

First Mining Gold Corp. To Option Pelangio Exploration's Birch Lake Project

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TORONTO, October 4, 2021 - [Pelangio Exploration Inc.](#) (TSXV:PX)(OTC PINK:PGXPF) ("Pelangio" or the "Company") is pleased to announce that it has entered into an earn-in agreement with First Mining Gold Corp. ("First Mining") and [Gold Canyon Resources Inc.](#) ("Gold Canyon"), a wholly-owned subsidiary of First Mining, on Pelangio's Birch Lake and Birch Lake West properties (together, the "Birch Lake Project") which is adjacent to First Mining's Springpole Gold Project (see Figure 1), located approximately 120 km northeast of Red Lake, Ontario.

Highlights:

- Collaboration with First Mining, a well-financed strategic partner in a potential new mining camp.
- First Mining, through Gold Canyon, may acquire up to an 80% interest in the Birch Lake Project by incurring \$3,500,000 in exploration expenditures, making \$750,000 in cash option payments to Pelangio (\$400,000 of which may, at First Mining's election, be made in shares of First Mining) and issuing 1,300,000 shares of First Mining to Pelangio.

"We are delighted to have entered into the earn-in agreement with First Mining in this new and evolving gold camp. We believe that Pelangio's Birch Lake Project represents a high-grade gold exploration opportunity with significant potential to complement ongoing mine development at First Mining's Springpole Gold Project. We are looking forward to working with First Mining," commented Ingrid Hibbard, President and CEO. "This agreement unlocks the inherent value of this project for our shareholders while we concurrently explore and evaluate the discovery potential at Dome West and Gowan in Ontario, and at our Manfo and Obuasi projects in Ghana," she added.

Agreement Terms:

Pursuant to the earn-in agreement among Pelangio, First Mining and Gold Canyon, Gold Canyon may earn an initial 51% interest in the Birch Lake Project by paying Pelangio a total of \$350,000 in cash, issuing to Pelangio 1,300,000 First Mining shares and completing \$1,750,000 in exploration expenditures, in accordance with the following schedule:

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

Figure 1: Claim Map

Birch Lake Property, Red Lake District

Pelangio's Birch Lake property is located within the Birch-Uchi Greenstone Belt, approximately 120 km northeast of the town of Red Lake, Ontario. Within an eight km radius of the Birch Lake property, there is a large gold resource (Springpole Deposit) and a past producer (Argosy Mine) which produced 101,875

ounces of gold at an average grade of 0.37 ounce per ton (reference: Ontario Geological Survey Open File Report 5835). Over the last decade, significant exploration was conducted in this area by Gold Canyon on the Springpole Deposit, now controlled by First Mining. The Pelangio land holdings are contiguous with First Mining's claims and approximately 3 km from the actual proposed open pit (see figure 1). The Springpole Deposit is a bulk tonnage deposit which has proven and probable reserves of 3.8 million ounces of gold and 20.5 million ounces of silver (121.6 million tonnes at 0.97 g/t gold and 5.23 g/t silver). Reference: Dr. Gilles Arseneau, Ph.D., P.Geo. NI 43-101 Technical Report and Pre-Feasibility Study on the Springpole Gold Project, Ontario Canada (2021).

Dome Exploration (Canada) Ltd. (later Placer Dome ("Placer Dome")) and [Trade Winds Ventures Inc.](#) ("Trade Winds") completed the majority of the exploration work on the Birch Lake property to date. Initial exploration work by Placer Dome consisted of mapping, geophysical and geochemical surveys along with diamond drill follow-up, resulting in the discovery of the 70m wide, steeply dipping deformation corridor that yielded isolated high-grade gold intersections. Subsequently named the High Grade Island Deformation Zone, high-grade gold mineralization within this corridor is hosted by quartz-tourmaline-pyrite-arsenopyrite veins in the Main Central Zone. Secondary gold mineralization associated with a folded banded iron formation (West Zone), that is proximal to the deformation zone, has also been recorded.

Qualified Person

Mr. Kevin Filo, P.Geo. (Ontario #0221), is a qualified person within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects. Mr. Filo approved the technical data disclosed in this release.

About Pelangio

Pelangio acquires and explores prospective land packages located in world-class gold belts in Ghana, West Africa and Canada. In Ghana, the Company is exploring its two 100% owned camp-sized properties: the 100 km² Manfo property, the site of eight near-surface gold discoveries, and the 284 km² Obuasi property, located 4 km on strike and adjacent to AngloGold Ashanti's prolific high-grade Obuasi Mine, as well as the newly optioned Dankran property located adjacent to its Obuasi property. In Canada, the Company is currently focused in Ontario at its Dome West property, situated some 800 meters from the Dome Mine in Timmins; at its Gowan polymetallic project, located 16 km east of the Kidd Creek Mine, and is exploring its Hailstone property in Saskatchewan. See www.pelangio.com for further detail on all Pelangio's properties.

For additional information, please visit our website at www.pelangio.com, or contact:

Ingrid Hibbard, President and CEO
Tel: 905-336-3828 / Toll-free: 1-877-746-1632 / Email: info@pelangio.com

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 Company's strategy of acquiring large land packages in areas of sizeable gold mineralization, and the Company's ability to complete the planned exploration programs. 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 the changes in equity markets, share price volatility, volatility of global and local economic climate, gold price volatility, political developments in Ghana, and Canada, increases in costs, exchange rate fluctuations, speculative nature of gold exploration, including the risk that favourable exploration results may not be obtained, delays due to COVID-19 safety protocols, 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.

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SOURCE: [Pelangio Exploration Inc.](#)

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