



**PELANGIO EXPLORATION INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the Years Ended December 31, 2024 and 2023**

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## Independent Auditor's Report

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To the Shareholders of Pelangio Exploration Inc.

### Opinion

We have audited the consolidated financial statements of Pelangio Exploration Inc. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2024 and the consolidated statement of loss and comprehensive loss, consolidated statement of shareholders' equity (deficit) and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Group has a net loss of \$755,514 and an accumulated deficit of \$61,885,214 and a working capital deficit of \$478,400. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have identified no other key audit matters other than the matter described in the Emphasis of Matter - Material Uncertainty Related to Going Concern section of our report.

### Other Matter

The amounts shown for comparative purposes as at and for the year ended December 31, 2023 were reported on by another auditor, with a date of March 28, 2024.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis for the year ended December 31, 2024, filed with the relevant Canadian Securities Commissions. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

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## Independent Auditor's Report

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### To the Shareholders of Pelangio Exploration Inc. (Continued)

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as a fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude of the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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## Independent Auditor's Report

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To the Shareholders of Pelangio Exploration Inc. (Continued)

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wayne O'Connell.

*Jones & O'Connell LLP*

Jones & O'Connell LLP  
Chartered Professional Accountants  
Licensed Public Accountants  
St. Catharines, Ontario  
April 28, 2025



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## CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

(Expressed in Canadian Dollars)

As at	Note	December 31, 2024	December 31, 2023
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$225,341	\$234,350
Amounts receivable	5	12,111	7,994
Prepaid expenses		20,413	15,550
Investments	6	185,115	239,543
<b>Total assets</b>		<b>\$442,980</b>	<b>\$497,437</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	8,11	\$921,380	\$970,338
Legal settlement payable	11	—	119,509
Loan repayable		—	40,000
<b>Total liabilities</b>		<b>\$921,380</b>	<b>1,129,847</b>
<b>Shareholders' Equity (Deficiency)</b>			
Share capital	9	60,410,877	59,595,030
Reserve for warrants	10	472,678	1,440,631
Reserve for share-based payments	10	523,259	547,153
Accumulated deficit		(61,885,214)	(62,215,224)
<b>Total equity (deficiency)</b>		<b>(478,400)</b>	<b>(632,410)</b>
<b>Total liabilities and equity</b>		<b>\$442,980</b>	<b>\$497,437</b>

Nature of operations and going concern (note 1)

Commitments and contingencies (note 12)

Subsequent events (note 16)

Approved on behalf of the Board:

"Ingrid Hibbard" Director

"JC St-Amour" Director

See accompanying notes to the consolidated financial statements.



## CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	Note	Years ended December 31,	
		2024	2023
<b>Operating expenses</b>			
Professional and consulting fees	11	\$221,633	\$353,679
Exploration and evaluation expenses	7	210,762	758,368
Office and general		125,320	96,386
Management compensation	11	86,203	90,331
Investor relations and business development		53,775	23,703
Regulatory and transfer agent fees		45,487	31,543
Share-based compensation	10	3,946	24,547
Amortization		—	3,560
<b>Net loss before the under-noted items:</b>		<b>\$747,126</b>	<b>\$1,382,117</b>
Interest (income) expense		754	(2,856)
Other (income) expense	8	(10,000)	182,068
Option income		(43,750)	(40,000)
Foreign exchange (gain) loss		70,335	(17,222)
Foreign taxes and penalties		—	68,804
Expense recovery	5	—	(306,465)
Impairment of equipment		—	4,580
Accrual write-off		(23,501)	—
Unrealized (gain) loss on investments	6	(10,788)	116,767
Loss on disposal of investments		25,338	—
<b>Net loss and comprehensive loss</b>		<b>\$755,514</b>	<b>\$1,387,793</b>
Net loss per share - basic and diluted		<b>\$(0.00)</b>	<b>\$(0.01)</b>
Weighted average number of shares outstanding during the period – basic and diluted		<b>146,457,297</b>	<b>118,839,615</b>

See accompanying notes to the consolidated financial statements.



## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

(Expressed in Canadian Dollars)

	Share capital		Reserves		Equity (Deficiency)	
	Number of shares	Amount	Warrants	Share-based payments	Accumulated Deficit	Attributable to shareholders
<b>Balance, December 31, 2022</b>	<b>109,321,173</b>	<b>\$59,403,667</b>	<b>\$1,583,689</b>	<b>\$782,157</b>	<b>\$(61,388,857)</b>	<b>\$380,656</b>
Private placements	11,719,999	340,180	—	—	—	340,180
Warrants issued	—	(158,817)	158,817	—	—	—
Litigation settlement	285,715	10,000	—	—	—	10,000
Expiry of options	—	—	—	(259,551)	259,551	—
Expiry of warrants	—	—	(301,875)	—	301,875	—
Share-based compensation	—	—	—	24,547	—	24,547
Net loss for the period	—	—	—	—	(1,387,793)	(1,387,793)
<b>Balance, December 31, 2023</b>	<b>121,326,887</b>	<b>\$59,595,030</b>	<b>\$1,440,631</b>	<b>\$547,153</b>	<b>\$(62,215,224)</b>	<b>\$(632,410)</b>
Private placements	49,333,332	865,578	—	—	—	865,578
Warrants issued	—	(56,000)	56,000	—	—	—
Broker warrants issued	—	(33,731)	33,731	—	—	—
Litigation settlement	2,000,000	40,000	—	—	—	40,000
Share-based compensation	—	—	—	3,946	—	3,946
Expiry of options	—	—	—	(27,840)	27,840	—
Expiry of warrants	—	—	(1,057,684)	—	1,057,684	—
Net loss for the period	—	—	—	—	(755,514)	(755,514)
<b>Balance, December 31, 2024</b>	<b>172,660,219</b>	<b>\$60,410,877</b>	<b>\$472,678</b>	<b>\$523,259</b>	<b>\$(61,885,214)</b>	<b>\$(478,400)</b>

See accompanying notes to the consolidated financial statements.



## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

For the year ended December 31,	Note	2024	2023
<b>Cash flows used in operating activities</b>			
Net loss for the period		<b>\$(755,514)</b>	\$(1,387,793)
Adjustments to non-cash items:			
Share-based compensation expense	9	<b>3,946</b>	24,547
Amortization		—	3,560
Unrealized (gain) loss on investments	5	<b>(8,981)</b>	116,767
Realized loss on investments		<b>23,530</b>	—
Impairment of equipment		—	4,580
Shares issued for legal settlement	11	—	10,000
Shares received for option income		<b>(33,750)</b>	(30,000)
Legal settlement payable	6	<b>(79,509)</b>	119,509
Working capital adjustments:			
Accounts receivables		<b>(4,863)</b>	73,001
Prepaid expenses		<b>(4,117)</b>	(6,332)
Accounts payable and accrued liabilities		<b>(48,958)</b>	363,215
<b>Net cash flows used in operating activities</b>		<b>\$(908,216)</b>	\$(708,946)
<b>Cash flows provided by financing activities</b>			
Proceeds from private placement financing, net	8	<b>865,578</b>	339,658
Repayment of CEBA loan	7	<b>(40,000)</b>	—
<b>Net cash flows provided by financing</b>		<b>\$825,578</b>	\$339,658
<b>Cash flows provided by investing activities</b>			
Proceeds from sale of investments		<b>73,629</b>	—
<b>Net cash flows provided by investing</b>		<b>\$73,629</b>	\$—
<b>Change in cash</b>		<b>\$(9,009)</b>	(369,288)
Cash, beginning of the period		<b>234,350</b>	603,638
<b>Cash, end of the period</b>		<b>\$225,341</b>	\$234,350

See accompanying notes to the consolidated financial statements

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

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### 1. Nature of operations and going concern

Pelangio Exploration Inc. (the "Company" or "Pelangio") was incorporated on February 27, 2008, under the Alberta Business Corporations Act and continued under the Canada Business Corporations Act (the "Act") on June 25, 2009. The principal business of the Company is the acquisition, exploration and development of mineral property interests in Ghana, Africa. The registered 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 dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development and future profitable production or 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 net losses of \$755,514 (2023 - \$1,387,793) and had an accumulated deficit of \$61,885,214 (December 31, 2023 - \$62,215,224) and a working capital deficit of \$478,400 (December 31, 2023 - \$632,410). 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, to obtain the necessary financing to complete the development of its mineral properties, 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 for the years ended December 31, 2024 (the "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 was unable to realize its assets or discharge its liabilities in anything other than the ordinary course of operations. Such adjustments could be material.

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

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### 2. Basis of presentation

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

The Consolidated Financial Statements, including comparatives have been prepared in accordance and in 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").

#### (b) Basis of preparation

The Consolidated Financial Statements have been prepared on a historical cost basis and were authorized for issuance by the Board of Directors on April 28, 2025.

#### (c) Accounting standards

### Recent accounting pronouncements

#### *Current accounting changes*

During the year ended December 31, 2024, the Company adopted a number of amendments and improvements of existing standards. These included amendments to IAS 1 and IFRS 10. These new standards and changes did not have any material impact on the Corporation's financial statements.

#### *Standards issued and effective for annual periods beginning on or after January 1, 2025*

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, 2025:

### **Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)**

In May 2024, the IASB issued amendments to **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures**. The amendments clarify the derecognition of financial liabilities and introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI.

The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required, and early adoption is permitted.

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

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### Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued **IFRS 18 Presentation and Disclosure in Financial Statements** to improve reporting of financial performance. The new standards replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and early adoption is permitted.

### Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

**IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”)** were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

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.

## 3. Material 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

The Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries – *See 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

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

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 in 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

### Exploration and evaluation costs

Exploration and evaluation costs are expensed as incurred and included in the statement of operations and comprehensive loss until technical feasibility and commercial viability of extraction of reserves are demonstrable. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine are capitalized to mineral

properties. Exploration costs include an allocation of administration and salary costs as determined by management.

### Provision for closure and reclamation

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate and the liability is recognized at the time environmental disturbance occurs.

The Company does not currently have any significant legal or constructive obligations relating to reclamation of its exploration property interests; and therefore, no closure and reclamation liabilities have been recorded as at December 31, 2024 and 2023.

### Income tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource-related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

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which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### Equity

Share capital represents the amount received on the issue of shares. Transaction costs directly attributable to the issuance of common shares are recognized as a reduction of share capital.

Proceeds from unit placements are allocated between shares and warrants issued according to their fair value using the residual method.

Common shares issued for consideration other than cash are valued based on their market value at the date they were issued.

Warrants include charges related to the issuance of warrants until such equity instruments are exercised or expire.

### Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance the Company separates the flow-through share into (i) a flow-through share premium for which a liability is recognized, equal to the difference between the current market price of the Company's common shares and the issue price of the flow-through share and (ii) share capital. Upon expenses being incurred, the premium is recognized as premium income.

Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years.

### Share-based payments

The Company has a share option plan that is described in note 9. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity reserves. Consideration received on the exercise of stock options is recorded as issued capital and the related equity reserve is transferred to issued capital. Charges for options that are forfeited before vesting are reversed from equity reserves. Upon expiry, the recorded value is transferred to deficit.

### Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding in the period. For all periods

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

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presented, the loss available to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share is the same as basic loss per share as the effects of including all outstanding options and warrants would be anti-dilutive.

### Impairment of non-financial assets

The carrying value of equipment is assessed for impairment when indicators of such impairment exist. If any indication of impairment exists an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is charged to profit or loss so as to reduce the carrying amount to its recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

### 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

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

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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 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, judgment is required to establish fair values. Refer to note 15 for further details.

7) *Contingencies.* Refer to note 12 for details on all contingencies.

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

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### 4. Financial instruments

Financial assets and financial liabilities are recognized on the Company's balance sheet when the Company has become a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company's financial instruments consist of cash, amounts receivable, public investments, private investments, accounts payable and accrued liabilities, legal settlement payable, and the loan repayable.

#### (i) Investments

Purchases and sales of investments are recognized on a trade date basis. Public and private investments at fair value through profit or loss are initially recognized at fair value, with changes in fair value reported in profit (loss).

At each financial reporting period, the Company's management estimates the fair value of its investments based on the criteria below and reflects such valuations in the financial statements.

Transaction costs are expensed as incurred in the statements of operations. The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in the statements of operations. The Company is also required to present its investments (and other financial assets and liabilities reported at fair value) into three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith. See note 15 - *Fair value of financial instruments*.

The three levels are defined as follows:

Level 1 – investment with quoted market price;

Level 2 – investment which valuation technique is based on observable market inputs; and

Level 3 – investment which valuation technique is based on non-observable market inputs.

#### Publicly traded investments

(i) Securities, including shares, options, and warrants which are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the statement of financial position date or the closing price on the last day the security traded if there were no trades at the statement of financial position date. These are included in Level 1 as disclosed in Note 13.

(ii) Securities which are traded on a recognized securities exchange, but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. Shares that are received as part of a private placement that are subject to a standard four-month hold period are not discounted. In determining the discount for such

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

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investments, the Company considers the nature and length of the restriction, business risk of the investee corporation, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. There are no level 2 publicly traded investments.

(iii) Warrants or options of publicly traded securities which do not have a quoted price are carried at an estimated fair value calculated using the Black-Scholes option pricing model if sufficient and reliable observable market inputs are available.

The amounts at which the Company's publicly traded investments could be disposed of may differ from carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Such differences could be material.

### Privately held investments

(i) Securities in privately held companies (other than options and warrants) are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements. These are included in Level 2 (December 31, 2023 - Level 3) as disclosed in note 15. Options and warrants of private companies are carried at their intrinsic value.

With respect to valuation, the financial information of private companies in which the Company has investments may not always be available, or such information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable. In addition to the events described below, which may affect a specific investment, the Company will take into account general market conditions when valuing the privately held investments in its portfolio. In the absence of occurrence of any of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

(ii) An upward adjustment is considered appropriate and supported by pervasive and objective evidence such as a significant subsequent equity financing by an unrelated investor at a transaction price higher than the Company's carrying value; or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a positive impact on the investee company's prospects and therefore, its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable. Such events include, without limitation:

- political changes in a country in which the investee company operates which, for example, reduce the corporate tax burden, permit mining where, or to an extent that, it was not previously allowed, or reduce or eliminate the need for permitting or approvals;
- receipt by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed with its project(s);

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

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- filing by the investee company of a National Instrument 43-101 technical report in respect of a previously non-compliant resource;
- release by the investee company of positive exploration results, which either proves or expands their resource prospects; and
- important positive management changes by the investee company that the Company's management believes will have a very positive impact on the investee company's ability to achieve its objectives and build value for shareholders.
- Downward adjustments to carrying values are made when there is evidence of a decline in value as indicated by the assessment of the financial condition of the investment based on third party financing, operational results, forecasts, and other developments since acquisition, or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a negative impact on the investee company's prospects and therefore, its fair value. The amount of the change to the fair value of the investment is based on management's judgment and any value estimated may not be realized or realizable.

Such events include, without limitation:

- political changes in a country in which the investee company operates which increases the tax burden on companies, which prohibit mining where it was previously allowed, which increases the need for permitting or approvals, etc.;
- denial of the investee company's application for environmental, mining, aboriginal or similar approvals which prohibit the investee company from proceeding with its projects;
- the investee company releases negative exploration results;
- changes to the management of the investee company take place which the Company believes will have a negative impact on the investee company's ability to achieve its objectives and build value for shareholders;
- the investee company is placed into receivership or bankruptcy; and
- based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern.

The resulting values may differ from values that would be realized had a ready market existed. The amounts at which the Company's privately held investments could be disposed of may differ from the carrying value assigned. Such differences could be material.

(iii) Financial assets other than investments at fair value and liabilities

Financial assets

### Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit or loss ("FVPL") or fair value

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

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through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Amounts receivable held for collection of contractual cash flows are measured at amortized cost.

### Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. Cash and amounts receivable were held at amortized cost.

### Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company's marketable securities are classified as financial assets at FVPL.

### Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of loss when the right to receive payments is established.

### Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

### Impairment of financial assets

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

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The Company's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, legal settlement payable and loan repayable, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

#### Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of operations.

### 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

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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mineral properties.

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

### 5. Amounts receivable

As at December 31, 2024, the Company had harmonized sales taxes receivable (“HST”) of \$12,111 (December 31, 2023 - \$7,994).

During the year ended December 31, 2023, Management conducted a review of the accounting estimates used in claiming HST. The review covered all prior periods based on the allowable recovery period for claiming any unclaimed input tax credits by Canada Revenue Agency (“CRA”). As a result of the internal review Management concluded that initially unclaimed input tax credits which were assessed by management at the time as having been incurred to support the Company’s ability to conduct its foreign operations were unlikely to be collectable and therefore were not included in the estimated input tax credit receivable. As a result of the review Management concluded that the HST receivable was now likely to be collected. The Company changed its estimate on eligible input tax credits and was successful in receiving a retroactive \$159,334 HST, as a result of the review. The HST recovery was recorded as an expense recovery on the consolidated statements of operations and comprehensive loss.

### 6. Investments

The Company owns shares (“Investments”) in certain public and private companies operating in the mining industry. At December 31, 2024, the Company’s investments had a fair market value of \$185,115 (December 31, 2023 - \$239,543). During the year ended December 31, 2024, the Company sold certain marketable securities for net proceeds of \$73,629 (December 31, 2023 - \$nil) and realized a loss of \$25,338 (December 31, 2023 - \$nil) on the sale of the investments.

The following table summarizes the trading activity regarding the Company's public investments for the years ended December 31, 2024 and 2023:

<b>For the years ended</b>	<b>December 31, 2024</b>	December 31, 2023
Balance, beginning of the year	<b>\$123,447</b>	\$132,816
Acquisitions	<b>33,750</b>	30,000
Transfer from private shares	<b>105,248</b>	—
Disposals	<b>(73,629)</b>	—
Realized loss	<b>(12,682)</b>	—
Change in fair value	<b>8,981</b>	(39,369)
<b>Balance, end of the year</b>	<b>\$185,115</b>	\$123,447

On March 12, 2024, the Company received 3,508,277 shares of Record Resources in exchange for the same number of shares the Company held in Record Gold (“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.

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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The following table summarizes the Company's private investments activity for the years ended December 31, 2024 and 2023:

For the years ended	December 31, 2024	December 31, 2023
<b>Balance, beginning of the year</b>	<b>\$116,096</b>	\$193,495
Transfer to public shares	<b>(105,248)</b>	—
Disposal proceeds	<b>(1)</b>	—
Realized loss	<b>(10,847)</b>	(77,399)
<b>Balance, end of the year</b>	<b>\$—</b>	\$116,096

The total fair value of public and private investments, as at December 31, 2024 and 2023 is follows:

As at	December 31, 2024	December 31, 2023
Public investments (note 13)	<b>\$185,115</b>	\$123,447
Private investments (note 13)	—	116,096
<b>Balance</b>	<b>\$185,115</b>	\$239,543

### 7. Mineral properties and Exploration and evaluation expenses

#### GHANA PROPERTIES

As at December 31, 2024, the Company holds interests in three exploration properties in Ghana.

##### Manfo, Ghana

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

The Manfo Property is also subject to a 2% net smelter royalty ("NSR") and the Company has the right to repurchase 1% of the NSR for a payment of US\$4,000,000. The Company (or its successor or permitted assignee) shall pay 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, to the

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

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Optionor.

The Company has entered a review period, subject to certain financial conditions, with the Manfo Property Optionor, regarding the NSR repurchase terms. As at December 31, 2024, the Company remains in the review period.

On August 27, 2024, Pelangio entered into a binding letter of intent (“LOI”) with MFD Holdings S.A. (“MFD”). The LOI was amended on March 27, 2025, granting MFD the right to acquire a 10% interest in the Manfo Project, by procuring a Preliminary Economic Assessment (“PEA”) by a consultant pre-approved by Pelangio on or before March 1, 2026, and either:

- i) Incurring a total of \$1,000,000 in expenditures on or before December 31, 2025; or
- ii) Overseeing the development of the Manfo Project by resulting in the first gold pour on or before December 31, 2027.

### 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 (“Dankran”), located adjacent to the Company's Obuasi project. To acquire a 100% interest in the Dankran, the Company must a) make aggregate cash payments of US\$300,000 (paid) to BNT, b) issue 2,250,000 Pelangio common shares (issued) (“Option Shares”) to BNT and c) grant to BNT, a 2% NSR within 10 days of fulfilling all of the cash payments and share issuances. The Option 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 expired. The Company has requested that BNT apply for the renewal of this concession prior to the expiry date. As at December 31, 2024, the concession renewal is pending, and such renewal is not assured.

### Obuasi Property

Pursuant to an option agreement dated May 3, 2006, and satisfied by the Company in 2011, certain Company subsidiaries acquired 100% of a property situated in southwest Ghana, West Africa. (The “Obuasi Property”). The Obuasi Property consists of the Kyereboso #2, Kyereboso #3, Meduma and Adokwae concessions. The Obuasi Property is subject to a) a 5% royalty interest b) a 10% interest currently held by the Ghanaian government and c) the right of the Ghanaian government to acquire a further 20% interest on mutually agreed terms (the “Government Interest”). In addition, the Obuasi Property is subject to a 2% NSR royalty in favour of the Optionor. The renewal applications for the Obuasi Property are pending and such renewals are not assured.

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E&E expenditures for the Ghana properties for the years ended December 31, 2024 and 2023, were as follows:

	Note	Years ended December 31,	
		2024	2023
<b>Manfo</b>			
Geology		\$73,695	\$84,719
Logistics		15,270	18,905
Drilling and lab assays		—	283,162
Mining rights fees		78,912	71,468
Other		16,211	1,045
<b>Total Manfo expenses</b>		<b>\$184,088</b>	<b>\$459,299</b>
<b>Dankran</b>			
Geology		1,139	2,010
Logistics		1,178	—
Option payment		—	66,246
Mining rights fees		—	9,202
Other		1,342	—
<b>Total Dankran expenses</b>		<b>\$3,659</b>	<b>\$77,458</b>
<b>Obuasi</b>			
Geology		\$13,954	30,920
Logistics		—	3,548
Mining rights fees		—	190,934
<b>Total Obuasi expenses</b>		<b>\$13,954</b>	<b>\$225,402</b>
<b>Total GHANA</b>		<b>\$201,701</b>	<b>\$762,159</b>

### CANADA PROPERTIES

As at December 31, 2024, the Company has two significant and several minor mineral property interests in Canada. Total E&E for the Canadian properties for the year ended December 31, 2024 is \$625 (December 31, 2023 – \$3,716). In 2023 the Company received \$10,000 option income.

#### 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, making cash payments of \$220,000 and \$750,000 of exploration expenses. As at December 31, 2023, the Company had made cash payments of \$220,000, issued 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.

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

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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 currently in discussions in regard to the completion of the required exploration expenditures and timing of the next option payment.

### **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. *See note 13 – Subsequent events.*

### **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, 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 earn-in option agreement has expired and Pelangio has a 100% interest in the property.

### **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

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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

- (ii) a 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 a 51% interest in the Birch Lake properties with a) cash payments of \$350,000, b) the issuance of 1,300,000 First Mining common shares and c) incurring \$1,750,000 (\$250,000 in 2022 and \$1,500,000 in 2025) of exploration expenditures.

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

On October 10, 2023, the Company amended the terms of the option agreement with Gold Canyon to include a) the extension of the expiry of the 51% earn-in option from October 2025 to October 2028 and b) the total shares to be issued by First Mining were increased to 2,100,000 and c) the total cash payments 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.

On July 4, 2024, the Company received a fourth cash option payment of \$10,000. On October 19, 2024, the Company received 250,000 more shares of First Mining. The Company recognized \$30,000 option income based on the market value of the shares on the date received.

### **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%.

E&E expenditures for the Canada properties for the years ended December 31, 2024 and 2023

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were as follows:

	Years ended December 31,		
	Note	2024	2023
		\$	\$
<b>Dome West</b>			
Exploration and evaluation expenditures		—	294
Recovery		—	(10,000)
<b>Total Dome West expenses</b>		—	(9,706)
<b>Gowan</b>			
Exploration and evaluation expenditures		—	524
<b>Total Gowan expenses</b>		—	524
<b>Kenogaming</b>			
Exploration and evaluation expenditures		625	2,898
<b>Total Kenogaming expenses</b>		625	2,898
<b>Total CANADA</b>		625	(6,284)
<b>Other Projects</b>			
Exploration and evaluation expenditures		8,436	2,493
<b>TOTAL OTHER</b>		8,436	2,493
<b>TOTAL E&amp;E</b>		210,762	758,368

Total exploration and evaluation expenditures (“E&E”) for the year ended December 31, 2024, was \$210,762 (December 31, 2023 – \$758,368) respectively. These balances included \$8,436 (December 31, 2023 - \$2,493) of evaluation expenditures related to the review of potential properties on which the Company does not have an ownership interest.

### 8. 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. CEBA loans were repayable at any time without notice or penalty and up to 25% of the loan would be forgiven if 75% of the CEBA was repaid by January 18, 2024.

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

#### Directors’ loans

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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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 carried a simple annual interest rate of 10.5% and had a maturity date of June 30, 2024.

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

### 9. Share capital

#### (i) Authorized

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

#### (ii) Non-brokered private placements

(a) On March 28, 2024, the Company completed the first tranche of a non-brokered private placement financing (“March Offering”) with the issuance of 7,566,666 units, at a price of \$0.015 per unit (“March Unit”), for gross proceeds of \$113,500 (“March Offering”). Each March Unit is comprised of one common share and one common share purchase warrant (“March Warrant”). Each March Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.05, 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 March Warrants. *See note 10 – Warrants.*

Certain insiders of the Company participated in the March Offering for an aggregate total of \$85,500.

(b) On April 16, 2024, the Company completed the second and final tranche of the March Offering with the issuance of 25,766,666 March Units, a price of \$0.015 per unit, for gross proceeds of \$386,500. The warrants issued in connection with this tranche have an exercise price of \$0.05 per common share and expiry date of April 16, 2029. The Company paid a finders' fees of \$22,500 in cash and issued 1,500,000 April finders' warrants. The April finders' warrants have the same terms as the March Warrants. *See note 10 – Warrants.*

(c) On October 10, 2024, the Company completed the first tranche of a non-brokered private placement financing (the “October Offering”) with the issuance of 11,200,000 units, at a price of \$0.025 per unit (“October Unit”) for gross proceeds of \$280,000. Each October Unit is comprised of one common share and one common share purchase warrant (“October Warrant”). Each October Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.05, until October 10, 2027. *See note 10 – Warrants.*

(d) On October 17, 2024, the Company completed the second and final tranche of the October Offering with the issuance of 4,800,000 October Units, at a price of \$0.025 per Unit, for gross proceeds of \$120,000. Each warrant in this second tranche entitles the holder thereof to purchase one common share of the Company at a price of \$0.05 per common share until October 17, 2027. *See note 10 – Warrants.*

## Notes to the Consolidated Financial Statements

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An officer/director of the Company participated in the final tranche of the October Offering for an aggregate total of \$59,000.

(iii) Shares issued for Obuasi Settlement (See note 11).

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.

On July 9, 2024, the Company issued 1,500,000 common shares to settle the third and final instalment of \$30,000 to be paid in shares under the terms of the Settlement Agreement.

### 10. Equity reserves

#### Share-based compensation

The Company has a share option plan (“SOP”) 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 SOP 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 SOP vest at the discretion of the Board of Directors.

For the year ended December 31, 2024, the Company recorded share-based compensation expense related to previously granted stock options of \$3,946 (December 31, 2023 - \$24,547) respectively.

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.

The following table summarizes the share-based payments activity during the years ended December 31, 2024 and 2023:

	Number of options	Weighted average exercise price
<b>Balance – December 31, 2022</b>	<b>7,682,500</b>	<b>\$0.13</b>
Forfeited (expired)	(1,325,000)	(0.14-0.20)
<b>Balance – December 31, 2023</b>	<b>6,357,500</b>	<b>\$0.13</b>
Expired	(100,000)	(0.32)
<b>Balance – December 31, 2024</b>	<b>6,257,500</b>	<b>\$0.13</b>

The following table summarizes the stock options outstanding at December 31, 2024:

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars unless otherwise noted)

Options Granted	Exercise Price (\$)	Weighted Average Remaining Contractual Life - Years	Options Exercisable	Expiry Date
417,500	0.14	.34	417,500	May 4, 2025
160,000	0.19	.42	160,000	June 2, 2025
65,000	0.23	.64	65,000	August 20, 2025
2,345,000	0.17	.85	2,345,000	Nov. 5, 2025
1,650,000	0.12	1.65	1,650,000	August 24, 2026
250,000	0.10	2.33	250,000	April 28, 2027
1,370,000	0.05	2.67	1,370,000	August 31, 2027
<b>6,257,500</b>	<b>0.13</b>	<b>1.47</b>	<b>6,257,500</b>	

The weighted average exercise price and weighted average remaining contractual life of options exercisable at December 31, 2024 was \$0.13 and 1.47 years (December 31, 2023 - \$0.13 and 2.44 years).

During the year ended December 31, 2024, 100,000 stock options expired unexercised. The options had a weighted average exercise price of \$0.32 and an estimated grant date fair value of \$27,840.

The following table summarizes the Company's share-based payments reserve activity during the years ended December 31, 2024 and 2023:

	Year ended December 31, 2024	Year ended December 31, 2023
Balance, beginning of year	\$547,153	\$782,157
Expired options – transferred to deficit	(27,840)	(259,551)
Vesting of options	3,946	24,547
<b>Balance, end of year</b>	<b>\$523,259</b>	<b>\$547,153</b>

### Warrants

(i) On March 28, 2024, in connection with the March Offering, the Company issued a total of 7,566,666 warrants ("March Warrant"). Each March Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.05, until March 28, 2029. The Company also issued 33,333 finders' warrants as finders' fees. The finders' warrants have the same terms as the March Warrants. The Company estimated the fair value of the regular and finders' warrants to be \$nil and \$579 respectively using the residual method of valuation.

(ii) On April 16, 2024, in connection with the March Offering, the Company issued a total of 25,766,666 March Warrants. Each March Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.05, until April 16, 2029. The Company also issued 1,500,000 finders' warrants ("March Finders' Warrants") as finders' fees. The March Finders' Warrants have the same terms as the March Warrants. The Company estimated the fair value of the regular and finders' warrants to be \$nil and \$33,152 using the residual method

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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of valuation.

(iii) On October 10, 2024, in connection with the October Offering, the Company issued 11,200,000 warrants (the “October Warrants”). Each October Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.05, until October 10, 2027. The Company estimated the fair value of the October warrants to be \$56,000 using the residual method of valuation.

(iv) On October 17, 2024, in connection with the October Offering, the Company issued 4,800,000 October Warrants. Each warrant in this second tranche entitles the holder thereof to purchase one common share of the Company at a price of \$0.05 per common share until October 17, 2027. The Company estimated the fair value of the October warrants to be \$nil using the residual method of valuation.

(v) During the year ended December 31, 2024 a total of 28,113,903 common share purchase warrants expired unexercised.

The following table summarizes the warrant activity during the years ended December 31, 2024 and 2023:

	Number of Warrants	Weighted average exercise price	Weighted average grant date fair value
<b>Balance, December 31, 2022</b>	<b>58,334,907</b>	<b>\$0.15</b>	<b>\$1,583,689</b>
Issued	11,959,999	0.05	158,817
Forfeited (expired)	(5,000,000)	(0.20)	(301,875)
<b>Balance, December 31, 2023</b>	<b>65,294,906</b>	<b>\$0.30</b>	<b>\$1,440,631</b>
Issued – warrants and broker warrants	50,866,665	0.05	89,731
Expired	(28,313,907)	(0.15-0.20)	(1,057,684)
<b>Balance, December 31, 2024</b>	<b>87,847,664</b>	<b>\$0.05</b>	<b>\$472,678</b>

## Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars unless otherwise noted)

The following table reflects the Company's warrants outstanding at December 31, 2024:

Exercise Price	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life in Years	Expiry Date
\$0.05	8,148,333	0.84	November 1, 2025
\$0.05	16,872,667	0.96	December 16, 2025
\$0.05	11,200,000	2.78	October 10, 2027
\$0.05	4,800,000	2.80	October 17, 2027
\$0.05	7,210,000	3.75	September 27, 2028
\$0.05	4,749,999	3.79	October 27, 2028
\$0.05	7,599,999	4.24	March 28, 2029
\$0.05	27,266,666	4.37	April 16, 2029
<b>\$0.05</b>	<b>87,847,664</b>	<b>3.01</b>	

The weighted average life of the outstanding warrants at December 31, 2024 is 3.01 years (December 31, 2023 – 1.94 years).

### 11. Related party transactions and Key Management Compensation

Effective September 1, 2024, the Company engaged Grove Corporate Services Ltd. ("Grove") to provide issuer corporate services, (the "Services"), including those provided by the Chief Financial Officer ("CFO").

The following is the compensation recorded for Key Management, the aggregate of which was paid to individuals, a personal management company and Grove during the years December 31, 2024 and 2023:

	Years ended December 31,	
	2024	2023
Management fees <sup>(1)</sup>	\$132,500	\$120,123
Technical management fees <sup>(2)</sup>	68,023	19,775
Share-based compensation	3,946	24,547
	<b>\$204,469</b>	<b>\$203,308</b>

(1) Includes the fees incurred for the CEO, current and former CFO and Corporate Secretary.

(2) Includes the fees incurred for the Senior V.P. Exploration who invoices the Company through a personal management company. These costs are classified as 90% exploration and evaluation expenditures and 10% as business development on the statement of loss and comprehensive loss.

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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During the year ended December 31, 2024, an officer/director of the Company subscribed for a total of 5,700,000 March Units for gross proceeds of \$85,500. Refer to note 8 – *Share Capital* for details of the private placement.

Accounts payable and accrued liabilities at December 31, 2024 includes amounts owed to three officers in the aggregate \$255,802 (December 31, 2023 - \$218,669) for unpaid management fees and reimbursable expenses. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment. See note 7 - *Directors' loans*.

### 12. Commitments and contingencies

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.

#### Employment agreements

As December 31, 2024, the Company is party to two employment agreements. One of these contracts contains clauses requiring additional payments to be made upon the occurrence of certain events such as change of control. The additional commitments total approximately \$90,000.

#### Management agreements

Effective September 1, 2024, the Company engaged Grove to provide the Services on a monthly retainer of \$7,500 plus applicable sales taxes. Termination of the arrangement may be affected by either party with three months termination notice.

As a triggering event has not taken place, the contingent payments have not been reflected in these Consolidated Financial Statements.

#### Obuasi Litigation

In 2009, the Company was 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 licenses.

On July 11, 2023, the Company entered into a settlement agreement ("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 judgment (the "Judgment") approving the Settlement Agreement. The Judgment formally resolves the long outstanding legal claim against Pelangio.

Pursuant to the terms of the Settlement Agreement, the Company has made five payments totaling US\$100,000 and issued common shares having an aggregate market value of CAD50,000. The share issuances were subject to approval by the TSXV for every individual tranche.

## Notes to the Consolidated Financial Statements

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Cash Payments (USD)	# Shares	Shares Value (CAD)	Target Dates of Completion
20,000	285,715	\$10,000	July 21, 2023 (paid)
20,000	—	—	On or before October 21, 2023 (paid)
20,000	500,000	\$10,000	On or before January 21, 2024 (paid and issued)
20,000	—	—	On or before April 21, 2024 (paid)
20,000	1,500,000	\$30,000	On or before July 21, 2024 (paid and issued)
<b>\$100,000</b>	<b>2,285,715</b>	<b>\$50,000</b>	

On February 6, 2024, the Company made the third US\$20,000 payment and issued 500,000 common shares to satisfy the second share issuance of CAD10,000.

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

On July 9, 2024, the Company made the fifth and final US\$20,000 settlement payment and issued the final 1,500,000 common shares to satisfy the third and final issuance of CAD30,000.

For the year ended December 31, 2024, the Company recognized legal settlement expense of \$nil (December 31, 2023 - \$182,068) and had a legal settlement payable of \$nil (December 31, 2023 - \$119,509).

### Ghana Revenue Agency (“GRA”) audit

In August 2023, the Company’s Ghana subsidiaries underwent a compliance audit by the GRA. As a result of the audit, a total of GH¢\$584,571 (CAD\$68,804) including penalties and interest and mediation costs was assessed; GH¢\$415,959 was owed to the Ghana government and GH¢168,612 was owed to a Ghana accounting firm, for mediation costs. This assessment has been paid in full.

### **13. 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 Management to sustain future development of the business. Management reviews its capital management approach on an ongoing 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 the years ended December 31, 2024, or 2023.

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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The Company's capital management objectives, policies, and processes have remained unchanged during the years ended December 31, 2024 and 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 December 31, 2024, Management believes that the Company is not compliant with Policy 2.5 as its current liabilities exceed its current assets. See note 16– *Subsequent events*.

### 14. 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 may be lodged with reputable financial institutions, in interest-bearing instruments, 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 December 31, 2024, the Company had a cash balance of \$225,341 (December 31, 2023 - \$234,350) to settle current liabilities of \$921,380 (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 2023 loan repayable is described in note 8 – *Directors Loans*.

Accrued in the accounts payable and accrued liabilities at December 31, 2024 and 2023 is \$112,500 for accrued wages owing to the Company President/CEO. This amount is unsecured, non-interest-bearing and 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 associated with commodity prices is minimal since the Company is not a producing entity. The Company is exposed to price risk with respect to its investments. Unfavourable market conditions could result in the disposition of investments at less than favourable prices.

## Notes to the Consolidated Financial Statements

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### Fair value of financial instruments

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

As at December 31, 2024 and 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.

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 Consolidated Financial Statements.

The following tables summarize the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at December 31, 2024.

	Level 1	Level 2	Level 3	
	(Quoted Market price)	(Valuation technique - observable market inputs)	(Valuation technique - non-observable market inputs)	Total
Investments, fair value				
Publicly traded investments	\$185,115	\$—	\$—	\$185,115
<b>December 31, 2024</b>	<b>\$185,115</b>	<b>\$—</b>	<b>\$—</b>	<b>\$185,115</b>

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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### Fair value of financial instruments

Within Level 2, the Company includes 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 December 31, 2024, the Company had no Level 2 or 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. During 2022, a total of 798,044 (private) shares of Record Gold were exchanged for 798,044 (public) shares of Record Resources.

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.

In the fourth quarter of 2024 it was mutually understood and agreed that the final tranche of the remaining 361,619 shares of Record Gold (the "Last Shares") would never be exchanged. The Company disposed of the Last Shares for the nominal consideration of \$1.00 in order to conclude the option agreement with Record Gold.

### 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 one year.

#### US dollars and Ghana Cedis

As at December 31, 2024, the Company held approximately \$8,712 (December 31, 2023 - \$34,000) of cash balances denominated in US dollars. As at December 31, 2024, the Company had accounts payable and accrued liabilities denominated in US dollars of \$404,000 (December 31, 2023 - \$506,600). A 10% change in the value of the Canadian dollar compared to the US dollar would result in an

## Notes to the Consolidated Financial Statements

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increase of \$36,288 US dollars (2023 - \$47,260) in the net asset value of the Company based on the balance of monetary assets and liabilities at December 31, 2024.

As at December 31, 2024, the Company's cash and liabilities denominated in Ghana Cedis were minimal.

### 15. Provision for Income Taxes

Major items causing the Corporation's income tax rate to differ from the 2024 combined Canadian federal and provincial statutory rate of approximately 26.5% (2023 – 26.5%) were as follows:

	December 31, 2024	December 31, 2023
Loss before income taxes	\$(755,514)	\$(1,387,793)
Expected income tax (recovery)	(200,000)	(368,000)
Adjustment to expected income tax benefit		—
Non-deductible expenses	19,000	208,000
Change in benefit of tax assets not recognized	181,000	160,000
Income tax expense (recovery)	\$—	\$—

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following temporary differences because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom. Deferred income tax assets in Canada have not been recognized in respect of the following deductible temporary differences:

	December 31, 2024	December 31, 2023
Non-capital losses carried forward	\$17,056,000	\$16,558,000
Non-capital losses carried forward (Ghana)	922,057	795,000
Capital losses carried forward	5,228,606	5,179,000
Exploration and evaluation expenses	155,471	164,000
Investments	106,789	—
Share issue costs	127,000	127,000
Equipment	1,202	2,000

## Notes to the Consolidated Financial Statements

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At December 31, 2024, the Corporation has approximately \$17,056,000 (2023 – \$16,558,000) of non-capital losses in Canada, which under certain circumstances can be used to reduce taxable income of future years. The amount and year of expiry of the losses are as follows:

	2024	2023
	\$	\$
2028	389,000	389,000
2029	1,693,000	1,693,000
2030	1,552,000	1,552,000
2031	2,860,000	2,860,000
2032	1,919,000	1,919,000
2033	1,354,000	1,354,000
2034	888,000	888,000
2035	411,000	411,000
2036	381,000	381,000
2037	283,000	283,000
2038	836,000	836,000
2039	808,000	808,000
2040	519,000	519,000
2041	540,000	540,000
2042	817,000	817,000
2043	927,000	927,000
2044	631,000	—
	17,056,000	16,558,000

The Company has approximately \$164,000 (\$164,000) of Canadian exploration and development expenditures as at December 31, 2024 which under certain circumstances may be utilized to reduce taxable income of future years.

### 16. Subsequent events

#### (i) Mineral property options and Joint Venture Agreements

On February 24, 2025, the Company signed an option agreement to acquire up to an 85% interest in the Nkosuo Project, located adjacent to Pelangio's Manfo Project in the Ashanti Region of Ghana. Consideration for the acquisition includes a) the transfer of a 17% interest in the Manfo Project to the Vendor (the "Nkosuo Option"). If the Nkosuo Option is exercised a joint venture will be formed to hold title to both the Manfo and Nkosuo Projects, with Pelangio holding an 83% interest, and the Vendor holding a 17% interest in both projects (the "Combined Project"). The Nkosuo Option must be exercised by December 15, 2025 or it will terminate.

The Company has also granted an option to a third party to acquire a 10% interest in the Combined Project (the "Nathawo Option"). Consideration for the Nathawo Option includes the payment of US\$1,000,000 to Pelangio July 5, 2025. If the Company does not exercise the Nkosuo Option, it may either return the funds or use them for the Manfo Project and the Vendor will earn a 10% interest in the Manfo Project. If the funds are returned, the third party



## Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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will not earn any interest.

(ii) Private placement

On March 29, 2025 the Company completed a non-brokered private placement with the issuance of 25,000,000 units priced at \$0.04, for gross proceeds of \$1,000,000 (the March Offering”). Each Unit is comprised of one common share and a common share purchase warrant to purchase one common share of Pelangio until three years after closing, at a price of \$0.05.

(iii) Sale of Property

On March 11, 2024, the Kenogaming Property was sold to GFG Resources Inc. for \$4,500 and the retention of the 3% royalty subject to a 2% buy-out for \$2,000,000.

(iv) Grant of Options

On February 28, 2025, the Company granted a total of 1,500,000 stock options to directors, officers and employees. The options have a ten-year expiry and an exercise price of \$0.06.