

TORONTO, ONTARIO--(Marketwired - Nov 8, 2016) - [Pelangio Exploration Inc.](#) (TSX VENTURE:PX)(OTC PINK:PGXPF) ("Pelangio" or the "Company") announces that it has entered into an option and joint venture agreement (the "Option Agreement"), with Roscan Minerals Corporation ("Roscan") dated November 7, 2016, pursuant to which the parties established an earn-in arrangement to jointly advance the Dormaa Project in Ghana, West Africa.

To earn its 50% interest, Roscan shall:

- fund \$2 million of exploration to be completed by Pelangio on the Dormaa Project over 3 years, and
- pay Pelangio \$160,000 over 2 years

"Unregulated artisanal and mechanized alluvial operations surrounding the property were identified using satellite imagery and appear to be sourced by large gold-in-soil anomalies on the Dormaa Project," stated Ingrid Hibbard, President and CEO. "During the first year of the option agreement, Roscan shall fund \$300,000 to cover expanded gold-in-soil geochemical surveys, prospecting and approximately 3,000 metres of reverse circulation and air core or rotary air blast drilling to be completed by Pelangio."

#### About the Dormaa Project

The Dormaa Project is an 86.44 square kilometer ("km<sup>2</sup>") concession governed by a Prospecting License in the Brong-Ahafo Region of Ghana, West Africa. Pelangio, through its indirectly held, wholly-owned subsidiary Pelangio Ahafo (G) Limited ("Pelangio Ghana"), owns a 100% interest in the Dormaa Project.

The Dormaa Project was originally acquired based on primary regional stream sediment data. Subsequently, Pelangio completed stream sediment surveys into the secondary and tertiary drainages, followed by soil sampling on an 800 meter by 100 meter (800m x 100m) grid and assayed using the Bulk Leach Extractable Gold (BLEG) method.

Follow up closer-spaced soil surveys of 400m x 50m and 100m x 25m spacing were completed on the northern portion of the Dormaa Project, covering some 33% and 7% respectively (by area), of the property area. These soil surveys identified 13 significant gold-in-soil anomalies (95<sup>th</sup> percentile gold contours, 70 parts per billion ("ppb") threshold), which range in size from 300m x 50m to 1200m x 100m.

In the southern 60% of the property, 800m x 100m soil sampling revealed eight significant anomalies (95<sup>th</sup> percentile gold contours, greater than 70 ppb gold), which range in size from 800m x 100m up to 4000m x 500m. Three of these anomalies, including the largest, are contourable at the 98<sup>th</sup> percentile, at approximately 175 ppb. A 20 km<sup>2</sup> follow-up geochemical program of 200m x 50m soil sampling is recommended as a follow-up for this area.

The soil sampling program was carried out between 2011 and 2013 under the supervision of Warren Bates, P.Geo. Assaying was carried out by Chemex Labs Inc. at their Kumasi, Ghana location. All certificates and results are available. 1 to 2 kilogram ("kg") samples were supplied, and in all cases the entire sample was subjected to the leaching process. Internal blanks and sample duplicates were included in the sample stream. Standards were not included in the sample stream because of the difficulty of obtaining such a large (1 to 2 kg) reliable standard at the time.

Newly released satellite imagery indicates that substantial, unregulated artisanal and mechanized alluvial operations surrounding the property were carried out during 2014-2015. These alluvial operations appear to be sourced by large gold-in-soil anomalies on the Dormaa Project.

Based on a preliminary work plan approved by the parties for the first year following the Effective Date, expenditures of approximately \$300,000 are planned to be made for expanded gold-in-soil geochemical surveys, prospecting, and approximately 3,000 metres of reverse circulation and air core or rotary air blast drilling, to be completed by Pelangio Ghana at the Dormaa Project.

#### Option Agreement Highlights

Some of the key terms of the Option Agreement are summarized below:

- To exercise the option and earn a 50% interest in the Dormaa Project, Roscan would:

1. fund a total of \$2,000,000 in exploration expenditures to be incurred by Pelangio on the Dormaa Project, within three years of the date of the Option Agreement (the "Effective Date") as follows:
  1. \$150,000 due 90 days following the Effective Date,
  2. \$150,000 due 150 days following the Effective Date,
  3. \$700,000 due on the first anniversary of the Effective Date,
  4. \$1,000,000 due on the second anniversary of the Effective Date;
2. pay to Pelangio \$160,000, as follows:
  1. \$10,000 paid
  2. \$50,000 on the first anniversary of the Effective Date, and
  3. \$100,000 on the second anniversary of the Effective Date; and
3. pay the applicable ground rent and mineral right fees, which are payable to the Government of Ghana pursuant to the Prospecting License, and becoming due during the three-year option period (estimated to be approximately U.S.\$15,000 in the first year of the Option Agreement).

- Pelangio has no requirement to fund the Dormaa Project during the option period.
- Upon the exercise of the option, a joint venture between Roscan and Pelangio would be formed, whereby each party would have an initial 50% participating interest, and thereafter contribute funding on a pro rata basis (initially, 50% Roscan, 50% Pelangio) or have its participating interest diluted in accordance with a standard dilution formula.
- Once formed, the joint venture would hold 100% of the mineral rights to the Dormaa Project area granted pursuant to the Prospecting License, subject only to a 2% net smelter return royalty on all ounces of gold recovered from the Dormaa Project to be retained by the original property vendor (but, subject to the royalty payor's right to buy-back 1% of the royalty at any time for U.S. \$2,000,000), and a 10% free carried interest in the rights and obligations of the mineral operations of the Dormaa Project reserved to the Government of Ghana.
- The Option Agreement sets out a detailed process for the further exploration and operation of the Dormaa Project, which will be overseen by a management committee consisting of representatives of both parties.
- During the option period and the joint venture, Pelangio Ghana will be the operator of the Dormaa Project.

## Obuasi Alluvial Option Agreements

In accordance with the terms of the agreements, the two option agreements between Pelangio and Minatura Alluvials Co. LLC ("Minatura") have terminated.

Mr. Warren Bates, P.Geol., (APGO #0211) is a qualified person as defined by NI 43-101 and has reviewed and approved the technical contents of this press release.

## About Pelangio

Pelangio successfully acquires and explores camp-sized land packages in world-class gold belts, while using innovative corporate restructuring to maximize shareholder value. The Company primarily operates in Ghana, West Africa, an English-speaking, common law jurisdiction that is consistently ranked amongst the most favourable mining jurisdictions in Africa. The Company is exploring three 100%-owned camp-sized properties: the 100 km<sup>2</sup> Manfo Property, the site of seven recent near-surface gold discoveries, the 264 km<sup>2</sup> Obuasi Property, located 4 km on strike and adjacent to AngloGold Ashanti's prolific, high-grade Obuasi Mine, which has produced over 30 million ounces of gold since 1897, and the early-stage 159 km<sup>2</sup> Akroma Property, which includes the Dormaa and Wamfie concessions.

In addition, the Company has several gold exploration projects in Ontario, Canada. These include the legacy properties known as the Birch Lake Property, the Poirier Gold Property and the Lorna Lake Property.

For additional information, please visit our website at [www.pelangio.com](http://www.pelangio.com), follow us on Twitter @PelangioEx.

## Forward Looking Statements

*Certain statements herein may contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Forward-looking statements or information appear in a number of places and 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" or "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. Forward-looking statements*

*and information include statements regarding the Option Agreement, Roscan's ability to exercise the option pursuant to the Option Agreement, Roscan and the Company's exploration plans for the Dormaa Project, and the termination of the option agreements between Pelangio and Minatura. With respect to forward-looking statements and information contained herein, we have made numerous assumptions, including assumptions about the state of the equity markets. Such forward-looking statements and information are subject to risks, uncertainties and other factors which may cause the Company's 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 include, but are not limited to: Roscan's inability to obtain financing to exercise the option, changes in equity markets, share price volatility, volatility of global and local economic climate, gold price volatility, political developments in Ghana, increases in costs, exchange rate fluctuations, speculative nature of gold exploration and other risks involved in the gold exploration industry. See the Company's annual and quarterly financial statements and management's discussion and analysis for additional information on risks and uncertainties relating to the forward-looking statement and information. There can be no assurance that a forward-looking statement or information referenced herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Also, many of the factors are beyond the control of the Company. 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 except as required by law. All forward-looking statements and information herein are qualified by this cautionary statement.*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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