal claims.

FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments relate to liquidity risk. Management does not consider credit risk, interest rate risk and price risk to have significant impact on the Company operations currently. There have been no significant changes in the risks, objectives, policies and procedures from the previous period.

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 10 to the consolidated financial statements.

FAIR VALUE OF FINANCIAL INSTRUMENTS

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

As at March 31, 2023 and December 31, 2022, 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.

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

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

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 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.

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.

OUTSTANDING SHARE DATA *(As at May 26, 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 6,951,250 exercisable for common shares at prices ranging from \$0.05 per share to \$0.32 per share; and
- Warrants outstanding totaling 58,334,908 exercisable for common shares at prices ranging from \$0.05 per share to \$0.20 per share.

SUBSEQUENT EVENTS

- 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 20th day after the date of which such press release is disseminated.

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.