PELANGIO EXPLORATION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Six Months Ended June 30, 2025

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SIX MONTHS ENDED JUNE 30, 2025

This Management's Discussion and Analysis ("MD&A") of the operating results and financial condition of Pelangio Exploration Inc. (the "Company" or "Pelangio") for six months ended June 30, 2025, has been prepared based on information available to Pelangio as of August 27, 2025, and should be read in conjunction with the condensed consolidated interim financial statements and the related notes for the three and six months ended June 30, 2025 ("Interim Financial Statements") and the audited consolidated financial statements and the related notes for the year ended December 31, 2024 ("Annual Financial Statements"). The Company's public filings can be viewed on the SEDAR+ website (www.Sedarplus.ca), and on the Company's website (www.pelangio.com).

The Interim Financial Statements, including comparatives, have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts referred to in this MD&A are expressed in Canadian dollars, unless noted otherwise.

1. CORPORATE OVERVIEW

Pelangio is a Canadian junior gold exploration company with properties in two of the top-ranked mining jurisdictions in the world, Ghana and Canada. Pelangio focuses on the acquisition and exploration of early-stage or undervalued exploration prospects located in world-class gold belts and aims to make discoveries that will significantly increase shareholder value. Pelangio is a reporting issuer in Ontario, Alberta, British Columbia, Saskatchewan and Nova Scotia, and Pelangio's common shares commenced trading on the TSX Venture Exchange ("TSX-V") on September 10, 2008, under the symbol PX.

2. FORWARD-LOOKING STATEMENTS

Certain statements herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Such forward-looking statements or information include but are not limited to statements or information with respect to:

- the mineral resource estimate;
- the timing of exploration programs and the filing of technical reports;
- exploration plans and results with respect to our Manfo, Obuasi and Dankran properties in Ghana (the "Ghana Properties") and our properties in Canada (the "Canadian Properties");
- our future business and strategies;
- requirements for additional capital and future financing;
- future price of gold; and
- estimated future working capital, funds available and uses of funds, and future capital expenditures, expenditures and other expenses for specific operations.

Often, but not always, forward-looking statements or information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things, the price of gold, and the state of the economy and equity markets. Although our management believes that the assumptions made, and the expectations represented by such statement or information are reasonable, there can be no assurance that a forward-looking statement or information referenced herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Such risks, uncertainties and other factors include, among other things, the following:

- our ability to advance the Ghana Properties and the Canadian Properties;
- gold price volatility;
- speculative and uncertain nature of gold exploration;
- inherent uncertainties in estimating mineral resources;
- discrepancies between actual and estimated mineral resources;
- subjectivity of estimating mineral resources and the reliance on available data and assumptions and judgments used in the interpretation of such data;
- volatility of global and local economic climate;
- changes in equity markets;
- exploration costs, capital requirements, and the ability to obtain funding;
- regulatory restrictions;
- defective title to mineral claims or property;
- risks associated with outstanding litigation;
- political developments in Ghana and Canada;
- uncertainties and risks related to carrying on business in foreign countries, including illegal mining, possible adverse changes in laws and taxation, foreign currency exchange fluctuations, and inflation;
- risks associated with environmental liability claims and insurance;
- risks associated with the volatility of the Company’s common share price and volume; and
- risks associated with dilution.

See "Risk Factors" below.

Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. Also, many of the factors are beyond the control of Pelangio. Forward-looking statements and forward-looking information are based upon management’s beliefs, estimates and opinions at the time they are made. There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information. We undertake no obligation to reissue or update any forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements and information herein are qualified by this cautionary statement.

3. 2025 OPERATING AND FINANCIAL STRATEGIES

Pelangio is a mineral exploration company with a strategy designed to capitalize upon acquisition opportunities arising during bear markets and wealth creation occurring during bull markets. To this end, the Company holds a portfolio of strategically located projects that it categorizes as core and peripheral assets. The peripheral assets are leveraged through a project generator model, which aids the Company in sustaining its operating costs. The core assets are Pelangio’s principal focus and the subject of thorough geological study and exploration programs in order to make discoveries. Pelangio's core assets are located Ghana, West Africa, and secondary assets within prolific gold belts in Ontario and Saskatchewan, Canada.

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

4. NATURE OF OPERATIONS

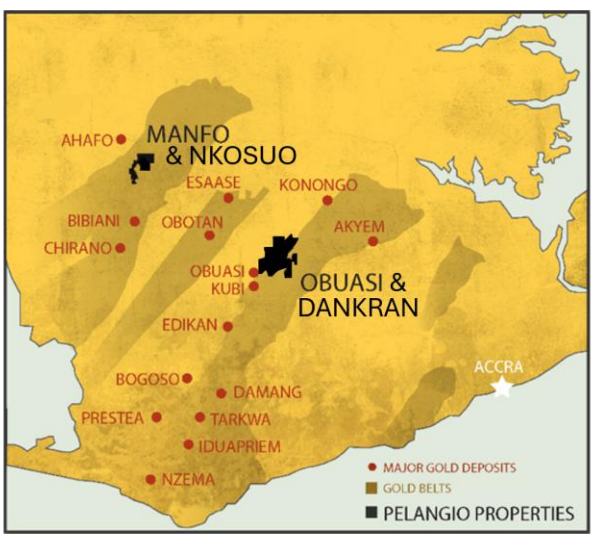
TECHNICAL DISCLOSURE

GHANA PROPERTIES

Disclosure of a scientific or technical nature regarding the Company's properties was prepared by or under the supervision of and approved by Kevin Thomson, P. Geo., (PGO #0191), (the "Qualified Person") a qualified person within the meaning of National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and our Senior Vice President, Exploration. The Qualified Person has verified the data disclosed. Data verification involved checking of information for past drill holes, trench surveying, logging, sampling, and assaying as well as a review of information in the exploration computer database.

The 2025 updated mineral resource estimate for the Manfo project was completed by Simon Meadows Smith, P.Eng/P.Geo (FIMMM # 49627) and Andrew Netherwood, P.Eng. (MAusIMM # 100463) of SEMS Technical Services Limited Ghana. Mr. Meadows Smith and Mr. Netherwood are independent qualified persons as is defined in National Instrument 43-101. Mr. Meadows Smith inspected the Manfo gold project during May 18-19, 2025. The updated mineral resource estimate has an effective date of July 31, 2025, was announced by Pelangio on August 20, 2025, and the Technical Report in respect of the resource will be filed within 45 days of Pelangio's August 20 announcement, on or before October 03, 2025.

PROPERTY DESCRIPTIONS: GHANA PROPERTIES



MANFO

Pelangio entered into a letter of intent to option the Manfo property from a private Ghanaian company in 2010. Pelangio has since earned 100% interest in the property subject to a 10% free carried interest held by the Government of Ghana, the Government's right to acquire a further 20% interest on mutually agreed terms, and a 5% royalty interest (the "Government Interest"), as stipulated in Clause 43, The Minerals and Mining Act 703 of 2006 (the "Mining Act") in each of the contiguous Subriso, Sempekrom and Twabidi concessions (collectively, the "Manfo Property"). Title to the Manfo property licenses was transferred to

Pelangio in 2012. The Optionor of the Manfo property still holds a 2.5% net smelter return ("NSR") royalty, subject to Pelangio's right to buy back 1% of such NSR for an aggregate total payment of US $4,000,000. Additionally, Pelangio (or its successor or permitted assign) will pay the Optionor a discovery bonus equal to the sum of (i) US $1,000,000 plus (ii) US $1.00 per ounce of proven and probable gold reserve set out in the first positive feasibility study published or released in respect of the Manfo Property.

The Manfo Property totals 102 square kilometers ("km^2") and is located in the Ahafo Ano North district of the Ashanti region of Ghana, approximately 17 kilometers ("km") southwest of Tepa, 14 km south of Newmont Mining Corporation's South Ahafo mine and 36 km north of Asante Gold's Bibiani mine. The three licenses which comprise the Manfo property are presently at various stages of the license renewal process and while renewal is not assured, the Ghana Mineral's Commission has issued letters stating it was "unaware of any pending or outstanding issues that would impede the extension of the term of these concessions." The Manfo Agreements are available under Pelangio's profile on www.sedar.com.

Exploration History

Pelangio Exploration conducted systematic exploration over the Manfo project commencing in 2010 consisting of stream sediment sampling (198 samples), soil sampling programs (9,054 samples), trenching (34 trenches totaling 2,921 meters length), auger drilling (807 auger holes), an airborne VTEM and magnetics survey (1,173 line kilometers covering 107 square kilometers), ground induced polarization surveys (350 line-kilometers covered), plus diamond drilling totaling 37,313 meters in 178 diamond drill holes conducted during 2010 through 2012. This drilling led to the discovery of nine significant gold prospects identified along a strike of 8 kilometers of favorable structures trending through the middle of the Manfo property in a north-northeasterly direction, three of which were drilled to a resource level with a maiden resource declared by Pelangio in 2013. The mineralization at Manfo is associated with broad zones of pervasive to fracture-controlled quartz-sericite-carbonate-pyrite alteration overprinting an earlier phase of hematite alteration hosted predominantly in brecciated to sheared granitoid rocks and lesser mafic metavolcanic rocks.

Subsequent to the drilling that led the initial resource estimation, Pelangio conducted multiple smaller drilling programs that were largely exploratory in design. Between 2013 and 2023 Pelangio conducted 9,680 meters of drilling with rotary air blast ("RAB"), air core ("AC"), reverse circulation ("RC") plus 2,305 meters of diamond drilling ("DD"). The results of these programs were mixed, with some encouraging results from drilling around the Pokukrom deposits and the Nkansu prospect, however no significant new discoveries were made and there was no material impact on the resources from this drilling. The most recent drilling consisted of nine DD holes drilled at and near to the Pokukrom East and West deposits in 2021 and 2023 with the most significant several holes demonstrating small extensions to the known Pokukrom deposits on strike and down-dip and one hole showing a significant down-plunge continuation of the small Pokukrom West zone which was thought to be cut-off in most directions. The recent drilling is part of a larger drilling plan designed to demonstrate extensions to mineralization may exist and thus resource growth is possible through further drilling. Resource step-out drilling to be followed by resource quantitative drilling will resume when funding permits. A large program of exploration drilling has also been designed to test up to 21 compelling exploration targets, yet to be commenced.

Manfo Property - Updated 2025 43-101 Mineral Resource Evaluation Technical Report Summary

A Maiden Mineral Resource Estimation ("MRE") was prepared for the Manfo project by SRK Consulting (Canada) Inc. was released on May 17, 2013, and filed on June 21, 2013. In April of 2025 SEMS Technical Services Limited of Ghana started on an update to the maiden MRE which was completed in July of 2025. The 2025 updated MRE for the Manfo project was completed by Simon Meadows Smith, P.Eng/P.Geo (FIMMM # 49627) and Andrew Netherwood, P.Eng. (MausIMM # 100463) of SEMS Technical Services Limited Ghana. Mr. Meadows Smith and Mr. Netherwood are independent qualified persons as is defined in National Instrument 43-101. Mr. Meadows Smith inspected the Manfo gold project during May 18-19, 2025. The updated mineral resource estimate has an effective date of July 31, 2025, was announced by Pelangio on August 20, 2025, and the Technical Report in respect of the resource will be filed within 45 days of Pelangio's

August 20 announcement, on or before October 3, 2025. The completion of the Manfo 2025 updated MRE and announcement is an event subsequent to the 2025 Q2 quarter.

Gold mineralization at Manfo occurs in 8 prospects along a 9-kilometer-long structural corridor in a granodiorite intrusive, three of which were drilled to a resource status with a Maiden Resource estimate for Manfo released in 2013. The gold mineralization is hosted in brittle-ductile shears and brecciation cutting through the granodiorite with progressive chlorite-hematite-carbonate-sericite-silica alteration with quartz veining and pyrite. The chlorite-hematite altered zones are generally low in gold grade (<0.5 g/t Au) while the sericite-silica altered zones with more abundant quartz veining and pyrite can be high in gold grade (>5 g/t Au).

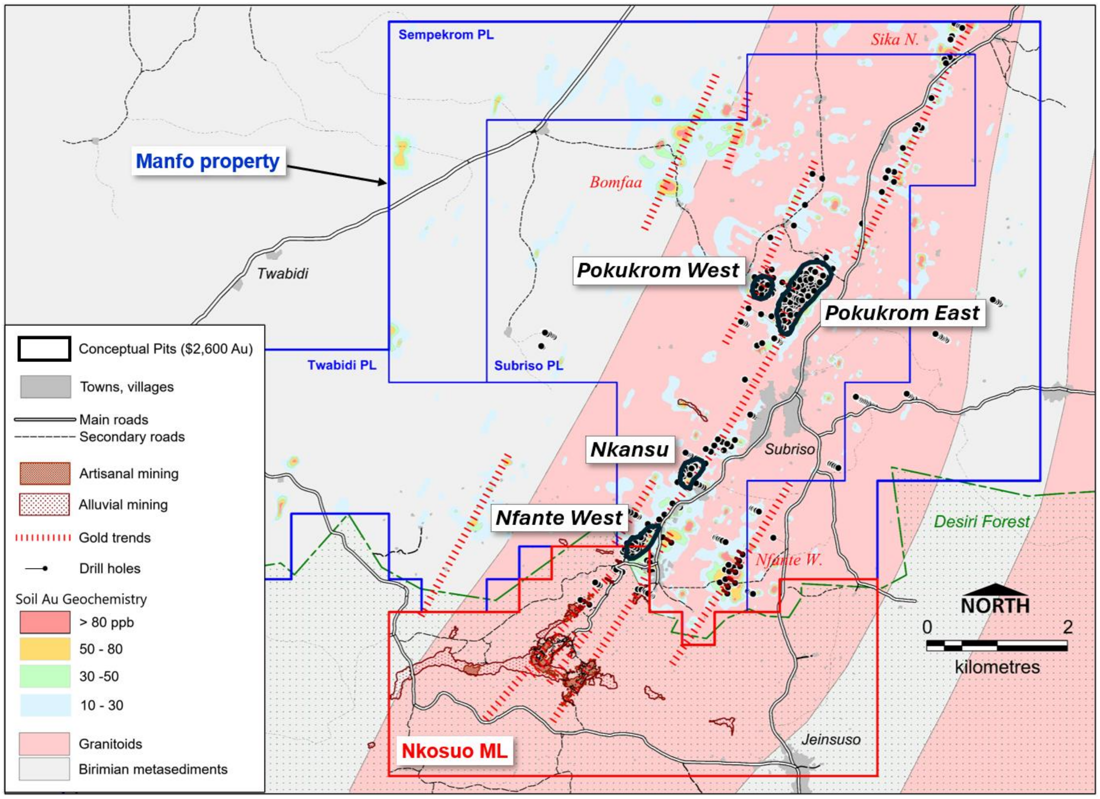
The August 2025 MRE updates the 2013 maiden resource estimate to reflect the increase in gold price since 2013 and incorporates drilling conducted by Pelangio after 2013. A fourth deposit, Nkansu, largely drilled post-2013, has been added to the total resource. The following figure shows the relative locations of the four deposits. The drilling used to estimate the 2025 MRE for the four deposits totals 38,070 meters in 202 holes including 35,930 meters of diamond drilling in 175 holes plus 2,140 meters of reverse circulation drilling in 27 holes. SEMS Technical Services updated the original grade block models created in 2013 by SRK Consulting (Canada) Inc. for the Pokukrom East and West deposits to account for post-2013 drilling, a new model was created for the Nkansu deposit, and the Nfante West model remains unchanged since 2013.

SEMS used Datamine™ software to review and update the mineral resource estimation domains, prepare assay data for geostatistical analysis, construct the block models, estimate metal grades, and tabulate mineral resources. Mineral resource estimation consisted of standard geostatistical techniques of variography and ordinary kriging applied to wireframe models of mineralization and lithological alteration zones as defined by the interpreted resource domains. To demonstrate "reasonable prospects for eventual economic extraction" based on open pit mining methods and conventional treatment processes, open pit optimization techniques to generate a constraining surface (conceptual pit shells) ensures that assumptions for relevant technical and economic factors are considered in the determination of the stated Resource. These assumptions, which include gold price, operating costs, metallurgical recovery and pit slopes, are listed in Table 2. The cut-off grades were derived from these assumptions. The gold cut-off grades were decreased from 2013 with 0.25 g/t Au for the oxides and 0.35 g/t Au for the transitional and fresh resource material (the majority of the resource) used in the 2025 Resource estimation versus 0.40 g/t Au for oxides and 0.50 g/t Au for transitional and fresh used in 2013.

The total Resource for the Manfo project is listed in the table below and the resource estimation for the four individual deposits is listed in the following table. The Pokukrom East deposit is the largest by far of the four deposits and accounts for 91% of the total Indicated resource with 402,000 ounces of gold based on 11,313,000 tonnes averaging 1.11 g/t Au plus 65% of the total Inferred resource with 258,000 ounces of gold based on 10,878,000 tonnes averaging 0.74 g/t Au. The Pokukrom West deposit, while relatively small with 39,000 ounces of Indicated gold plus 23,000 ounces of Inferred gold is the highest grade of the four deposits averaging 2.54 g/t Au for the Indicated category. The Nfante West and Nkansu deposit resources are entirely Inferred currently due to their wider spaced drilling and lower demonstrated grade continuity between drillholes. Most of the Resource is in fresh rock comprising 94% of the total Indicated resource plus 81% of the total Inferred resource.

In comparison to SRK's 2013 maiden mineral resource estimation for the Manfo project, the higher gold price and lower cut-off grades used in the 2025 estimation returned a pit-constrained resource significantly larger with respect to tonnage and gold content, and lower in average gold grade than for 2013. It should be noted that the 2013 resource estimation is not disclosed in a manner compliant with today's NI43-101 standards. The total project economically pit-constrained MRE estimated in 2025 compared to that from 2013 resulted in an increase to the Indicated resource gold content of 126% going from 3,973,000 tonnes averaging 1.52 g/t Au containing 195,000 ounces of gold in 2013 to 11,787,000 tonnes averaging 1.16 g/t Au for 441,000 ounces of gold with a corresponding 24% decrease in average gold grade. The total pit-constrained Inferred resource increased by 395% from 3,973,000 tonnes averaging 1.52 g/t Au containing 195,000 ounces of gold in 2013 to 11,787,000 tonnes averaging 1.16 g/t Au for 441,000 ounces of gold with an average gold grade decrease of 30%.

Map of the Manfo-Nkosuo Project and 2025 MRE Deposit Locations



Mineral Resource Statement Manfo Gold Project, Ghana – SEMS Technical Services, Ghana, July 31, 2025

Classification		Indicated			Inferred		
Category	Cut-off Grade (g/t Au)	Quantity (000' tonnes)	Grade (g/t Au)	Cont. Gold (000' oz)	Quantity (000' tonnes)	Grade (g/t Au)	Cont. Gold (000' oz)
Oxide	0.25	55	1.30	2	1,024	0.69	23
Transition	0.35	458	1.70	25	2,017	0.79	51
Fresh	0.35	11,274	1.14	414	13,007	0.77	322
Totals		**11,787**	**1.16**	**441**	**16,048**	**0.77**	**396**

1. *The Indicated mineral resource and the Inferred mineral resource are reported in accordance with Canadian Securities Administrators National Instrument 43-101 – Standards of Disclosure for Mineral Projects and have been estimated following the generally accepted CIM 'Estimation of Mineral Resource and Mineral Reserves Best Practices Guidelines' (2014).*
2. *Mineral resources are distinct from mineral reserves, have not demonstrated economic viability, and there is no certainty that they will be converted into a mineral reserve.*
3. *The MRE used economically optimized pits to constrain the block models with the following parameters used: $2,600 Au price, Treatment costs $11 / $17 / tonne (oxide / trans-fresh), mining costs: $2.20 / 3.10 / tonne (oxide / trans-fresh), G&A: $6/tonne ore, Recoveries 94% / 90% (oxide / trans-fresh), pit slope angles 40° / 54° (oxide / trans-fresh), Mining dilution / recovery: 0% / 100%.*
4. *The Mineral Resource estimate was prepared by independent Qualified Persons Simon Meadows Smith, P.Eng/P.Geo (FIMMM # 49627) and Andrew Netherwood P.Eng (MAusIMM #100463) of SEMS Technical Services Ltd. Ghana and has an effective date of July 31, 2025.*

Mineral Resource by Zone for the Manfo Gold Project

Classification			Indicated			Inferred		
Deposit	Category	Cut-off Grade (g/t Au)	Quantity (000' tonnes)	Grade (g/t Au)	Contained Gold (000' oz)	Quantity (000' tonnes)	Grade (g/t Au)	Contained Gold (000' oz)
Pokukrom East	Oxide	0.25	41	0.69	1	474	0.65	10
	Transition	0.35	302	1.06	10	922	0.79	23
	Fresh	0.35	10,970	1.11	391	9,482	0.74	225
	Sub-total		**11,313**	**1.11**	**402**	**10,878**	**0.74**	**258**
Pokukrom West	Oxide	0.25	14	3.06	1	43	2.05	3
	Transition	0.35	156	2.95	15	136	1.27	6
	Fresh	0.35	304	2.31	23	237	1.96	15
	Sub-total		**474**	**2.54**	**39**	**417**	**1.75**	**23**
Nfante West	Oxide	0.25				355	0.67	8
	Transition	0.35				675	0.77	17
	Fresh	0.35				1,612	0.75	39
	Sub-total					**2,642**	**0.74**	**63**
Nkansu	Oxide	0.25				152	0.49	2
	Transition	0.35				284	0.60	5
	Fresh	0.35				1,676	0.81	43
	Sub-total					**2,111**	**0.76**	**51**
Totals	Oxide	0.25	55	1.30	2	1,024	0.69	23
	Transition	0.35	458	1.70	25	2,017	0.79	51
	Fresh	0.35	11,274	1.14	414	13,007	0.77	322
	Grand Total		**11,787**	**1.16**	**441**	**16,048**	**0.77**	**396**

Cautionary Note Regarding Mineral Resource Estimates

Investors should not assume that any of the indicated or inferred mineral resource disclosed herein will ever be upgraded to a higher category of mineral resource or to mineral reserves, and that any or all the indicated or inferred mineral resource exist or is or will be economically or legally feasible to mine. In addition, investors should not assume that any of the references herein to adjacent properties (based on public information) is necessarily indicative of the mineralization on the Manfo property or that further exploration on the Manfo property will prove to be successful.

The disclosure herein uses mineral resource classification terms that comply with reporting standards in Canada, and the disclosure of mineral resource estimates are made in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects that are considered material to the issuer.

All resource estimates contained herein are based on the definitions adopted by CIM and recognized under NI 43-101. Standards differ significantly from the mineral reserve disclosure requirements of the U.S. Securities and Exchange Commission set out in Industry Guide 7. Consequently, resource information contained in this MD&A is not comparable to similar information that would generally be disclosed by U.S. companies in accordance with the rules of the SEC. The SEC's Industry Guide 7 does not recognize mineral resources, and US companies are generally not permitted to disclose mineral resources in documents they file with the SEC. Investors are specifically cautioned not to assume that any part or all of the mineral resources disclosed above will ever be converted into SEC defined mineral reserves. Further, "inferred mineral resources" have a great amount of uncertainty as to their existence and as to whether they can be mined or economically. In accordance with Canadian rules, estimates of inferred mineral resources generally cannot form the basis of an economic analysis.

The NI43-101 Mineral Resource Evaluation Technical Report written by SEMS Technical Services Limited will be filed with SEDAR on or before October 03, 2025.

Recent Activities: Manfo & Nkosuo Properties

Pelangio has also been exploring options to fast-track development of the Manfo project to take advantage of current high gold prices. In August of 2024 Pelangio entered into an agreement with MFD Investment Holdings SA allowing MFD to earn a 10% interest in the Manfo project by completing a Preliminary Economic Assessment (PEA) and invest up to $1 million in developmental expenditures by December 31, 2025. Upon fulfilling these obligations, or achieving a first gold pour by December 2027, MFD will acquire a 10% interest in the Manfo Project. The MRE update is being covered by MFD as part of their $1.0 million expenditure commitment.

In February of 2025 Pelangio entered into an agreement to acquire up to an 83% interest in the Nkosuo Mining Lease contiguous to the southern end of the Manfo Project. Acquisition of the 83% interest in the Nkosuo Project is subject to due diligence and other customary conditions, by transferring a 17% interest in the Manfo Project to FJ (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 FJ holding a 17% interest in both projects (the "Combined Project"). Pelangio shall be the Operator of the Joint Venture.

Pelangio and FJ have also granted Nathawo Properties and Investment Ltd. ("Nathawo") the option to acquire a 10% interest in the Combined Project (the "Nathawo Option"). Nathawo, a privately held Ghanaian company may exercise this option by providing Pelangio with a total of US$1,000,000 by July 5, 2025, the extension of which date is under negotiation. These funds will be used to maintain, explore, and develop the Nkosuo Property. If Pelangio does not exercise the Nkosuo Option, Pelangio may either return the funds or use them for the Manfo Project and FJ will earn a 10% interest in the Manfo Project. If the funds are returned, Nathawo will not earn any interest.

MFD Investment Holdings SA ("MFD"), a Swiss private investment company, has a prior option to earn a 10% interest in the Manfo Project by investing up to $1,000,000 and completing a Preliminary Economic Assessment on the Manfo Project by December 31, 2025 (the "MFD Option") (see Press Release dated August 27, 2024). MFD has elected to participate with Pelangio in the FJ Agreement. MFD focuses on developing quick-to-cashflow mining assets with significant exploration upside.

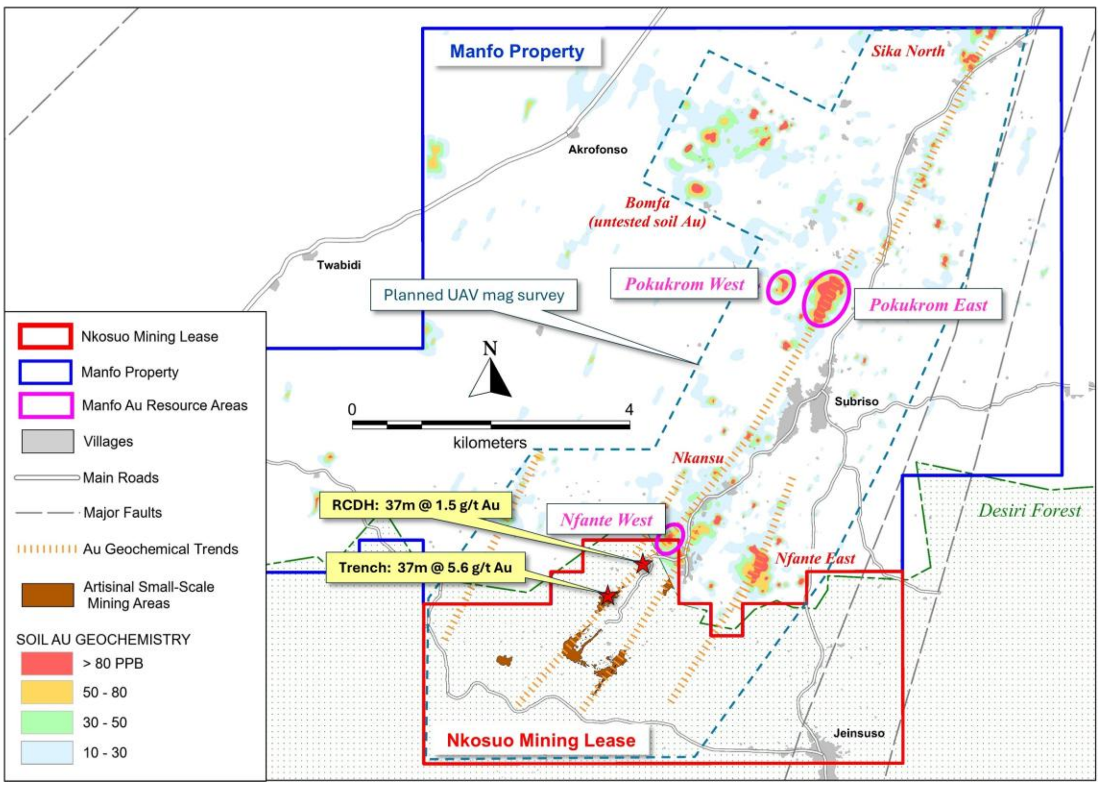
If the Nkosuo Option, the Nathawo Option and the MFD Option are fully exercised, the relative interests in the Combined Project shall be: Pelangio -65.7%, FJ- 17%, Nathawo- 10%, and MFD -7.3%.

The 12-year Nkosuo Mining Lease provides Pelangio with an additional 18 square kilometers of highly prospective geology hosting 4 kilometers strike of several extensions of Manfo's gold mineralized trends to the south. While historical work on the Nkosuo Project was limited, during 2004 to 2005 Ashanti Goldfields Corp. (now AngloGold Ashanti plc) exploration of the Manfo Project extended into the northern end of the current Nkosuo property with 12 short reverse circulation ("RC") holes and 4 short trenches completed along 1.0 kilometers of the southwestern strike extension of Pelangio's Nfante West deposit which sits at the boundary of the two properties. Nearly all of the RC holes and trenches were mineralized, with the highlights including an RC hole returning 37 meters of 1.52 g/t Au situated 400 meters southwest of the Manfo property boundary plus a trench which assayed 37 meters of 5.60 g/t Au including 22 meters of 7.89 g/t Au (uncut) 1.0 kilometers into the Nkosuo Project southwest of Nfante West. Refer to the figure below.

The Nkosuo Lease is expected to add significant exploration potential which may result in a larger gold resource being defined over a combined Manfo-Nkosuo project and allows for the inclusion of the small Nfante West deposit which straddles the boundary between the Manfo and Nkosuo properties as a result of the updated mining cadastral system which was instituted by the Ghana Minerals Commission several years ago.

Exploration activities on the Manfo-Nkosuo combined project commenced in early July of 2025, subsequent to the 2025 Q2 quarter. A 900 line-km high resolution (50m line spacing) drone magnetics survey on Manfo-Nkosuo started on July 11 and is nearing completion. The survey was effectively completed however a few lines need to be reflown due to QA/QC concerns and is being hampered by the weather. Additionally, an orthophotographic survey of the same area started on August 11 and is nearly complete. The high-resolution (4cm-pixel) orthophotographic survey will allow accurate mapping of the extents and types of artisanal mining active on the Nkosuo Mining Lease, past and present, and along with the magnetics survey will aid in geologic and structural interpretation to aid the delineation and ranking of targets for drill testing.

Map of the Manfo and Nkosuo Projects Illustrating the Interpreted Extensions of the Manfo Mineralized Trends Into Nkosuo Plus the Area of the Nearly Completed UAV Magnetics Survey



OBUASI

The Obuasi property consists of the Kyereboso #2, Kyereboso #3, Meduma and Adokwae prospecting licenses totaling an area of 280 square kilometers located east of and adjacent to the world class Obuasi mine owned by AngloGold Ashanti. The Obuasi mine has produced approximately 30 million ounces of gold since commercial operations started more than 100 years ago and hosts a current gold resource of 27 million ounces. Pelangio's Obuasi licenses are all under various stages of renewal, and while the renewals are not assured, the Ghana Mineral's Commission has issued letters stating it was "unaware of any pending or outstanding issues that would impede the extension of the term of these concessions." The Obuasi licenses were acquired pursuant to option agreements (the "Obuasi Agreements"), with two private Ghanaian Companies. Pelangio now holds a 100% interest in the Obuasi Property (subject to the Government

Interest as defined above, and subject to a 2% NSR to the Optionors). The Obuasi Agreements are available under Pelangio's profile on www.sedar.com.

Exploration History

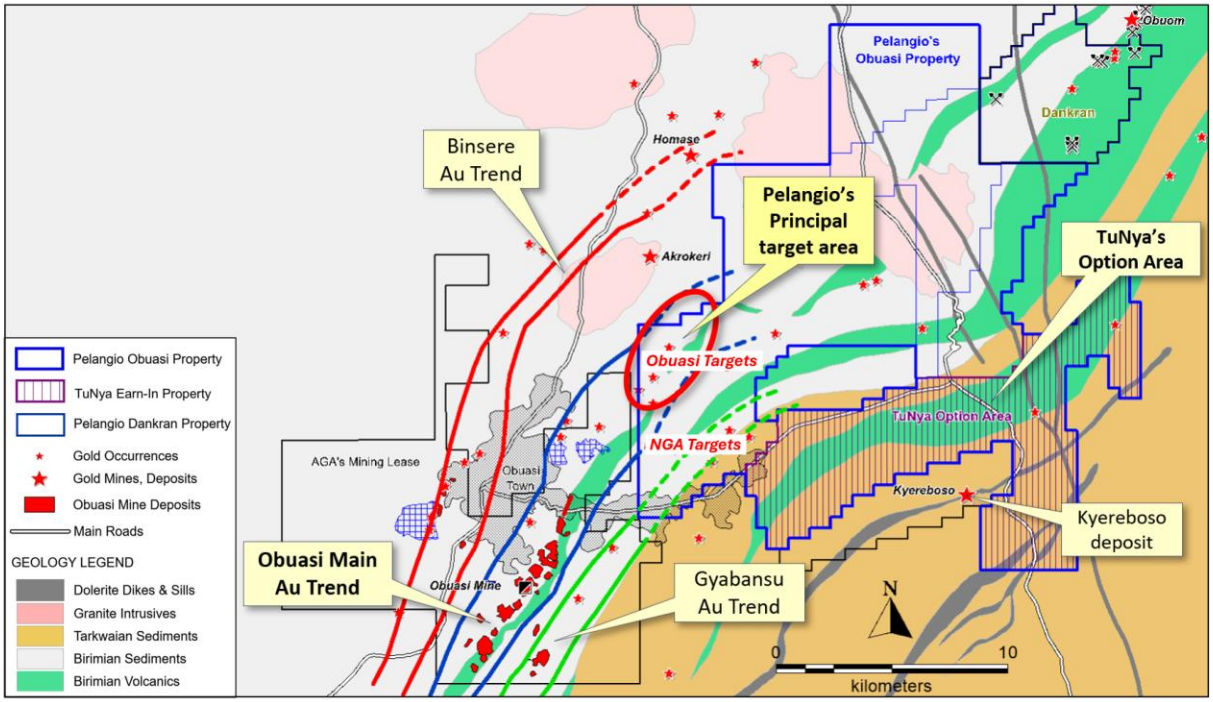
Pelangio Exploration conducted systematic exploration of the Obuasi property from the option date in late-2005 up to 2012. After 2012 work on the Obuasi property has been sporadic and limited with Pelangio's focus in Ghana shifting to the Manfo project. The recent agreement with TuNya Mineral Resources has resulted in a renewal of exploration activity on the Obuasi property. During 2005 through 2012, Pelangio conducted detailed soil sampling (18,800 samples), geological mapping, prospecting and sampling with more than 7,000 rock chip samples, more than 20,000 meters of trenching, two VTEM/Magnetic surveys covering the majority of the property with 3,458 line-kilometers flown, drilled 1,232 auger holes and drilled 129 diamond drill holes totaling 27,883 meters. The drilling was focused on just a handful of targets, and while no major discoveries were made multiple drill holes returned encouraging gold assay results from geology and alteration similar to that observed at the Obuasi mine.

TuNya Mineral Resources Ltd. ("TuNya") earn-in binding letter of intent

On July 31, 2023, Pelangio and TuNya announced an earn-in binding letter of intent giving TuNya the right to earn an 80% interest on the southern Tarkwaian portion of two of the four licenses that comprise Pelangio's Obuasi property. Under the terms of the binding Letter of Intent, TuNya can earn an 80% interest in the TuNya Earn-In Property by undertaking a US$250,000 technical review of the Pelangio Main Obuasi Property, completing 2,000 meters of drilling on the TuNya Earn-In Property, and paying Pelangio US$150,000 within 18 months of the effective date of the agreement. Pelangio retains 100% interest in the Main Obuasi Property. A joint venture Company will be formed once TuNya has acquired its 80% interest. However, Pelangio shall retain its 20% interest and shall not have an obligation to fund work on the TuNya Earn-In Property until a mineral resource of at least 100,000 ounces of gold has been defined in the Measured or Indicated category in accordance with Canadian National Instrument 43-101 (NI 43-101). The binding Letter of Intent is subject to customary preliminary authorizations, including the valid issuance of a new Pelangio license covering only the TuNya Earn-In Property, receipt of approval of the TSX Venture Exchange and receipt of approval of the Minister of Lands and Natural Resources of the Republic of Ghana.

The TuNya agreement allows TuNya to explore for potential additions to their neighbouring Kyereboso gold deposit which could permit the project to develop into a viable mining opportunity, while Pelangio receives the benefit of their technical experts' Obuasi mine and Ashanti Belt experience in assisting to appraise and advance exploration targets on the Obuasi property. Refer to the following map.

Map of the Obuasi District Showing Pelangio's Obuasi Property and TuNya Earn-In Property

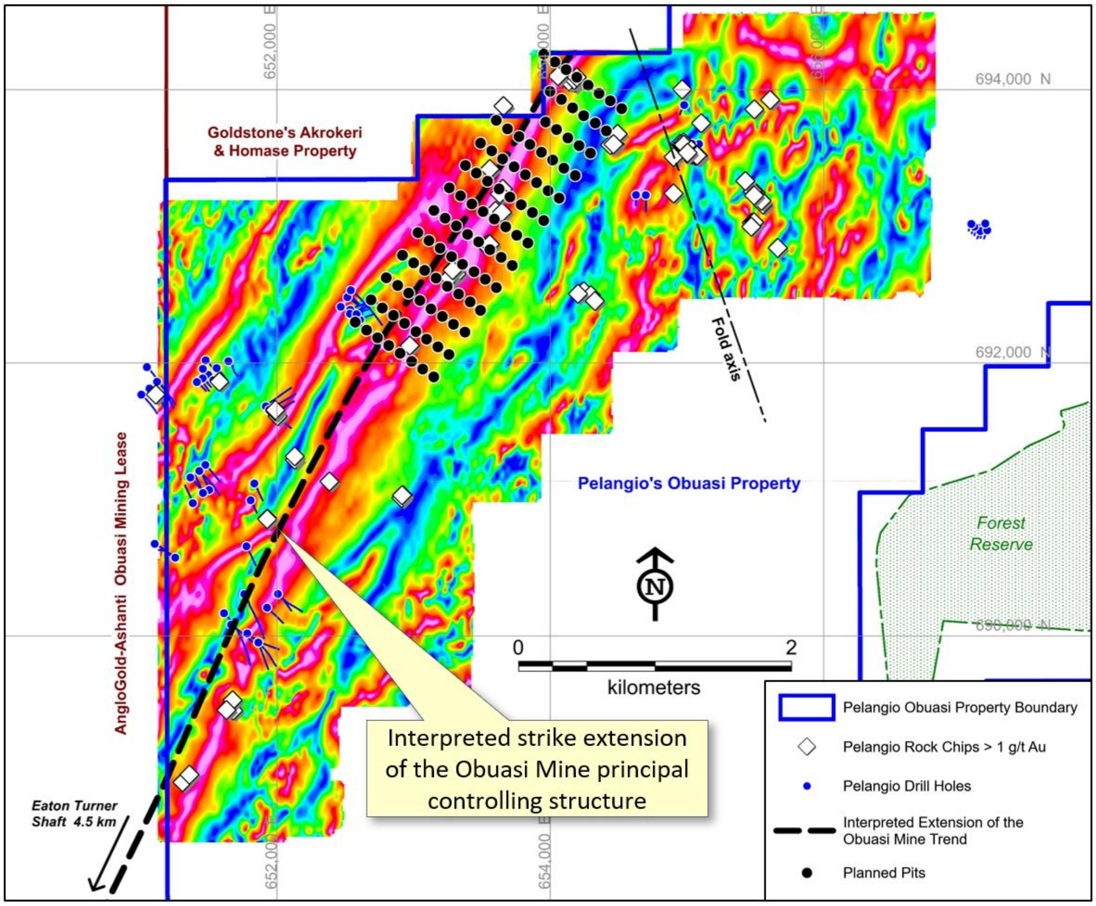


Recent Activity

TuNya Mineral Resources technical review of Pelangio's Obuasi Main Property was commenced in October of 2023 with a desk top review of Pelangio's considerable exploration datasets plus a start on detailed field mapping over the western half of the property. Field mapping was completed in May of 2024, and a report was issued with recommendations that included the flying of a high-resolution UAV (drone) airborne magnetics survey over the principal area of interest identified in the western margin of the property covering the interpreted strike extension of the Obuasi mine host stratigraphy and mineralized trend. Here, a significant concentration of Pelangio's historical anomalous rock chip samples > 1 g/t Au occurs with much of the 8-kilometer-long target untested by trenching and drilling.

The UAV magnetics survey was flown by SEMS Exploration of Ghana on behalf of TuNya in December of 2024 and covered an area of 18 square kilometers with a total of 392 line-kilometers flown at 50-meter line spacing. The results, much higher resolution than the 200-meter spaced VTEM/Magnetic survey of 2007, provided a much clearer interpretation of the northeasterly extension of the mafic volcanics along which the Obuasi Mine deposits lie, with the interpreted Obuasi structure following the western flank of this magnetic high and extending into the principal target area of Pelangio's Obuasi project. In Q1 of 2025 a program of pitting, trenching and sampling was designed to evaluate the target area and was commenced by TuNya in January of 2025 and is ongoing. This work was paused for several months due to other commitments and resumed in late July and was completed by late August of 2025. A report with interpretation and recommendations is currently being compiled and is expected to be presented to Pelangio in early September.

Map of the UAV Magnetics Survey flown by TuNya and Planned Pitting Program



DANKRAN

In November 2020, Pelangio entered into an option agreement with BNT Resources Ghana Ltd., ("BNT") to acquire a 100% interest in the Subriso-Kokotro prospecting license ("Dankran property") for consideration of cash and the issuance of shares, subject to the 'Government Interest' as defined above. Pelangio has since earned 100% interest in the Dankran property. The Dankran license is under renewal, and while the renewal is not assured, the Ghana Mineral's Commission has issued a letter stating it was "unaware of any pending or outstanding issues that would impede the extension of the term of these concessions."

Dankran covers an area of 34.65 km^2 contiguous to the northeastern corner of Pelangio's Obuasi project extending over seven kilometers of strike of the world-class Ashanti Belt, one of the last remaining under-explored strike-extensive stretches of highly favourable Ashanti Belt geology. The Dankran property covers the same Birimian sedimentary and volcanic stratigraphy that hosts AngloGold Ashanti's 27-million-ounce Obuasi Mine located 25 kilometers to the southwest and is adjacent to the historical Obuom mine which in the 1930's produced 29,000 ounces at an average grade of 16 g/t Au

Exploration History

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

Recent Activity

Exploration work on the Dankran property is presently paused with Pelangio's exploration priorities in Ghana being focused at Manfo-Nkosuo and to a lesser extent on the Obuasi property. When resources allow follow up drilling has been designed for the main Dankran target with infill RC drilling to further test the 2.5-kilometer-long target strike plus limited diamond drilling to probe the stronger mineralization at depth and provide geological and structural data to assist further drill targeting. A recent development at Dankran is the incursion of many artisanal miners exploring and mining along the mineralized trend extending from the ~ turn of the century small underground Obuom Mine to the east. While environmentally destructive, the local miners are capable prospectors and are clearly onto significant mineralization at Dankran given their numbers and scale of activities. The Ghanaian authorities have been alerted to the issue and will hopefully provide some level of support to mitigate the intrusion before it gets out of hand.

CANADIAN PROPERTIES

All the properties in which Pelangio owns a 100% interest are in good standing or have sufficient work credits to be maintained for a minimum of one year. All leased and patented properties are in good standing through payment of taxes, and we are completing any necessary work commitments on any properties that are under option to Pelangio.

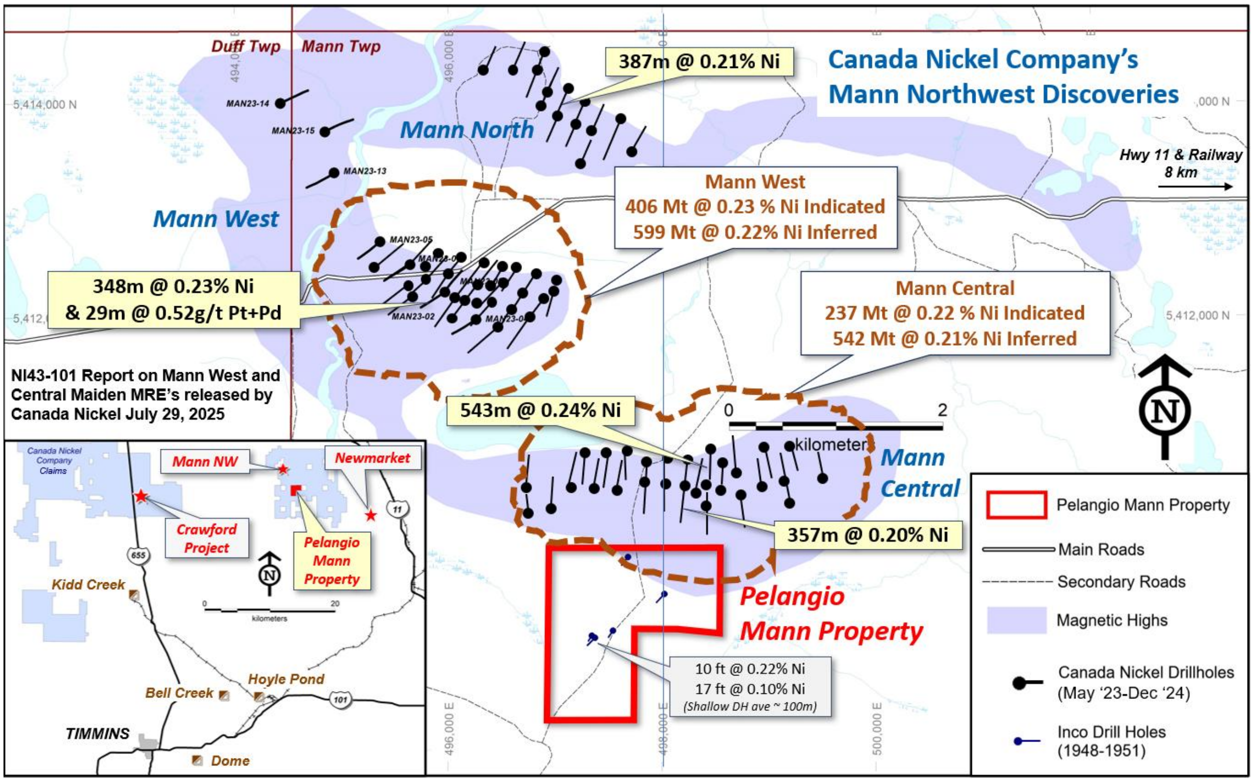
MANN PROPERTY, TIMMINS, ONTARIO

Pelangio's 100% owned Mann project has come to the forefront with recent nearby discoveries by Canada Nickel Company. Canada Nickel is advancing their 2 billion tonne Crawford nickel project and aggressively exploring multiple properties in the district. Pelangio's Mann Property is located in Mann Township 50 km northeast of the City of Timmins and covers an area of approximately 2km². The twelve patented claims (mining and surface rights) cover a portion of a large ultramafic intrusive complex that is prospective for nickel, copper, cobalt, chromium, PGE's and gold, and lies between adjacent to several nickel discoveries recently made by Canada Nickel Company. The Mann patents cover historical airborne electromagnetic anomalies that experienced limited shallow drill testing by Inco during 1948 to 1951 and returned significant nickel values over narrow widths.

Canada Nickel has conducted substantial drilling over the past two years across their multiple exploration properties away from their Crawford project including on their Mann Township prospects. A maiden resource estimate was declared for their Mann West deposit in June of 2025 and for their Mann Central deposit in July of 2025. Canada Nickel's 43-101 Technical Report (July 29, 2005) stated the maiden resource for Mann West at 406.1 Mt @ 0.23% Ni Indicated plus 599.1 Mt @ 0.22% Ni Inferred and the Mann Central resource at 236.7 Mt@ 0.22% Ni Indicated plus 543.2 Mt @ 0.21% Ni Inferred. The Mann Central conceptualized open pit actually encroaches into the Pelangio Mann patents.

Pelangio is currently considering exploration programs to evaluate the potential of the Mann property, however Pelangio's focus is principally the Ghanaian projects.

Location of the Mann Patents with respect to Canada Nickel's Mann Township Discoveries and MRE's



GRENFELL, KIRKLAND LAKE, ONTARIO

The 100% owned Grenfell property is located in Grenfell Township approximately 10km northwest of the Town of Kirkland Lake, Ontario. It is comprised of a series of contiguous mining leases and mining claims covering about 6.7km^2. The property has been worked sporadically on and off since the early 1930's. Pelangio conducted two diamond drilling programs on the property in 2020 and 2021 with notable drilling intercepts of 1.32 g/t gold over 26.00 meters including 314 g/t gold over 1.74 meters (uncut) and 10.95 g/t gold over 3.00 meters including 23.40 g/t gold over 1.00 meters.

On August 19, 2022, the Company entered into an earn-in agreement with Record Gold, on the Company's Grenfell property. Pursuant to the agreement, Record Gold could 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. Record Gold did not meet the terms of the earn-in option, and the agreement expired. Pelangio has retained a 100% interest in the property.

BIRCH LAKE, RED LAKE DISTRICT, ONTARIO

The Company owns a 100% interest in a total land package of 3,400 hectares (34 km^2) in the Keigat Lake area, approximately 120 km northeast of Red Lake, Ontario. The original 453-hectare property is subject to an underlying agreement whereby Newmont retains a 2% NSR on 28 of the historical claims. All other claims are not subject to any royalty. There are currently no obligations to Newmont other than payment of the royalty on production.

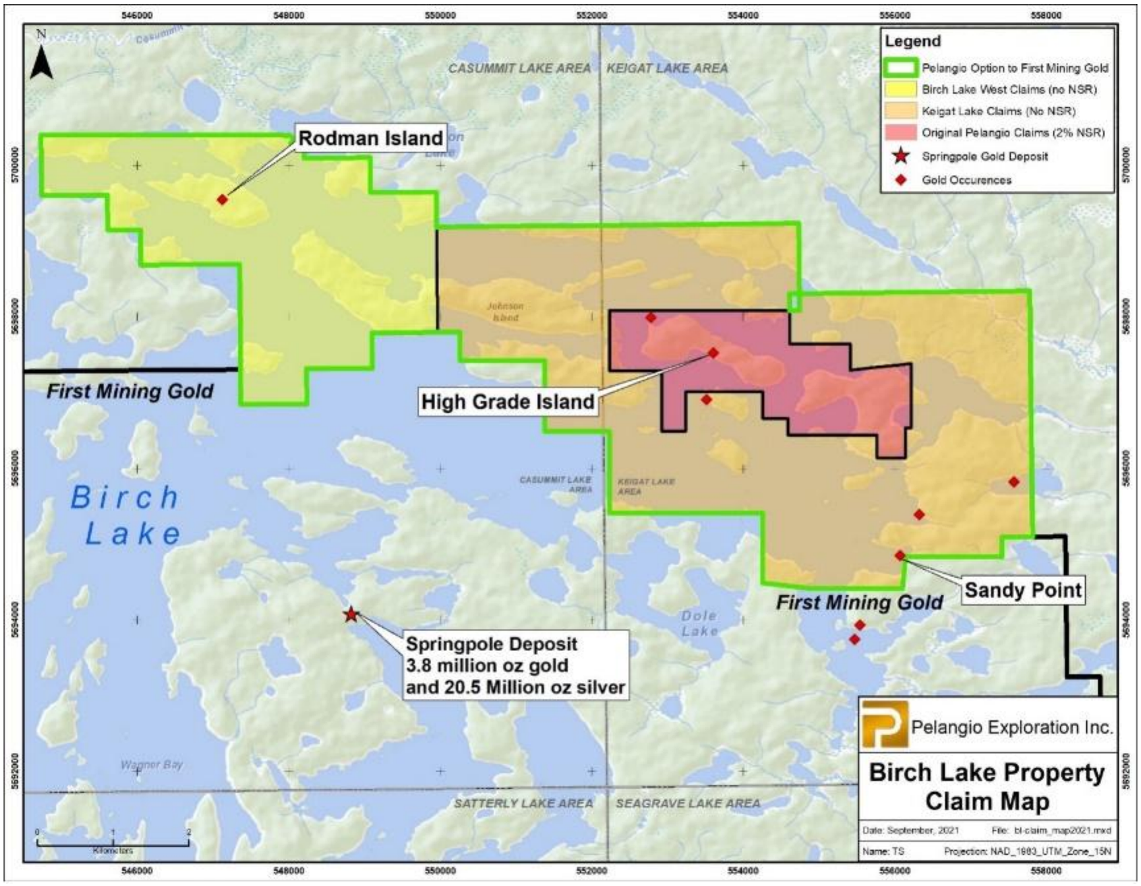
In October 2021, Pelangio entered into an earn-in agreement with a well-financed, strategic partner, First Mining Gold Corp. ("First Mining") and Gold Canyon Resources Inc. ("Gold Canyon"), a wholly owned subsidiary of First Mining, on Pelangio's Birch Lake and Birch Lake West properties (together, the "Birch Lake Project"). The Birch Lake Project is adjacent to First Mining's Springpole Gold Project (see map below), which hosts the 3.8-million-ounce Springpole gold deposit located 3 kilometers to the south. The agreement was first signed in October 2021 with First Mining and subsidiary Gold Canyon to earn into Pelangio's Birch Lake properties whereby Gold Canyon may earn an initial 51% interest in the Birch Lake Project by paying Pelangio a total of $350,000 in cash, issuing 1,300,000 First Mining shares to the Company and completing $1,750,000 in exploration expenditures over a four-year period. The first-year obligations of the agreement were fulfilled by Gold Canyon, however prior to the second anniversary of October 4, 2023, First Mining approached Pelangio to request reasonable modifications to the agreement to accommodate for the industry-wide reductions to available exploration capital plus challenges to their drilling programs on Birch Lake due to milder winters and thin ice. Following discussions, Pelangio and First Mining mutually agreed to an updated earn-in agreement, as below, which grants Gold Canyon and First Mining additional time to earn-in to 51% of the Birch Lake Project. Compared to the original agreement, the amended agreement gives Pelangio less cash ($220,000 over 7 years vs. $350,000 over 4 years), more shares of First Mining (1,600,000 shares over 7 years vs. 1,300,000 shares over 4 years) plus a marginally smaller work commitment ($1,500,000 within 7 years vs. $1,750,000 within 4 years). Pelangio believes it is in its best interests to accommodate First Mining who have demonstrated themselves as a good partner for the advancement of the Birch Lake properties.

Cash Payments	Share Issuances	Exploration Expenditures	Year
$50,000	250,000	—	On October 4, 2021, the Closing Date – (cash & shares received)
$50,000	250,000	—	On October 4, 2022 – (cash & shares received) Exploration Expenditures extended to on or before the Second Anniversary of the Closing Date
$10,000	250,000	—	On or before October 4, 2023 – (cash & shares received)
$10,000	250,000	—	On or before October 4, 2024 – (cash & shares received)
$25,000	500,000	—	On or before October 4, 2025
$25,000	200,000	Minimum $500,000	On or before October 4, 2026
$25,000	200,000	—	On or before October 4, 2027
$25,000	200,000	Minimum $1,500,000	On or before October 4, 2028

Upon completion of the 51% earn-in, Gold Canyon and First Mining have the right to earn a further 29% interest (for a total interest of 80%) in the Birch Lake Project for a period of up to two years from the date of the exercise of the 51% earn-in right (the “Second Earn-In Period”), which remains in effect as stated in the original agreement from 2021. In order to earn the additional 29%, Gold Canyon or First Mining shall complete, within the Second Earn-In Period, a further $1,750,000 in exploration expenditures and either pay Pelangio $400,000 in cash or issue to Pelangio such number of shares of First Mining equal to $400,000 divided by the market price of First Mining shares on the day immediately prior to the date of issuance. Gold Canyon and Pelangio shall form a 51%/49% joint venture with respect to the Birch Lake Project if the 51% earn-in is completed and the second earn-in is not completed. If the second earn-in is completed, Gold Canyon and Pelangio shall form an 80%/20% joint venture with respect to the Birch Lake Project.

In 2022 First Mining commenced a planned multi-year district-scale exploration program over properties in the Birch-Uchi Greenstone Belt, including over the optioned Birch Lake property. A high resolution magnetic and SkyTEM electromagnetic airborne survey has been completed, and considerable soil and rock geochemical surveys were conducted across the district during the 2022 and 2023 field seasons with numerous samples obtained from the Birch Lake properties. Assays results from sampling on the Birch Lake Project were in line with historical results and filled in several gaps in the property sample coverage. Multiple priority drill targets have been developed across the district, including on the Birch Lake property, and drilling commenced in the winter of 2022-2023. First Mining successfully completed one drill hole on Birch Lake approximately 4 kilometers to the northwest of High-Grade Island for which assay results were not released publicly, however poor ice conditions prevented two additional planned holes from being drilled. First Mining has informed Pelangio that they intend to conduct additional drilling on the Birch Lake properties with the timing dependent upon rankings of other targets developed from their ongoing work across the district, plus ice conditions, permitting and availability of exploration capital.

Birch Lake Property Map



GOWAN POLYMETALLIC PROPERTY, TIMMINS, ONTARIO

The Gowan Property is a 2.6 km^2 property located in Gowan Township approximately 27 kilometers northeast of the City of Timmins and approximately 20 km southeast of Glencore's Kidd Creek Mine. The Kidd Creek Mine is a copper zinc Volcanogenic Massive Sulfide ("VMS") deposit hosted in a felsic volcanic suite of rocks. The Gowan Property hosts a historical VMS intercept in a geological environment possibly similar to that found at the Kidd Creek Mine.

ADDITIONAL CANADIAN PROPERTIES

- *Poirier Gold Property, Timmins Gold Camp*
  Pelangio owns 100% of the Poirier Gold Property Lease (47.34 hectares) located in Bristol Township, 22km west of Timmins, contiguous with Pan American Silver Corp.'s (previously Tahoe Resources Inc.) Timmins and Thunder Creek deposits (collectively, the Timmins West Mine). The property is subject to a 1% NSR (which may be purchased for $1 million) payable to the vendors and a further 1% NSR payable to a third party.

- *Seeley Property, Hemlo Area*
  Pelangio owns 100% of the 307.6 hectares Seeley (Lorna Lake) property and there is no underlying royalty. The Seeley property is located in the historic Hemlo area and is contiguous with Hemlo

Explorers Wire Lake Property which is now under option to Barrick Gold who are currently active on the property. The Hemlo area is again becoming one of the more active exploration regions in Ontario. No activity is currently planned.

- *Thunder Gold, Timmins Gold Camp*
  Pelangio owns a 100% interest in the Thunder Gold property located 20 kilometers west of Timmins, Ontario. It consists of one lease (48.5 hectares), which was converted from three claims in 2010 and is subject to an underlying royalty of 2% and $1,000 per year advance royalty to the vendors.

- *Black Township, Timmins Gold Camp*
  Pelangio owns a 100% interest in the Black Township property located 100km east of Timmins, Ontario. The property consists of two mineral leases acquired in 2010. The property has no underlying royalty. The leases cover a historical gold occurrence.

- *Hailstone Property, La Ronge, Saskatchewan*
  In 2019, Pelangio entered in an option agreement to acquire the Hailstone Gold Property in the La Ronge area of Saskatchewan from First Geolas Consulting. In 2021, Pelangio completed the option agreement and held a 90% interest in the project subject with First Geolas holding a 10% interest and a 1.5% Net Smelter Royalty, however the property was returned to First Geolas in June in exchange for a 1.5% NSR, and First Geolas in turn dealt the property to Trident Resources who hold the nearby Greywacke North project.

- *Kenogaming Property, Timmins, Ontario*
  Pelangio purchased a 100% interest in the Kenogaming Project by granting DSB Capital Corp. ("DSB") a 1% net smelter return royalty and issuing to DSB 350,000 common shares in the capital of Pelangio. With Pelangio's focus solely on Ghana, the Kenogaming property was sold to GFG Resources Inc. in March of 2025, whose Penn Gold Project surrounds the Kenogaming claims.

FINANCIAL DISCLOSURE

5. HIGHLIGHTS OF H1/2025 AND SUBSEQUENT EVENTS

- Obuasi exploration – In December of 2024, Tunya completed an 18 square kilometer UAV aeromagnetics survey covering the strike extension of the Obuasi mineralized trend onto the western side of Pelangio's Obuasi property that more convincingly illustrates the strike extension of the Obuasi Mine stratigraphy and interpreted mineralized structure into Pelangio's Obuasi project. A program of pitting and sampling to evaluate the target was commenced by TuNya in January of 2025 and is ongoing. This ongoing work at the Obuasi concession is in support of TuNya Mineral Resource Ltd.'s $250,000 technical study which is part of their earn-in agreement. *See Section 4 – Technical Disclosure.*
- On February 24, 2025 the Company announced that it had entered into a strategic agreement granting Pelangio the right to acquire up to an 83% interest in the neighbouring Nkosuo Project. *See Section 4 – Technical Disclosure.*
- On March 11, 2025, 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.
- 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 March 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. *See Section 9 – Capital Resources and Liquidity.*

- From January 1, 2025 to June 30, 2025, a total of 4,253,000 warrants priced at $0.05 were exercised for total proceeds of $212,650.
- From July 9, 2025 to August 7, 2025, a total of 4,595,533 warrants priced at $0.05 were exercised for total proceeds of $229,777.
- On August 20, 2025 the Company announced the completion of an updated independent Mineral Resource Estimate (the "Resource" or "MRE"). The Resource updates the 2013 MRE to reflect the increase in gold price since 2013 and incorporates drilling conducted by Pelangio after 2013. See Pelangio's Press Release dated and filed August 20, 2025 for full details of the Resource updated results.

6. SELECTED PERIOD INFORMATION

The following table provides selected financial information and should be read in conjunction with the Company's Interim Financial Statements:

As at	June 30, 2025	December 31, 2024
Total assets	**$800,319**	$442,980
Total liabilities	**$695,862**	$921,380
Accumulated deficit	**$(62,410,106)**	$(61,885,214)
For the three months ended June 30,	**2025**	2024
Net loss for the period	**$465,943**	$256,272
Net loss per share	**$0.00**	$0.00
Weighted average shares issued and outstanding	**199,204,497**	150,912,966

For the six months ended June 30,	2025	2024
Net loss for the period	**$671,159**	$417,932
Net loss per share	**$0.00**	$0.00
Weighted average shares issued and outstanding	**186,349,025**	137,554,359

7. SELECTED QUARTERLY INFORMATION

For the three months ended				
	Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024
Net loss	**$465,943**	$205,216	$43,784	$293,834
Net loss per share	**$0.00**	$0.00	$0.00	$0.00
E&E Expenditures	**$170,705**	$243,372	$63,700	$18,143

For the three months ended				
	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023
Net loss	$256,272	$161,660	$447,877	$365,906
Net loss per share	$0.00	$0.00	$0.00	$0.00
E&E Expenditures	$162,643	$20,111	$242,602	$21,025

Pelangio does not have any property interests in producing mineral properties. The Company's sources of revenue are from the issuance of equities, interest earned on cash held, gains on disposal of marketable securities, mineral properties option income and cash received for the exercise(s) of options and warrants. Expenditures are made in the normal course of business on the evaluation, acquisition and exploration of mineral properties and on general and administrative costs associated with maintaining a public company.

7. RESULTS OF OPERATIONS

Three months ended June 30, 2025

The following table outlines the material increases (decreases) experienced by the Company in the three months ended June 30, 2025 and 2024:

	For the three months ended June 30		
	2025 $	2024 $	**Increase (Decrease) $**
Exploration and evaluation expenses	170,705	162,843	7,862
Professional and consulting fees	47,762	48,282	520
Management compensation	38,250	38,198	52
Investor relations and business development	29,244	(661)	29,905
Regulatory and transfer agent fees	25,686	33,367	(7,681)
Office and general	20,997	11,154	9,843
Share-based payments	13,893	–	13,893
Unrealized (gain) loss on investments	246,482	(90,535)	337,017
Foreign exchange (gain) loss	(127,056)	53,339	(180,395)

- *On March 29, 2025, the Company completed a non-brokered private placement for gross proceeds of $1,000,000. See Liquidity and Capital Resources.*
- *Professional and consulting fees and Management compensation were relatively stable year over year.*
- *During Q2 2025 Management attended several conferences in Europe and South Africa in order to increase market awareness, expand the shareholder base and hold strategy meetings with MFD and other significant shareholders.*
- *Regulatory and transfer agent fees were lower in the current year principally due to the timing of the annual fees charged by the Company's corporate secretary situated in Barbados.*
- *Office and general is a catch all category where charges are recorded for insurance and other administrative related costs. Telephone and other technical equipment and services costs have escalated period over period and certain expenditures were made for one-time memberships and dues pertinent to the business of the Company.*
- *Share-based compensation fluctuates from time to time depending on the number of options granted, current interest rates and the strike price of the options. The expense in the current quarter relates to the grant of 1,500,000 stock options on February 28, 2025. These options have an exercise price of $0.06 per share, expire on February 28, 2035, and vest quarterly over an 18-month period. No stock options were granted in the prior year.*
- *Marketable securities are revalued at the end of each reporting period. During Q2/2025, the market price of Record Resources dropped significantly (from year-end), resulting in an unrealized holding loss of $246,482.*

Six months ended June 30, 2025

The following table outlines the material increases (decreases) experienced by the Company in the six months ended June 30, 2025 and 2024:

	For the six months ended June 30		
	2025 $	2024 $	**Increase (Decrease) $**
Exploration and evaluation expenses	**414,077**	182,954	231,483
Professional and consulting fees	**126,931**	91,304	27,324
Management compensation	**67,500**	58,395	9,105
Investor relations and business development	**52,564**	10,897	41,667
Office and general	**49,161**	25,217	23,944
Regulatory and transfer agent fees	**35,605**	47,790	(12,185)
Share-based payments	**42,496**	3,946	38,550
Unrealized (gain) loss on investments	**25,540**	(42,256)	67,796
Other (income) expense	**(4,681)**	(10,000)	5,319

- *The higher spending for E&E in the current period ($414,077 versus $182,954) is principally due to the timing of the recording of mineral land costs for the Ghana properties. The assessment for 2024 was received and recorded later in that year. These costs are set by the government and priced by land size.*
- *The higher costs of professional and consulting fees during six months ended June 30, 2025, is primarily due to retaining consultants in Europe for market awareness in the region and for other trade tracking information.*
- *Management compensation increased by $9,105 as the services now provided by the CFO includes bookkeeping and administration whereas these services in the prior year were provided by a third party supplier.*
- *IR spending increased as discussed above.*
- *Office and general costs is higher by $23,944 period-over-period due to increased travel expenses to Ghana and Europe for business development.*
- *Regulatory and transfer agent fees were lower in the current period as discussed above.*
- *Share-based compensation increased by $38,550 period-over-period due to the grant of 1,500,000 stock options on February 28, 2025. These options have an exercise price of $0.06 per share, expire on February 28, 2035, and vest quarterly over an 18-month period. The lower amount recorded in the prior year relates to the residual SBC from previously granted options.*
- *Each reporting period the investments held by Pelangio are revalued according to public market trade values. This may cause fluctuations in the unrealized gains or losses recorded and the Company has no control over the changing trading values especially in markets of declining market prices.*
- *The foreign exchange gains recorded in both periods relate to a material downward movement of the US dollar versus the Canadian dollar. This resulted in significant revaluing of the liability for the outstanding mineral concession fees.*

8. LIQUIDITY AND CAPITAL RESOURCES

On March 29, 2025 the Company completed a non-brokered private placement of 25,000,000 units (the "March Units") of the Company at a price of $0.04 per Unit for gross proceeds of $1,000,000 (the "March Offering"). Each Unit consists of one common share of the Company and one common share purchase warrant ("March Warrant"). Each March Warrant entitles the holder to purchase one common share for a period of 36 months from the date of the issue, at $0.05 per share. No finder's fees were paid. All securities issued in the March Offering are subject to the statutory four-month hold period.

The Company has earmarked the gross proceeds for working capital, including exploration, metallurgical work and land maintenance costs, up to 10% for settling non-arm's length payables, as well as for general corporate purposes.

LIQUIDITY
Pelangio's activities consist of the exploration and evaluation of various properties, a process that is ongoing, and is dependent on many factors, some of which are beyond the Company's control. Pelangio does not generate any cash flows from operations and therefore relies on equity financings and shareholder loans to fund the Company's working capital requirements, planned exploration, and permitting activities. Management maintains a policy of reviewing working capital requirements monthly and is mindful of the Company's property and administrative commitments.

EXPLORATION AND EVALUATION ACTIVITIES

Total exploration and evaluation expenditures ("E&E") for the three and six months ended June 30, 2025, was $170,705 (June 30, 2024 - $162,843) and $414,077 (June 30, 2024 - $182,954) . The difference in 2025 was the payment of current and certain aged mining concession fees.

See Interim Financial Statements - note 6 – *Exploration and evaluation expenditures.*

WORKING CAPITAL
As at June 30, 2025, Pelangio had a working capital of $104,457 compared to a working capital shortfall of $478,400 at December 31, 2024. The treasury position improved upon the completion of the March 2025 private placement and the exercise of warrants.

CAPITAL RESOURCES
Management continues to closely monitor the Company's working capital position and 12-month budget outlook considering current market conditions and the financing environment. As currently budgeted, we are likely to have a working capital deficit during the next twelve months unless further capital is raised during that period. The current budget offers significant flexibility to adjust exploration and general expenditures.

Management aims to meet Pelangio's financial obligations in the future, primarily through a) further equity and/or debt financing, b) joint venturing or c) optioning out the Company's property interests. Although the Company has been successful in raising sufficient capital for its exploration and general corporate expenditures in the past, there is no assurance that Management will be successful in the future. Failure to raise additional capital on a timely basis could result in suspended exploration and potentially the forfeiture or sale of the Company's mineral property interests.

9. OFF-BALANCE SHEET ARRANGEMENTS AND PROPOSED TRANSACTIONS

Pelangio has not entered into any off-balance sheet arrangements and has no proposed transactions other than the Nkosuo Project.

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Pelangio directors receive no cash compensation but are eligible to participate in the Company's Stock Option Plan. Commencing September 1, 2024, Grove Corporate Services Ltd. ("Grove") has been retained to provide issuer corporate services, including those provided by the Chief Financial Officer ("CFO") (the "Services").

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 three and six months ended June 30, 2025 and 2024:

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
Management fees (1)	**$38,250**	$29,250	**$67,500**	$58,500
Technical management fees (2)(3)(4)	**16,812**	—	**47,625**	—
Share-based compensation	**11,115**	—	**33,997**	2,328
	$66,177	$29,250	**$149,122**	$60,828

(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. All project costs are allocated to the Company's E&E on the statement of loss and comprehensive loss.
(3) During the three and six months ended June 30, 2025, the Senior V.P. Exploration invoiced the Company for $16,812 and $47,625 E&E for the Company's projects, however these expenditures were reimbursed as part of MFD's earn-in contribution.
(4) During the three and six months ended June 30, 2024, the Senior V.P. Exploration invoiced the Company for $9,096 and $23,914 E&E. These expenditures were allocated to project costs.

Accounts payable and accrued liabilities at June 30, 2025 include amounts owed to two officers or to companies controlled by them in the aggregate $135,763 (December 31, 2024 - $255,802) for unpaid management fees and reimbursable expenses. Included in these amounts is $37,500 owed to the CEO for deferred management compensation. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

11. SHARE CAPITAL ACTIVITY

For details of all equity activity during the year ended December 31, 2024 and the six months ended June 30, 2025, see notes 7 and 8 in the Interim Financial Statements.

Share Capital

The following table summarizes the common shares activity for the year ended December 31, 2024 and the six months ended June 30, 2025:

	Number of common shares	Amount
Balance - December 31, 2023	**121,326,887**	**$59,595,030**
Private placements	49,333,332	865,578
Litigation settlement	2,000,000	40,000
Fair value of warrants issued	—	(89,731)
Balance - December 31, 2024	**172,660,219**	**$60,410,877**
Private placement	25,000,000	1,000,000
Less share issue costs	—	(1,130)
Warrants exercised	4,253,000	277,862
Balance - June 30, 2025	**201,913,219**	**$61,687,609**

Share-based compensation

The following table summarizes the stock options outstanding as at June 30, 2025:

Options Granted	Exercise Price ($)	Weighted Average Remaining Contractual Life - Years	Options Exercisable	Expiry Date
2,052,500	0.17	0.35	2,052,000	November 5, 2025
1,525,000	0.12	1.15	1,525,000	August 24, 2026
250,000	0.10	1.83	250,000	April 28, 2027
1,270,000	0.05	2.17	1,270,000	August 31, 2027
1,500,000	0.06	9.66	375,000	February 28, 2035
6,597,500	**0.11**	**3.06**	**5,990,000**	

Warrants

The following table reflects the Company's warrants outstanding at June 30, 2025:

Exercise Price	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life in Years	Expiry Date
$0.05	6,648,333	0.34	November 1, 2025
$0.05	14,119,667	0.47	December 16, 2025
$0.05	11,200,000	2.28	October 10, 2027
$0.05	4,800,000	2.30	October 17, 2027
$0.05	25,000,000	2.75	March 29, 2028
$0.05	7,210,000	3.25	September 27, 2028
$0.05	4,749,999	3.29	October 27, 2028
$0.05	7,599,999	3.75	March 28, 2029
$0.05	27,266,666	3.80	April 16, 2029
$0.05	**108,594,664**	**2.63**	

12. CRITICAL ACCOUNTING ESTIMATES

The presentation of financial statements in conformity with IFRS requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, decisions as to when exploration costs should be capitalized or expensed and estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting the valuations of share-based payments, warrants, and the valuation of tax accounts. Pelangio regularly reviews its estimates and assumptions. Actual results could differ from these estimates and these differences could be material.

13. CHANGES IN ACCOUNTING POLICIES

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded.

A detailed summary of the Company's material accounting policies is included in note 3 of the Interim Financial Statements.

14. RISKS AND UNCERTAINTIES

Risks Related to the Company's Business

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The following risks and uncertainties may have a material adverse effect on the Company's operations.

Exploration for Minerals is Speculative in Nature

Exploration for minerals is speculative in nature, involves many risks, and is frequently unsuccessful. All of the properties in which we have an interest, or to which we have a right are in the exploration stage only and are without mineral reserves and mineral resources except the Manfo Property, which was the subject of the Manfo Initial Resource Evaluation filed on SEDAR June 21, 2013. There can be no assurance that our current, proposed, or future exploration and development programs or properties in which we have an interest or may in future have an interest will result in the discovery of mineralization or a profitable commercial mining operation. Furthermore, once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. The commercial viability of a mineral resource is dependent on a number of factors including the price of minerals, exchange rates, the particular attributes of the deposit, such as its size, grade and proximity to infrastructure, as well as other factors including financing costs, taxation, royalties, land tenure, land use, water use, power use, importing and exporting minerals and environmental protection. As a result of these uncertainties, no assurance can be given that our exploration programs will result in the establishment of mineral resources or mineral reserves.

As part of our business strategy, we have sought and will continue to seek new opportunities in the mining industry. In pursuit of such opportunities, we may fail to select appropriate acquisition targets or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired property into our operations. Acquisition transactions involve inherent risks, which risks could cause us not to realize the benefits anticipated to result from the acquisition of properties and could have a material adverse effect on our ability to grow and on our financial condition.

We cannot assure that we can complete any acquisition or business arrangement that we pursue, or are pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit our business.

Foreign Operations

Nearly all mining projects require government approval regardless of the country. There can be no certainty that these approvals will be granted to us in a timely manner, or at all.

The laws in foreign countries tend to differ significantly from North America and are subject to change. Mining operations, development and exploration activities are generally subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Mining is also subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing mines and other facilities in compliance with such laws and regulations are significant.

Acquisitions of properties in foreign countries are subject to the risks normally associated with conducting business in foreign countries. Some of these risks are more prevalent in countries which are less developed or have emerging economies, including uncertain political and economic environments, as well as risks of war, civil disturbances, terrorism or other risks which may limit or disrupt a project, restrict the movement of funds or result in the deprivation of contract rights or the taking of property by nationalization or appropriation without fair compensation, risk of adverse changes in laws or policies of particular countries, increases in foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, limitations on ownership and repatriation of earnings and foreign exchange controls and currency devaluations. In addition, we may face import and export regulations, including restrictions on the export of minerals, disadvantages of competing against companies from countries that are not subject to Canadian and U.S. laws, including foreign corrupt practices legislation, restrictions on the ability to pay dividends offshore, and risk of loss due to disease and other potential endemic health issues. Although we are not currently experiencing any significant or extraordinary problems arising from such risks in the foreign country in which we have properties, there can be no assurance that such problems will not arise in the future.

Additional Capital

The exploration and development of our properties may require substantial additional financing. The source of future funds available to us is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to us. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to us or will provide us with sufficient funds to meet our objectives, which may adversely affect our business and financial position. In addition, any future equity financings by us may result in substantial dilution for purchasers of our shares. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of our properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to us. Additional funds will be required for future exploration and development.

Shareholders' Interest in the Company May be Diluted in The Future

We may from time to time undertake offerings of Common Shares or of securities convertible into Common Shares including stock options and similar incentive plans in the future. The increase in the number of Common Shares issued and outstanding and the possibility of the issuance of Common Shares on conversion of convertible securities may have a depressive effect on the price of Common Shares. In addition, because of such additional Common Shares, the voting power of our existing shareholders will be diluted.

Limited Operating History

We have a limited operating history on which to base an evaluation of our business and prospects. Except for the Manfo Property, which was the subject of the Manfo Initial Resource Evaluation, our properties do not contain any mineral resources or mineral reserves, and we have never had any revenues from our operations. In addition, our operating history has been restricted to the acquisition and exploration of our mineral properties. We anticipate that we will continue to incur operating costs without realizing any revenues during the period when we are exploring our properties. We expect to continue to incur significant losses into the foreseeable future. We recognize that if we are unable to generate significant revenues from mining operations and any dispositions of our properties, we will not be able to earn profits or continue operations. At this early stage of our operation, we also expect to face the risks, uncertainties, expenses, and difficulties frequently encountered by companies at the start-up stage of their business development. We cannot be sure that we will be successful in addressing these risks and uncertainties and our failure to do so could have a materially adverse effect on our financial condition. There is no history upon which to base any assumption as to the likelihood that we will prove successful, and we can provide investors with no assurance that we will generate any operating revenues or ever achieve profitable operations.

Competition

We operate in a competitive industry and compete with other more well-established companies which have greater financial resources than we do. We face strong competition from other mining companies in connection with exploration and the acquisition of properties producing, or capable of producing, base and precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than us. As a result of this competition, we may be unable to maintain or acquire attractive mining properties on terms we consider acceptable or at all. Consequently, our revenues, operations and financial condition could be materially adversely affected.

Title to Mineral Properties

Title to our resource properties may be challenged by third parties, or the licenses that permit us to explore our properties may expire if we fail to renew them timely and pay the required fees. We cannot guarantee that the rights to explore our properties will not be revoked or altered to its detriment. The ownership and validity of mining claims and concessions are often uncertain and may be contested.

Except as described herein, we are not aware of challenges to the location or area of any of the mining concessions and mining claims in any of the jurisdictions in which we operate. There is no guarantee that title to the claims and concessions will not be challenged or impugned in the future. If we fail to pay the appropriate annual fees or fail to apply for license renewals on a timely basis, then these licenses may expire or be forfeited.

Key Employees and Consultants

Shareholders will be relying on the good faith, experience and judgment of our management and advisors in supervising and providing for the effective management of our business and the operations and in selecting and developing new investment and expansion opportunities. We may need to recruit additional qualified personnel to supplement existing management. We will be dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on us.

The development of our business is and will continue to be dependent on its ability to attract and retain highly qualified management and mineral exploration personnel. The Company will face competition for personnel from other employers. The Company does not maintain key management insurance on any of its management personnel.

Conflict of Interest

Certain directors of the Company also serve as directors of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving such other companies is required to be made in accordance with the duties and obligations to act honestly and in good faith with the Company and such other companies. In addition, such directors are required to declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

Permits

Other than as disclosed above, we currently have all required permits for operations as currently conducted, there is no assurance that delays will not occur in obtaining all necessary renewals of such permits for the existing operations or additional permits for our planned operations or any possible future changes to operations. Prior to any development on any of our properties, we must receive permits from appropriate governmental authorities. There can be no assurance that we will receive or continue to hold all permits necessary to develop or to commence or to continue operating at any particular property.

Currency Risk

By virtue of the location of our operations and exploration activities, we incur costs and expenses in a number of currencies other than the Canadian dollar. The exchange rates covering such currencies have varied substantially in the last three years. We raise capital through equity financings principally in Canadian dollars while much of our operating and capital costs are incurred in United States Dollars (USD) and Ghana Cedis (Gh₵), giving rise to potential significant foreign currency translation and transaction exposure, which could have a material and adverse effect on the Company's results of operations and financial condition.

Price and Volume Fluctuations

In recent years, the securities markets have experienced an elevated level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of our securities.

Risks Related to the Mining Industry Generally Mineral Prices

The ability to obtain equity financing, secure joint venture financing, or debt financing for the further exploration or development of any of the mining projects, and the profitability of any mineral mining operations in which we may acquire an interest, will be significantly affected by changes in the market price of minerals. Mineral prices fluctuate daily and are affected by numerous factors beyond our control. The level of interest rates, the rate of inflation, central bank sales, world supply and demand for minerals, stability of exchange rates, and global or regional political or economic events, among other factors, can cause significant fluctuations in mineral prices. Such external factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of minerals has historically fluctuated widely.

If mineral prices were to decline significantly or for an extended period, we may not be able to continue our operations, develop our properties, or fulfill our obligations under our agreements with our partners or under our permits and licenses.

Commodity Prices

Our operations are or will be dependent on various commodities (such as heavy fuel oil, diesel fuel, electricity, steel, concrete and cyanide) and equipment to conduct operations. The shortage of such commodities, equipment and parts, or significant increase of their cost could have a material adverse effect on our ability to carry out our operations. Market prices of commodities can be subject to volatile price movements, which can be material, occur over short periods of time, and are affected by factors that are beyond our control. An increase in the cost, or decrease in the availability, of input commodities, equipment or parts may affect the timely conduct and cost of our operations. If the costs of certain commodities consumed or otherwise used in connection with our operations and development projects were to increase significantly, and remain at such levels for a substantial period, we may determine that it is not economically feasible to proceed with development of some or all our current projects, which could have an adverse impact on our future cash flows, earnings, results of operations and financial condition.

Mining

As of the date hereof, our properties, other than the Manfo Property, do not have any estimates of mineral resources or mineral reserves, and there are no assurances that they ever will.

The recoverability of amounts for mineral properties and related deferred exploration costs is dependent upon a discovery of economically recoverable reserves, confirmation of interest in the underlying claims, the ability to obtain necessary financing to complete development and future profitable production or, alternatively, upon disposition of such properties at a profit. Changes in future conditions could require material write-downs of the carrying values of mineral properties and deferred exploration costs.

There are numerous uncertainties inherent in estimating measured, indicated, and inferred mineral resources. The estimation of mineral reserves and mineral resources is a subjective process, and the accuracy of any such estimates are a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable. Mineral resources are estimates only and no assurance can be given that any level of recovery of minerals from a mineral resource estimate will in fact be realized or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body, which can be economically exploited. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. Any material changes in the quantity of mineralization, grade or stripping ratio, or the mineral price may affect the economic viability of a mineral property. In addition, there can be no assurance that mineral recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Until mineral resources are mined and processed, the quantity of mineral and resource grades must be considered as estimates only. There can be no assurance that these estimates will be accurate, that mineral reserves and mineral resource figures will be accurate, or that mineral reserves or mineral resources can be mined or processed profitably.

Infrastructure
Mining, processing, development, and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect our operations, financial condition, and results of operations.

Government Regulation
Mineral exploration and development activities will be subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Government approvals and permits are required in connection with mining exploration and development and in operating a mine. To the extent such approvals are required and not obtained, mining operation or planned exploration or development of mineral properties may be curtailed or prohibited from continuing.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on a mining project and cause increases in exploration expenses, capital expenditures or require abandonment or delays in development of new mining properties.

Community Action
All industries, including the mining industry, are subject to community actions. In recent years, communities and non-governmental organizations have become more vocal and active with respect to mining activities at or near their communities. These parties may take actions such as road blockades, applications for injunctions seeking work stoppage, and lawsuits for damages. These actions can relate not only to current activities but also may be in respect of decades' old mining activities by prior owners of subject mining properties and could have a material adverse effect on our operations.

Environmental and Safety Risks
Environmental laws and regulations may affect the operations of a mining company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on a mining company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations.

Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees. Permits from a variety of regulatory authorities are required for many aspects of mine development, operation, and reclamation. Future legislation and regulations could cause additional expense, capital expenditures, restrictions, liabilities, and delays in the development of the properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of reclamation plans, mining companies must comply with standards and laws and regulations which may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority.

Insurance Risks
The Company maintains insurance to protect it against certain risks related to its current operations in amounts that it believes are reasonable depending upon the circumstances surrounding each identified risk. The Company may elect not to insure against certain risks due to high premiums or for various other reasons. These risks include, in the course of exploration, development and production of mineral properties, unexpected or unusual geological operating conditions including, environmental damage, employee injuries and deaths, rock bursts, cave-ins, fire, flooding and earthquakes. Although the Company maintains insurance to cover some of these risks and hazards in amounts it believes to be reasonable, such insurance may not provide adequate coverage in all circumstances. No assurance can be given that such insurance will continue to be available at economically feasible premiums or that it will provide sufficient coverage for losses related to these or other risks and hazards. Should liabilities arise as a result of insufficient or non-existent insurance, any future profitability could be reduced or eliminated.

Corporate Structure
Our foreign operations are conducted through foreign subsidiaries and substantially all of our assets are held in such entities. To our knowledge, there are no limitations on the transfer of cash or other assets between the parent Company and such entities or among such entities; however, if such limitations are put in place in the future, it could restrict our ability to fund our operations efficiently.

15. COMMITMENTS AND CONTINGENCIES

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

Litigation claims
The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming

more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

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

See Obuasi property section of this MD&A for details of the Obuasi litigation settlement.

16. FINANCIAL RISK FACTORS

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

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At June 30, 2025, the Company had a cash balance of $573,717 to settle current liabilities of $801,344 (December 31, 2024 - $225,341 to settle current liabilities of $921,380). The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

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.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table summarizes the classification of The Company's financial assets and liabilities:

Classification	
Financial assets:	
Cash	Amortized cost
Investments *(note 5)*	FVTPL
Deposits and prepaids	Amortized cost
Financial liabilities:	
Accounts payable and accrued liabilities	Amortized cost
Director loans	Amortized cost

As at June 30, 2025 and December 31, 2024, the Company only had Level 1 financial instruments. In prior periods, the Company held certain private shares classified as Level 2 financial instruments.

See Interim Financial Statements – note 11 – *Capital Management*.

Record Resources

On September 2, 2020, the Company entered into an option agreement with Jubilee Minerals Inc. on its Birch Lake property. Consideration received for this option was 4,667,940 common shares of Record Gold Corp. During the year 2022, 798,044 shares of Record Gold Corp. were exchanged for 798,044 shares of Record Resources ("Record") (formerly "Silk Road Energy Inc.").

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

The third and final exchange was subject to the approval of the TSXV, conditional upon Record achieving certain performance metrics. Record did not obtain the approval of the TSXV, and it became evident that the exchange would never take place. Accordingly, the Record CEO offered to purchase back the private shares for nominal consideration in order to end the earn-in arrangement.

18. UTSTANDING SHARE DATA as at August 27, 2025

- Authorized share capital of an unlimited number of common shares of which a total of 201,913,219 common shares are issued and outstanding;
- Stock options outstanding totaling 6,597,500 (5,990,000 exercisable) for common shares at prices ranging from $0.05 to $0.06 per share, with expiry dates from November 5, 2025, to February 28, 2035; and
- Warrants outstanding totaling 103,999,131 are exercisable for common shares priced at $0.05, with expiries from November 1, 2025 to April 16, 2029.

19. ADDITIONAL INFORMATION

Additional information about the Company and the technical report referred to herein, are available on the Company's website at www.pelangio.com or on SEDAR+ at www.sedarplus.ca under the name Pelangio Exploration Inc.