Pelangio Exploration Inc.

Unaudited Condensed Interim Consolidated Financial Statements

June 30, 2024

Pelangio Exploration Inc.

Unaudited Condensed Interim Consolidated Financial Statements

June 30, 2024 **Page**

Notice of Non-Review of Consolidated Interim Financial Statements

The attached condensed interim consolidated financial statements for the three and six month period ended June 30, 2024, have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

Pelangio Exploration Inc.

Unaudited interim condensed Consolidated Balance Sheets

Expressed in Canadian Dollars

	June 30, 2024	December 31, 2023
	$	$
Assets		
Current:		
Cash	172,752	234,350
Amounts receivable	8,127	7,994
Prepaid expenses	15,966	15,550
Investments, *note 5*	195,489	239,543
Total assets	**392,334**	**497,437**
Liabilities		
Current:		
Accounts payable and accrued liabilities, *note 10 & 11*	894,356	970,338
Legal settlement payable, *note 11*	57,374	119,509
Loans repayable, *note 7*	-	40,000
Total Liabilities	**951,730**	**1,129,847**
Shareholders' Equity (Deficiency)		
Issued capital, *note 8*	59,847,271	59,595,030
Equity reserves, *note 9*	2,200,649	1,987,784
Deficit	(62,607,316)	(62,215,224)
Total (Deficiency) Equity	(559,396)	(632,410)
Total Liabilities and Shareholders' (Deficiency) Equity	**392,334**	**497,437**

Nature of operations and going concern, note 1

Commitments and contingencies, note 11

Subsequent events, note 14

See accompanying notes to the unudited interim condensed consolidated financial statements

Approved on behalf of the Board:

"Ingrid Hibbard" Director

"JC St-Amour" Director

Pelangio Exploration Inc.

Unaudited Interim Condensed Consolidated Statements of Operations and Comprehensive Loss

Expressed in Canadian Dollars

	Three months ended		Six months ended	
	June 30, 2024	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
	$	**$**	**$**	**$**
Expenses:				
Salaries and employee benefits, *note 10*	20,198	23,608	40,395	49,698
Consulting services, *note 10*	33,540	18,915	38,812	82,609
Exploration and evaluation expenses, *note 6*	162,843	478,534	182,954	494,741
Foreign exchange (gain) loss	53,339	(26,524)	36,167	(24,312)
Insurance	4,606	9,131	10,550	17,535
Investor relations	(661)	8,690	10,897	14,644
Office and general	6,548	15,331	14,667	38,228
Professional fees, *note 10*	32,742	95,037	70,492	128,355
Share-based payments, *note 9*	-	15,815	3,946	50,555
Transfer agent and filing fees	33,367	5,837	47,790	12,998
Amortization	-	854	-	1,377
Total Expenses	**346,522**	**645,228**	**456,670**	**866,428**
Loss before other items	**(346,522)**	**(645,228)**	**(456,670)**	**(866,428)**
Other gains and losses				
Interest and dividend income	141	553	160	2,630
Other income, *note 7*	-	-	10,000	-
Interest expense	(426)	-	(996)	-
Expense recovery	-	259,334	-	259,334
Realized loss on disposal of investments, note 5	-	-	(12,682)	-
Unrealized loss on investments, *note 5*	90,535	50,929	42,256	30,454
	90,250	**310,816**	**38,738**	**292,418**
Net loss and comprehensive loss for the period	**(256,272)**	**(334,412)**	**(417,932)**	**(574,010)**
Net loss per common share:				
- basic	(0.00)	(0.00)	(0.00)	(0.01)
- diluted	(0.00)	(0.00)	(0.00)	(0.01)
Weighted average number of common shares outstanding:				
- basic	**150,912,966**	**109,321,173**	**137,554,359**	**109,321,173**
- diluted	**150,912,966**	**109,321,173**	**137,554,359**	**109,321,173**

See accompanying notes to the unaudited interim condensed consolidated financial statements

Pelangio Exploration Inc.

Unaudited Interim Condensed Consolidated Statements of Changes in Equity (Deficiency)

Expressed in Canadian Dollars

	Shares #	Share Capital $	Equity reserves $	Deficit $	Total equity (deficiency) $
December 31, 2022	109,321,173	59,403,667	2,365,846	(61,388,857)	380,656
Share based payments	-	-	50,555	-	50,555
Expiry of options			(119,301)	119,301	-
Loss for the six months	-	-	-	(574,010)	(574,010)
June 30, 2023	**109,321,173**	**59,403,667**	**2,297,100**	**(61,843,566)**	**(142,799)**
Non-brokered private placement, net of issuance costs	11,719,999	340,180	-	-	340,180
Valuation of warrants issued in private placement	-	(158,817)	158,817	-	-
Shares issued for legal settlement	285,715	10,000	-	-	10,000
Share based payments (recovery)	-	-	(26,008)	-	(26,008)
Expiry of options	-	-	(140,250)	140,250	-
Expiry of warrants	-	-	(301,875)	301,875	-
Loss for the six months	-	-	-	(813,783)	(813,783)
December 31, 2023	**121,326,887**	**59,595,030**	**1,987,784**	**(62,215,224)**	**(632,410)**
Share based payments, *note 9*	-	-	3,946	-	3,946
Non-brokered private placement, net of issuance costs, *note 8*	33,333,332	477,000	-	-	477,000
Valuation of warrants issued in private placement	-	(234,759)	234,759	-	-
Shares issued for legal settlement, *note 8*	500,000	10,000	-	-	10,000
Expiry of options	-	-	(25,840)	25,840	-
Loss for six months	-	-	-	(417,932)	(417,932)
June 30, 2024	**155,160,219**	**59,847,271**	**2,200,649**	**(62,607,316)**	**(559,396)**

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

Pelangio Exploration Inc.

Unaudited Inrerim Condensed Consolidated Statements of Cash Flows

Expressed in Canadian dollars

	For the three months ended		For the six months ended	
	June 30, 2024	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
	$	**$**	**$**	**$**
Cash was provided by (used in):				
Operating activities:				
Net loss for the period	(256,272)	(334,412)	(417,932)	(574,010)
Items not affecting cash:				
Realized loss on disposal of investments, *note 5*	-	-	12,682	-
Unrealized loss on marketable securities, *note 5*	(90,535)	(50,929)	(42,256)	(30,454)
Other income	-	-	(10,000)	-
Amortization	-	854	-	1,377
Share-based payments, *note 9*	-	15,815	3,946	50,555
	(346,807)	**(368,672)**	**(453,560)**	**(552,532)**
Cash was provided by (used to finance) changes in the following working capital items:				
Amounts receivable	5,421	(173,918)	(133)	(94,088)
Prepaid expenses	(6,360)	(29,007)	(416)	(28,628)
Accounts payable and accrued liabilities	22,632	274,939	(74,566)	172,387
Legal settlement payable, net of debt settled in shares	(26,351)	-	(52,135)	-
Net change in non-cash working capital	(4,658)	72,014	(127,250)	49,671
Net cash used in operating activities	**(351,465)**	**(296,658)**	**(580,810)**	**(502,861)**
Investing activities:				
Proceeds from disposal of marketable securities, *note 5*	-	-	73,208	-
Net cash provided by investing activities	**-**	**-**	**73,208**	**-**
Financing activities:				
Loan from related party, *note 7*	570	-	60,000	-
Repayment of related party loan and interest, *note 7*	(60,996)	-	(60,996)	-
Repayment of CEBA loan, *note 7*	-	-	(30,000)	-
Non-brokered private placement, *note 8*	386,500	-	500,000	-
Cash - share issue costs	(22,500)	-	(23,000)	-
Net cash provided by financing activities	**303,574**	**-**	**446,004**	**-**
Change in cash	**(47,891)**	**(296,658)**	**(61,598)**	**(502,861)**
Cash, beginning of period	220,643	397,435	234,350	603,638
Cash, end of period	**172,752**	**100,777**	**172,752**	**100,777**
Supplemental information:				
Finders' warrants issued, *note 8*	1,500,000	-	1,533,333	-

See accompanying notes to the unaudited interim condensed consolidated financial statements

1. Nature of operations and going concern

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

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of amounts expended on exploration and evaluation activities is dependant upon a discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such properties at a profit. The Company may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation, currency exchange fluctuations and restrictions and political uncertainty.

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

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

The Company had a net loss of $256,272 (June 30, 2023 - $334,412) and $417,932 (June 30, 2023 - $574,010) for the three and six months ended June 30, 2024, and had an accumulated deficit of $62,607,316 (December 31, 2023 - $62,215,224) and working capital deficit of $559,396 (December 31, 2023 – $632,410) as at June 30, 2024. These conditions indicate the existence of material uncertainties that cast significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on the Company being able to satisfy its liabilities as they become due, the Company being able to obtain the necessary financing to complete the development of its mineral properties, the attainment of profitable mining operations, and, or the receipt of proceeds from the disposition of its mineral properties. The outcome of these matters cannot be predicted at this time. There is no assurance that funds will be available on terms acceptable to the Company or at all. These consolidated financial statements do not include any adjustments to the carrying values and classification of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its liabilities in anything other than the ordinary course of operations. Such adjustments could be material.

2. Basis of presentation

(a) Statement of Compliance with International Financial Reporting Standards

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

(b) Basis of preparation

These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis.

These unaudited condensed interim consolidated financial statements do not include all note disclosures required by IFRS for annual financial statements. The same accounting policies and methods of computation were followed in the preparation of these condensed interim consolidated financial statements as were followed in the preparation and described in Note 3 of the annual consolidated financial statements as at and for the year ended December 31, 2023. Accordingly, these condensed interim consolidated financial statements for the three and six month periods ended June 30, 2024 and 2023 should be read together with the annual consolidated financial statements as at and for the year ended December 31, 2023.

In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three and six month period ended June 30, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

These consolidated financial statements were authorized for issuance by the Board of Directors on August 6, 2024.

<u>Current accounting changes</u>

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2024 or later. This includes IAS1 and IAS8. These new standards and changes did not have any material impact on the Company's financial statements. Updates that are not applicable or are not consequential to the Company have been excluded.

3. Significant accounting policies

Currency translation

The functional and reporting currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in profit or loss.

Basis of Consolidation

These unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All material intercompany transactions and balances are eliminated on consolidation. For partly owned subsidiaries, the interest attributable to non-controlling shareholders is reflected in non-controlling interest

Subsidiaries

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

The subsidiaries of the Company are as follows:

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

3. Significant accounting policies (continued)

Critical judgments and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

1) Assets' carrying values and impairment charges. In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

2) Mineral reserve estimates. The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operations.

3) Estimation of closure and reclamation costs and the timing of expenditure. The cost estimates are updated annually during the life of a mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Closure, reclamation and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of closure, reclamation or similar liabilities that may occur upon closure of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

4) Income, value added, withholding and other taxes. The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and

3. Significant accounting policies (continued)

deferred income tax provisions in the period in which such determination is made.

5) Share-based payments. Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

6) Fair value of investment in securities not quoted in an active market. Where the fair value of financial assets and liabilities recorded on the consolidated balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. Refer to note 13 for further details.

7) Contingencies. Refer to note 11 for details on all contingencies.

4. Operating segments

Geographical information

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

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

In order to determine reportable operating segments, management reviews various factors. The Company operates in a single segment, that being the exploration and evaluation of mineral properties.

The Company maintains equipment in both geographical locations. The total value of the equipment in both operating segments as at June 30, 2024, and December 31, 2023 was immaterial.

(Expressed in Canadian dollars unless otherwise noted)

5. Investments

The Company holds shares in certain public and private companies in the mining industry. At June 30, 2024, these shares were fair valued and this resulted in an unrealized gain of $90,535 (June 30, 2023 – $50,929) and 42,256 (June 30, 2023 –$30,454) for the three and six months ended June 30, 2024, respectively. During the six months ended June 30, 2024, the Company sold certain marketable securities for net proceeds of $73,208 (June 30, 2023 - $nil) and realized a loss of $12,682 (June 30, 2023 - $nil) on the sale of the investments.

The following table summarizes information regarding the Company's public investments for the six months ended June 30, 2024, and the year ended December 31, 2023.

As at	June 30, 2024 $	December 31, 2023 $
Balance, beginning of the period	123,447	132,816
Acquisitions	-	30,000
Transfer from private investments	105,248	-
Disposals	(73,629)	-
Realized loss	(12,682)	-
Change in fair value	38,641	(39,369)
Balance, end of the period	**181,025**	**123,447**

On March 12, 2024, the TSX V provided Record Resources and Record Gold approval for the share exchange. The Company received 3,508,277 shares of Record Resources in exchange for the same number of shares the Company held in Record Gold. The company recorded the exchange of shares as an acquisition of public company shares of $105,248 and a disposition of private company shares of $105,248.

The following table summarizes information regarding the Company's private investments for the six months ended June 30, 2024, and the year ended December 31, 2023.

As at	June 30, 2024 $	December 31, 2023 $
Balance, beginning of the period	116,096	193,495
Disposals	(105,248)	-
Change in fair value	3,617	(77,399)
Balance, end of the period	**14,464**	**116,096**

Total marketable securities for the six months ended June 30, 2024, and the year ended December 31, 2023:

As at	June 30, 2024 $	December 31, 2023 $
Public investments (Note 13)	181,025	123,447
Private investments (Note 13)	14,464	116,096
Investments	**195,489**	**239,543**

(Expressed in Canadian dollars unless otherwise noted)

6. Exploration and evaluation expenses

Total exploration and evaluation expenditures for the three and six months ended June 30, 2024, was $162,843 (June 30, 2023 - $478,534) and $182,954 (June 30, 2023 - $494,741) respectively. As at June 30, 2024, total exploration expenditures include $10,308 (June 30, 2023 - $nil) of general exploration expenditures on potential properties which the Company does not have an ownership interest.

Ghana properties

As at June 30, 2024, the Company held three exploration and evaluation properties in Ghana. Exploration and evaluation expenditures for the Ghana properties for the three and six months ended June 30, 2024, and 2023 are as follows:

	Three months ended		**Six months ended**	
Property	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
	$	$	$	$
Manfo	52,852	389,093	65,793	401,841
Dankran	10,642	66,248	11,302	66,248
Obuasi	90,480	32,990	94,850	33,119
Total Ghanaian Exploration	**153,974**	**488,331**	**171,945**	**501,208**

Obuasi, Ghana

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

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

Manfo, Ghana

During 2011, the Company satisfied the terms of the three 2010 definitive option agreements in respect of the concessions comprising the Manfo Property pursuant to which the Company had an option to acquire a 100% interest (subject to a 5% royalty interest and a 10% interest held by the Ghanaian government and the right of the Ghanaian government to acquire a further 20% interest on mutually agreed terms) in each of the concessions. The Subriso, Twabidi and Sempekrom concessions are referred to as the Manfo Property. The Subriso, Twabidi, and Sempekrom concession renewals are pending and such renewal is not assured.

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

6. Exploration and evaluation expenses (continued)

The Company entered a review period, subject to certain financial conditions, with the optionor of the Manfo property regarding the NSR repurchase terms. As at June 30, 2024, the Company remains in the review period.

Dankran Property

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

On November 11, 2023, the Subriso-Kokotro concession had expired. The Company had requested that BNT apply for the renewal of this concession prior to the expire date. As at March 31, 2024, the renewal is pending and such renewal is not assured.

Canadian properties

As at June 30, 2024, the Company held two main exploration and evaluation properties and several minor exploration and evaluation properties in Canada. Exploration and evaluation expenditures for the Canada properties for the three and six months ended June 30, 2024, were $701 (June 30, 2023 – recovery $9,797) and $701 (June 30, 2023 – recovery $6,467), respectively.

Dome West Property

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

In March 2024, 6398651 Canada Inc. and François C. Desrosiers provided notice of default to Pelangio. It was unanimously agreed between all the parties that the option agreement would be terminated effective December 31, 2023.

Gowan Property

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

On January 20, 2022, the Company entered into a earn-in letter agreement with 11530313 Canada Inc. ("Privco"), whereby Privco can earn up to a 50% interest in the Gowan Property by making payments in aggregate of $500,000 over 18 months and completing $1,500,000 of exploration expenditures over 30 months. An option payment in the amount of $400,000 was received in the year ended December 31, 2022. During the year ended December 31, 2023, the Company did not receive an option payment. The Company and Privco are in currently in discussions in regards to the completion of the required exploration expenditures and timing of the next option payment.

6. Exploration and evaluation expenses (continued)

Grenfell Property

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

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

Kenogaming Property

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

Hailstone property

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

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

Birch Lake, Canada
Birch Lake consists of the following:

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

(ii) 100% interest in 10 unpatented mining claims in Keigat Lake and Casummit Lake Townships, Ontario.

Birch Lake West

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

Earn-in Agreement Birch Lake and Birch Lake West
On October 4, 2021, the Company entered into an earn-in agreement with First Mining Gold Corp. ("First Mining") and Gold Canyon Resources Inc. ("Gold Canyon"), a wholly owned subsidiary of First Mining, on Pelangio's Birch Lake and Birch Lake West properties. Gold Canyon may earn up to an 51% interest in the Birch Lake properties by incurring $1,750,000 ($250,000 in 2022 and $1,500,000 in 2025) of exploration expenditures, making $350,000 and issuing 1,300,000 First Mining shares as option payments to the Company.

Upon completion of the 51% earn-in, Gold Canyon has the right to earn a further 29% interest for a period of 2 years form the date of exercise of the 51% earn in right. Gold Canyon may earn the additional 29% earn-in by making an option payment $400,000 in cash or shares of First Mining (at First Mining's option) and incurring an additional $1,750,000 of exploration expenditures.

6. Exploration and evaluation expenses (continued)

On October 10, 2023, the Company amended the terms of the option agreement to extend the 51% earn-in by Gold Canyon from October 2025 to October 2028. The total shares to be issued by First mining as part of the 51% earn-in has been increased to 2,100,000 while the total cash payments have decreased to $220,000. On October 10, 2023, the Company received the third cash option payment of $10,000.

On October 19, 2023, the Company received 250,000 shares of First Mining. The Company recognized $30,000 option income based on the market value of the shares on the date received.

As at June 30, 2024, the Company received the first three option payments totaling $110,000 and 750,000 shares of First Mining.

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

7. Loans repayable

Canada Emergency Business Account Loan

On May 7, 2020, the Company was approved for a $40,000 non-interest bearing bank loan under the Canadian Emergency Business Assistance (“CEBA”) program funded by the Government of Canada. The CEBA loan may be repaid at any time without notice or penalty. Up to 25% of the loan may be forgiven if 75% of the CEBA loan is repaid by January 18, 2024. In addition, the loan is not subject to any interest charges if repaid prior to January 18, 2024.

On January 11, 2024, the Company made the required $30,000 repayment of the CEBA loan in order to qualify for the $10,000 debt forgiveness by the Government of Canada. The debt forgiveness was recorded as other income in the interim condensed consolidated statements of operations and comprehensive loss.

Director’s loans

On February 28, 2024, certain directors of the Company entered into unsecured loan agreements for an aggregate principal amount of $60,000 to cover short-term working capital needs. The loans carry a simple interest rate of 10.5% annually and matured on June 30, 2024.

On April 24, 2024, the Company repaid the $60,000 principal as well as interest of $996, which represents all accrued interest on the loans up to the date of settlement.

As at June 30, 2024, the Company incurred $996 (June 30, 2023 - $nil) interest expense and had aggregate loan payable of $nil (December 31, 2023 - $nil).

(Expressed in Canadian dollars unless otherwise noted)

8. Issued capital

(i) Authorized

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

(ii) Non-brokered private placements

Six months ended June 30, 2024

On March 28, 2024, the Company completed the first tranche of its non-brokered private placement financing. This tranche of 7,566,666 units at a price of $0.015 per unit for gross proceeds of $113,500 is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the company at a price of $0.05 per common share until March 28, 2029. The Company paid a finder's fee of $500 in cash and issued 33,333 finders' warrants. The finders' warrants have the same terms as the unit warrants.

Certain insiders of the Company participated in the private placement for an aggregate total of $85,500.

On April 16, 2024 the Company announced that it has closed the second and final tranche of a non-brokered private placement. This tranche of 25,766,666 units a price of $0.015 per unit for gross proceeds of gross proceeds of $386,500. Each warrant entitles the holder thereof to purchase one common share of the company at a price of $0.05 per common share until August 16, 2029. The Company paid a finder's fee of $22,500 in cash and issued 1,500,000 finders' warrants. The finders' warrants have the same terms as the unit warrants.

(iii) Shares issued for Obuasi Settlement (Note 11)

Six months ended June 30, 2024

On February 6, 2024, the Company issued 500,000 common shares to settle the second instalment of $10,000 to be paid in shares under the terms of the settlement agreement.

9. Equity reserves

The following is a continuity schedule for outstanding options and warrants as at June 30, 2024, and December 31, 2023:

	Number of Options	Weighted average Exercise Price ($)	Number of Warrants	Weighted average Exercise Price ($)
December 31, 2022	**7,682,500**	**0.13**	**58,334,907**	**0.15**
Granted	**-**	**-**	11,959,999	0.05
Forfeited/cancelled	(970,000)	0.14	-	-
Expired	(355,000)	0.20	(5,000,000)	(0.20)
December 31, 2023	**6,357,500**	**0.13**	**65,294,906**	**0.13**
Granted	-	-	34,866,665	0.05
Expired	(85,000)	0.32	-	-
June 30, 2024	**6,272,500**	**0.13**	**100,161,571**	**0.09**

(Expressed in Canadian dollars unless otherwise noted)

9. Equity reserves (continued)

Employee share option plan

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

The Company recorded share-based compensation expense related to stock options of $nil (June 30, 2023 - $15,815) and 3,946 (June 30, 2023 - $50,555) for the three and six months ended June 30, 2024.

The following table reflects the share option arrangements outstanding as at June 30, 2024:

Date Granted	Options Granted	Options Exercisable	Exercise Price $	Expiry Date
July 11, 2019	15,000	15,000	0.16	July 11, 2024
May 4, 2020	417,500	417,500	0.14	May 4, 2025
June 2, 2020	160,000	160,000	0.19	June 2, 2025
August 20, 2020	65,000	65,000	0.23	August 20, 2025
November 5, 2020	2,345,000	2,345,000	0.17	November 5, 2025
August 24, 2021	1,650,000	1,650,000	0.115	August 24, 2026
April 28, 2022	250,000	250,000	0.095	April 28, 2027
August 31, 2022	1,370,000	1,370,000	0.05	August 31, 2027
	6,272,500	**6,272,500**		

The weighted average exercise price and weighted average remaining contractual life of options exercisable at June 30, 2024, was $0.13 and 1.97 years (December 31, 2023 - $0.13 and 2.44 years).

During the six months ended June 30, 2024, 85,000 stock options expired unexercised. The options had a weighted average exercise price of $0.32 and an estimated grant date fair value $25,840.

The fair value of share options outstanding as at June 30, 2024, has been estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions:

Grant date	Expected dividend yield	Risk-free interest rate	Expected volatility	Expected Life	Estimated grant date fair value
	%	%	%		$
July 11, 2019	0	1.62	164	5 years	2,000
May 4, 2020	0	0.40	151	5 years	55,667
June 2, 2020	0	0.38	151	5 years	27,000
August 20, 2020	0	0.41	141	5 years	26,000
November 5, 2020	0	0.45	137	5 years	338,096
August 24, 2021	0	0.87	116	5 years	161,100
April 24, 2022	0	0.99	126	5 years	26,466
August 31, 2022	0	3.34	140	5 years	49,668

(Expressed in Canadian dollars unless otherwise noted)

9. Equity reserves (continued)

There were no options granted during the three and six months ended June 30, 2024.

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

Warrants

The following warrant arrangements were in existence as at June 30, 2024:

Warrants #	Exercise Price $	Grant Date	Expiry Date
9,420,000	0.18	May 19, 2020	December 3, 2024
7,950,000	0.18	December 3, 2020	December 3, 2024
6,650,000	0.18	December 3, 2020	December 3, 2024
1,484,375	0.20	June 10, 2021	December 10, 2024
859,375	0.20	June 10, 2021	December 10, 2024
1,042,732	0.15	December 30, 2021	December 30, 2024
907,425	0.15	January 12, 2022	December 30, 2024
7,833,333	0.05	November 1, 2022	November 1, 2025
315,000	0.05	November 1, 2022	November 1, 2025
16,166,667	0.05	December 16, 2022	December 16, 2025
706,000	0.05	December 16, 2022	December 16, 2025
6,970,000	0.05	September 27, 2023	September 27, 2028
240,000	0.05	September 27, 2023	September 27, 2028
4,749,999	0.05	October 27, 2023	October 27, 2028
7,599,999	0.05	March 28, 2024	March 28, 2029
27,226,666	0.05	April 15, 2024	April 15, 2029
100,161,572	**0.09**		

The weighted average life of the outstanding warrants at June 30, 2024 is 2.65 years (December 31, 2023 – 1.94 years).

(Expressed in Canadian dollars unless otherwise noted)

9. Equity reserves (continued)

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

Grant date	Expected dividend yield %	Risk-free interest rate %	Expected volatility %	Expected Life (Years)	Estimated grant date fair value $
May 19, 2020	0	0.42	150	2	343,164
December 3, 2020	0	0.46	137	2	292,527
December 10, 2020	0	0.46	136	2	244,693
June 10, 2021	0	0.82	119	1.5	84,968
June 17, 2020	0	0.94	119	1.5	49,002
December 30, 2021	0	1.28	111	1	24,675
January 12, 2022	0	1.52	111	1	11,844
January 13, 2022	0	1.50	111	1	6,811
November 1, 2022	0	3.43	140	3	69,825
December 25, 2022	0	2.91	140	3	153,028
September 27, 2023	0	4.33	146	5	94,960
October 27, 2023	0	4.62	149	5	63,868
March 28, 2024	0	3.50	151	5	51,029
April 15, 2024	0	3.82	152	5	183,730

10. Related party information

The following transactions were entered into with related parties that are not subsidiaries of the Company during the three and six months ended June 30, 2024, and 2023:

	Three-months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	$	$	$	$
Corporations controlled by an officer of the Company:				
Consulting, exploration and evaluation (Senior VP Exploration)	10,602	15,470	15,820	27,211
Partnership in which an officer of the Company is a partner:				
Accounting services	-	7,350	-	16,848
Chief Financial Officer services	-	11,725	-	39,402
Corporation providing services to the Company:				
Corporate Secretary	-	3,983	-	8,221
Total	**10,602**	**38,528**	**15,820**	**91,682**

Accounts payable and accrued liabilities as at June 30, 2024, include amounts owing to directors and officers in the amount of $210,847 (December 31, 2023 - $218,669). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Of the related party accounts payable and accrued liabilities as at June 30, 2024, $112,500 (December 31, 2023 - $112,500) is accrued wages to the Company's president. This amount is unsecured, non-interest bearing and is due on demand.

(Expressed in Canadian dollars unless otherwise noted)

10. Related party information

On February 28, 2024, certain directors of the Company entered into unsecured loan agreements to cover short-term working capital needs. Refer to note 7 for details of the director's loan agreements.

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, not including key management paid through a corporation listed in the table above, during the three and six months ended June 30, 2024 and 2023 were as follows:

	Three-months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	$	$	$	$
Consulting fees	18,000	17,500	36,000	17,500
Salary and benefits	11,250	11,250	22,500	22,500
Share-based payments	-	13,936	2,328	32,475
Total	**29,250**	**42,686**	**60,828**	**72,475**

As at June 30, 2024, there are 3,460,000 (December 31, 2023 – 4,205,000) options owned by related parties.

During the six months ended June 30, 2024 and officer and director of the Company subscribed for a total of 5,700,000 units (December 31, 2023 – 3,770,000) for gross proceeds of $85,500 (December 31, 2023 - $113,100). Refer to note 8 for details of the private placement.

11. 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 $153,000. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

Litigation claims

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

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

(Expressed in Canadian dollars unless otherwise noted)

11. Commitments and contingencies (continued)

Obuasi Litigation

The Company had been named in an action involving one of the vendors of the Obuasi Property relating to such vendor's corporate history and founding shareholders and the ownership of the lands covered by the Kyereboso #2 and Kyereboso #3 prospecting licences.

On July 11, 2023, the Company entered into a settlement agreement to resolve all outstanding litigation in the Ghana High Court involving the vendor of two of the four prospecting licenses comprising Pelangio's Obuasi property.

On July 21, 2023, the Ghana High Court issued a court judgement accepting of the settlement agreement. The judgement now formally resolves the long outstanding legal claim against Pelangio.

Under the terms of the settlement agreement Pelangio will make five payments totaling US$100,000 and issue common shares having an aggregate value of $50,000. The share issuances are subject to approval by the TSXV for every individual tranche.

Cash Payments (USD)	**Share Issuances**	**Date**
$20,000	$10,000	On July 21, 2023 (paid and issued 285,715 shares)
$20,000	-	On or before October 21, 2023 (paid)
$20,000	$10,000	On or before January 21, 2024 (paid and issued in 2024)
$20,000	-	On or before April 21, 2024 (paid)
$20,000	$30,000	On or before July 21, 2024
$100,000	**$50,000**	

On February 6, 2024, the Company made the third USD$20,000 payment and issued 500,000 common shares to satisfy the second share issuance of $10,000.

On April 18, 2024, the Company made the fourth USD$20,000 settlement payment.

As at June 30, 2024, the Company recognized legal settlement expense of $nil (December 31, 2023 - $182,068) and had a legal settlement payable of $57,374 (December 31, 2023 - $119,509).

Ghana Revenue Agency ("GRA") audit

In August 2023, the Company's Ghana subsidiaries underwent a compliance audited by the GRA. As a result of the audit, a total of GHS$584,571 (CAD$68,804) including penalties and interest was assessed as owing to the Ghana government (GHS$415,959) and Ghana accounting firm (GHS$168,612) for mediation costs.

During March 2024, the Company paid the full GHS415,959 owing to the GRA. As at June 30, 2024, the Company has a payable to the GRA in the amount of $nil (December 31, 2023 - 45,976 (GHS$415,959)).

11. Commitments and contingencies (continued)

New Edubiase claims

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

Flow through share issuance

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

12. Capital management

The capital of the Company consists of common shares, treasury shares, warrants and options. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of its exploration and evaluation assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, seek debt financing, or acquire or dispose of assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no significant changes in the risks, objectives, policies and procedures in 2024 or 2023.

The Company's capital management objectives, policies and processes have remained unchanged during the six months ended June 30, 2024, and the year ended December 31, 2023. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX Venture Exchange (“TSXV”) which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As at June 30, 2024, management of the Company assessed that it is not compliant with Policy 2.5 as its current liabilities exceed its current assets.

13. Financial risk factors

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

Credit risk

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

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2024, the Company had a cash balance of $172,752 (December 31, 2023 - $234,350) to settle current liabilities of $951,730 (December 31, 2023 - $1,129,847). 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 7.

Of the accounts payable and accrued liabilities as at June 30, 2024, $112,500 (December 31, 2023 - $112,500) is an amount for accrued wages to the Company president. This amount is unsecured, non-interest bearing and is due on demand.

Interest rate risk

The Company has cash balances in bank accounts. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company is sensitive to changes in the interest rates through interest income earned on its cash balance.

Price risk

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

Fair value of financial instruments

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

As at June 30, 2024, and December 31, 2023, the carrying and fair value amounts of the Company's financial instruments, other than marketable securities are approximately the same because of the short-term nature of these instruments.

(Expressed in Canadian dollars unless otherwise noted)

13. Financial risk factors (continued)

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, legal settlement payable and loan repayable approximate their fair values due to the short-term nature of these instruments.
ii. Public and private investments are carried at amounts in accordance with the Company's accounting policies as set out in Note 3 of the annual consolidated financial statements.

The following tables illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at June 30, 2024.

	Level 1	Level 2	Level 3	
Investments, fair value	(Quoted Market price)	(Valuation technique - observable market inputs)	(Valuation technique - non-observable market inputs)	Total
Publicly traded investments	181,025	-	-	181,025
Private investment	-	14,464	-	14,464
June 30, 2024	**181,025**	**14,464**	**-**	**195,489**

Fair value of financial instruments

Within Level 3, the Company included private company investments that are not quoted on an exchange. The key assumptions previously 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. As at June 30, 2024, the Company had no Level 3 financial instruments.

Record Resources

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 Record Resources (formerly "Silk Road Energy Inc.").

On March 12, 2024, the TSXV provided Record Resources and Record Gold approval for the second share exchange. The Company received 3,508,277 shares of Record Resources in exchange for the same number of shares the Company held in Record Gold.

13. Financial risk factors (continued)

The valuation of the remaining 361,619 shares of Record Gold Corp. after the March 12, 2024, TSXV approval is no longer based on a non-observable input, having been the most recent financing of Record Gold. With the shareholder, management and the TSXV approved 1:1 transfer of shares to publicly traded Record Resources shares management has determined that the valuation of the Record Gold shares can now be linked directly to the observable market input of the daily trading price of the Record Resources shares until such time as the TSX Venture approves the final share exchange.

Market Risk

Commodity price risk

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

Foreign exchange risk

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

Sensitivity analysis

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

<u>US dollar</u>

As at June 30, 2024, the Company held approximately $24,000 (December 31, 2023 - $34,000) of cash balances denominated in US dollars. As at June 30, 2024, the Company had accounts payable and accrued liabilities denominated in US dollars of $483,000 (December 31, 2023 - $506,600). A 10% change in the value of the Canadian dollar compared to the US dollar would result in a corresponding foreign exchange gain/loss of approximately $45,900 based on the balance of monetary assets and liabilities at June 30, 2024 (December 31, 2023 - $47,200).

As at June 30, 2024, the Company’s cash and liabilities denominated in Ghana Cedi were trivial.

14. Subsequent events

Obuasi settlement

In July 2024, the Company made the fifth and final USD$20,000 settlement payment on the Obuasi litigation settlement (Note 11) and issued 1,500,000 common shares to settle the remaining $30,000 obligation.

Option expiry

On July 11, 2024, 15,000 stock options expired unexercised. The options had a weighted average exercise price of $0.16 and an estimated grant date fair value $2,000.