

PANCONTINENTAL GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (for the three month period ended March 31, 2018)

May 24, 2018

INTRODUCTION

This management's discussion and analysis ("MD&A") has been prepared by Pancontinental Gold Corporation's ("Pancontinental" or the "Company") management and provides an analysis of the Company's operating and financial performance for the three month period ended March 31, 2018, as well as a view of future prospects. The MD&A should be read in conjunction with Pancontinental's: unaudited condensed interim financial statements for the three months period ended March 31, 2018; and, audited consolidated financial statements for the year ended December 31, 2017. Additional information related to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) and is available online at www.sedar.com.

Basis of presentation

Pancontinental's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars, unless otherwise noted.

This MD&A may contain forward-looking statements, which are described in the "Cautionary Statements" section of the MD&A. The "Risks and Uncertainties" section of this MD&A further describes other factors that could cause results or events to differ from expectations.

CORPORATE PROFILE

Pancontinental is a publicly-listed exploration company involved in the business of acquiring, exploring and developing mineral properties. The Company has gained considerable exposure in the growing battery metal sector through its recently acquired McBride and Montcalm West projects, located in Ontario, Canada. In addition, the Company is engaged in gold exploration through its Jefferson Gold Project in South Carolina, United States. The Company's common shares are listed for trading on the TSX Venture Exchange ("TSXV") under the symbol PUC.

Previously, the Company had participated in rare earth element and uranium exploration in Australia, through a joint venture with Crossland Strategic Metals Limited. In 2015, the Company disposed its interest in the joint venture and retained a 1% gross overriding royalty from production on the joint venture properties.

HIGHLIGHTS

McBride Project

Pursuant to an option agreement completed on April 25, 2018, the Company obtained the right to acquire a 76% interest in nickel-cobalt-copper property, encompassing approximately 880 hectares, in Limerick Township located approximately 25 kilometres south of Bancroft, Ontario.

Montcalm West Project

Pursuant to an option agreement completed on January 5, 2018, the Company obtained the right to acquire a 100% interest in two prospective nickel-copper-cobalt properties, the Montcalm and Nova, encompassing approximately 3,984 hectares (subsequently increased to 4,620 hectares), in the Porcupine Mining Division located approximately 65 kilometres northwest of Timmins, Ontario.

During April, 2018, the Company acquired a 100% interest in an additional 6,980 hectares of land, called the Gambler Property, which is adjacent to the Montcalm property.

Pancontinental Gold Corporation

Management's Discussion & Analysis (for the three month period ended March 31, 2018)

Financing activities

On April 4, 2018, the Company closed a private placement for gross proceeds of \$1,976,490. The private placement consisted of 20,010,000 units for gross proceeds of \$1,000,500 and 16,266,500 flow-through shares for gross proceeds of \$975,990.

MCBRIDE PROJECT

Property description

The McBride Project is an advanced exploration-stage nickel-cobalt-copper project, encompassing approximately 880 hectares in Limerick Township, approximately 25 kilometres south of Bancroft, Ontario. The McBride Project contains historical resources of an estimated 5.1 million tons of near-surface nickel-cobalt-copper mineralization in two deposits, comprised of the North Zone deposit and the South Zone deposit. In addition, a new prospect called the South Extension prospect has been identified. The project is easily accessible by road and proximal to rail transportation and electric power.

The McBride Project was discovered in the 1960s and diamond drill tested with more than 90 holes by Macassa Gold Mines Limited ("Macassa") and Long Lac Minerals Limited ("Long Lac"), which later acquired control of Macassa. In 1971, Long Lac produced the following historical resource estimate [Reno Pressacco/Micon International Limited, 2004 NI 43-101 Technical Report; and Robert Chataway, 2015, NI 43-101 Technical Report]:

- North Zone: 3.9 million tons grading 0.82% nickel, 0.054% cobalt and 0.25% copper;
- South Zone: 1.2 million tons, grading 0.30% nickel, 0.03% cobalt and 0.14% copper.

The foregoing historical resource estimates presented above were completed prior to the implementation of the NI 43-101 standards; however, given the high quality of the historic work completed and the respective mining companies' reputations and production history, Pancontinental believes the historical resource estimates to be both relevant and reliable. However, a Qualified Person has not completed sufficient work to classify these historic mineral resources as current mineral resources; and the Company is not treating the historic resources as current.

Option Agreement

On April 25, 2018, the Company entered into an option agreement with Hastings Highlands Resources Limited (the "Optionor"), pursuant to which the Company obtained the right (the "Option") to acquire a 76% interest in the McBride Project. The Option may be exercised in three stages as follows:

- a) First Option - to earn an initial 26% interest, the Company shall:
 - Pay \$142,500 to the Optionor on or before April 25, 2018 (paid);
 - Pay applicable 2017 property taxes;
 - Issue 500,000 shares to the Optionor upon receipt of TSX Venture Exchange approval (issued);
 - Incur expenditures of \$1.5 million during the first year of the Option.
- b) Second Option – to earn an additional 25% interest, the Company shall during the second, third and four years of the Option:
 - Pay \$142,500 to the Optionor and property owners, annually and in aggregate;
 - Pay applicable annual property taxes;
 - Incur expenditures of \$3.0 million in aggregate for the purposes of producing a scoping study.
- c) Third Option – to earn an additional 25% interest, the Company shall during the fifth and sixth years of the Option:
 - Pay \$142,500 to the Optionor and property owners, annually and in aggregate;
 - Pay applicable annual property taxes;
 - Incur sufficient expenditures for the purposes of producing a feasibility study.

In the event that the Company fails to exercise the Second Option then the initial 26% interest earned by the Company pursuant to the First Option shall revert to the Optionor. Upon the exercise of the Third Option the

Pancontinental Gold Corporation

Management's Discussion & Analysis (for the three month period ended March 31, 2018)

Company and Optionor shall form a joint venture and all costs and revenues shall be shared on a proportionate basis. The Company's interest in the McBride Project may be increased to 90% provided the Optionor elects not to participate or fund its interest in the joint venture.

The McBride Project is subject to a 1.75% net smelter return (NSR) royalty. The Company reserves the right to purchase, prior to production, 0.75% of the NSR royalty (such that the remaining NSR royalty is reduced to 1%) for \$1,000,000.

Exploration plans and strategy

Pancontinental, in partnership with the Optionor, has established a project development plan with the objective of producing:

- an updated NI 43-101 compliant Technical Report;
- a Scoping Study (Preliminary Economic Assessment); and
- a Feasibility Study.

In May 2018, the Company plans to begin digitizing all available data and surveys, compiling down-hole survey data, and planning a new drill program. The 70 drill holes from 1969-1970 will be re-logged and re-sampled since hole locations are known, many collars remain, and most were surveyed precisely. The surface exploration program will focus on the eastern contact of the Thanet Gabbro Complex, along strike from both the North and South Zones.

Phase 1 of the project work program will include re-establishing grid lines, prospecting, geological mapping, stripping, trenching, geochemical surveys, and state-of-the-art airborne gravity and versatile time domain electromagnetic (VTEM) geophysical surveys. Phase 2 will include infill drilling to test and confirm previous drill results, and exploration drilling on new targets generated in Phase 1, all to support an updated NI 43-101 resource estimate for the North Zone and South Zone. Phase 3 will include metallurgical work on fresh core that is not oxidized, in order to test for base metal recoveries, as well as precious metal content and recoveries.

Pancontinental and the Optionor have formed a four person management committee to plan, direct and monitor exploration activities. The committee is comprised of two representative of each company, with Pancontinental retaining the casting vote.

Qualified person

Dr. Derek McBride, P,Eng, is the Company's qualified person under National Instrument 43-101 "Standards of Disclosure for Mineral Projects". The Company has not yet completed the work necessary to verify the historical data and past exploration results, as they pre-date National Instrument 43-101 standards. Mr. McBride, is Chairman of the Optionor and has been involved with the McBride Project for over 17 years. Mr. McBride has verified all the technical data presented in this MD&A as it relates to the McBride Project.

MONTCALM WEST PROJECT

Property description

The Montcalm West Project is a camp-sized exploration-stage nickel-cobalt-copper project covering the majority of the Montcalm Gabbro Complex, located within the Porcupine Mining Division, approximately 65 kilometres northwest of Timmins, Ontario, Canada. The Montcalm West Project encompasses a total of 11,600 hectares and is comprised of three properties – Montcalm (3,780 hectares), Nova (840 hectares), and Gambler (6,980 hectares). The Montcalm and Nova properties are subject to an option agreement (further described below) and the 100%-owned Gambler property was acquired through staking by the Company in April 2018.

The Montcalm West Project is contiguous and borders the former Montcalm Mine property, on its entire western boundary, on almost half of its northern boundary, and on more than a third of its southern boundary. The Montcalm Mine previously mined 3,931,610 tonnes of ore grading 1.25% nickel (Ni), 0.67% copper (Cu), and 0.051% cobalt (Co), and which produced in excess of 4 million pounds of cobalt (Ontario Geological Survey, Atkinson, 2011). The

Pancontinental Gold Corporation

Management's Discussion & Analysis (for the three month period ended March 31, 2018)

Montcalm property is contiguous to and surrounds the western portion of the former Montcalm Mine and the Nova property is located approximately 19 kilometres southwest of the Montcalm Mine. In light of the Company's strategic acquisition of the Gambler property, its Montcalm West Project now encompasses all available land covering the prospective Montcalm gabbro complex, with the exception of a single 20-hectare claim unit, consisting of lands prohibited from acquisition by the government, and mining leases controlled by Glencore Plc that cover the former Montcalm Ni-Cu-Co Mine property.

Option Agreement

On January 5, 2018, the Company entered into an option agreement (the "Option Agreement") with 2522962 Ontario Inc. (the "Optionor") pursuant to which the Company obtained the right (the "Option") to acquire a 100% interest in the Montcalm and Nova properties. In order to exercise the Option, the Company shall:

- a) Pay the Optionor an aggregate of \$140,000 as follows:
 - \$35,000 on or before June 28, 2018 (paid);
 - \$35,000 on or before January 22, 2019;
 - \$35,000 on or before January 22, 2020;
 - \$35,000 on or before January 22, 2021.

- b) Issue to the Optionor an aggregate of 1,200,000 common shares of the Company as follows:
 - 300,000 common shares on or before January 29, 2018 (issued);
 - 300,000 common shares on or before January 22, 2019;
 - 300,000 common shares on or before January 22, 2020;
 - 300,000 common shares on or before January 22, 2021.

A net smelter return royalty of 2.5% (the "NSR") is payable to the Optionor from all minerals sold from the Montcalm and Nova properties. The Company reserves the right to purchase 1% of the NSR (such that the Optionor's NSR is reduced to 1.5%) for \$1,000,000. The Company is required to keep the Montcalm and Nova properties in good standing during the term of the Option Agreement.

Exploration plans and strategy

At its Montcalm property, an airborne, state-of-the-art, versatile time domain electromagnetic (VTEM) survey is planned for the second quarter of 2018. In addition, the Company plans on conducting an airborne gravity survey. The purpose of these two surveys is to identify and define anomalies similar to those found at the adjacent former Montcalm Ni-Cu-Co Mine. All targets identified will be prioritized for subsequent diamond drilling. Concurrent to this work, existing untested anomalies on the Montcalm property will also be further defined and prioritized for diamond drilling.

At its Nova property, a program is being designed to evaluate significant anomalous surface cobalt occurrences, including a higher-grade historical surface showing which returned 3,230 ppm Co or 6.46 lbs of cobalt per tonne. More specifically the program will evaluate the extent of the known mineralization by prospecting and extensive resampling to ascertain orientation and controls of the mineralization for future exploration. The initial work program will also include a mobile metal ion (MMI) geochemical survey to determine if known mineralization extends beyond known rock exposures into areas that are overburden-covered but proximal to known mineral occurrences. Upon completion of this work, geophysics will be considered in order to outline drill targets.

At its Gambler property, VTEM and gravity airborne surveys will be conducted at a later date.

Qualified person

J. Kevin Filo, PGeo, is the Company's qualified person under National Instrument 43-101 "Standards of Disclosure for Mineral Projects". The Company has not yet completed the work necessary to verify the historical data and past

Pancontinental Gold Corporation

Management's Discussion & Analysis (for the three month period ended March 31, 2018)

exploration results. Mr. Filo has verified all the technical data presented in this MD&A as it relates to the Montcalm West Project.

JEFFERSON GOLD PROJECT

Property description

The Jefferson Gold Project ("Jefferson" or the "Jefferson Project") is a 100%-owned exploration-stage gold project located in Chesterfield County, South Carolina, within one of the most historically significant gold trends in the United States. This trend hosts OceanaGold Corporation's open-pit Haile Gold Mine, which commenced production in 2017 and is located approximately 10 kilometres along trend from Jefferson. The region also includes: the former Ridgeway Gold Mine, approximately 55 kilometres from Jefferson, a former 15,000 tonnes per day open-pit mine, which produced over 1.6 million ounces of gold from 1988 to 1999; and, the former open-pit Brewer Gold Mine, which forms the western border of the Jefferson Project and from which more than 12 million tonnes of ore was mined from 1987 to 1995.

Jefferson is comprised of approximately 1,456 acres under 13 leases from private landowners, who own the surface and sub-surface mineral rights. In addition, the Company has secured a right of first refusal, subject to certain conditions, to purchase, lease or explore/mine an additional property lease, which encompasses approximately 52 acres. Jefferson is along a northeast-striking structural trend of hydrothermal alteration and gold mineralization extending from the Haile and Brewer Gold Mines. The Jefferson Project contains multiple drill targets within a mineralized trend based on historic exploration.

In 2011, Firebird Resources Inc. ("Firebird") and Pageland Minerals Ltd. ("Pageland") drilled a total of four holes at Jefferson with very positive results, providing evidence of potential for a significant gold resource. All four holes encountered gold mineralization, with the best hole averaging 1.27 grams per tonne over 164.3 metres (539 feet - true width unknown). Please refer to Pancontinental's press release of May 25, 2016 for assay details on all four drill holes.

A production royalty of 3.5% (the "Royalty") is payable to each landowner that owns the property from which minerals are produced. Advanced royalty payments, made in lieu of lease payments, are non-refundable and will be credited towards the Royalties payable from production.

Exploration plans and strategy

The implementation of the Company's exploration strategy at Jefferson included producing an initial NI 43-101 technical report (*which has been filed on SEDAR*) and compiling and reviewing historic exploration data to lead into a staged drilling program, which commenced on November 14, 2016. To strengthen the Company's ability to implement a successful exploration strategy, a Technical Advisory Committee was established in November 2016. The committee is led by Dr. Laurie Curtis, PhD, a senior technical advisor to the Company and also includes Mr. David Mosher, a geologist and a Company director. Dr. Curtis is a renowned and respected economic geologist and geochemist who, with more than 40 years of global exploration, mining and capital markets experience, brings a proven record of exploration, mine development and project financing to Pancontinental.

Pancontinental believes that the multiple styles of mineralization greatly enhance the value potential of the Jefferson Project. Drilling at Jefferson is expected to resume following a review of the data, geophysical surveying and upon funding being obtained. The potential to expand its land holdings is also under consideration.

Drill program

In November 2016, a diamond drill program was initiated, and a total 912 metres over six (6) holes was completed. The drill program has focused on an area referred to as Anomaly A, stepping out from the 2011 drill hole fence in both directions along the east-west gold trend.

Pancontinental Gold Corporation

Management's Discussion & Analysis (for the three month period ended March 31, 2018)

Anomaly A highlights and drill results:

- 5 out of 6 holes intersected anomalous gold grades indicative of a focused gold system;
- JEF-108 intersected 22.9 m averaging 1.3 g/t, including 8.5 m of 1.8 g/t;
- JEF-109 intersected 12.2 m of 1.55 g/t; and
- Drilling verified a northwest trending mineralized zone previously unrecognized.

DH	From (m)	To (m)	Interval (m)	grade (g/t)
JEF-104	30.8	34.4	3.7	0.96
JEF-104	56.7	57.9	1.2	1.55
JEF-104	68.9	72.5	3.7	1.96
JEF-104	178.6	180.1	1.5	1.31
JEF-106	28.4	36.6	8.2	0.93
JEF-106	49.7	60.4	10.7	0.81
JEF-106	99.8	100.6	0.8	1.09
JEF-107	31	40.3	9.3	1.3
JEF-108	100.6	123.4	22.9	1.3
including				
JEF-108	113.1	121.6	8.5	1.8
JEF-109	51.2	54.9	3.7	0.9
JEF-109	79.2	91.4	12.2	1.55

All intercept widths reported are core intervals and not true widths, which are unknown.

Pancontinental believes this drill program was quite positive and resulted in significant gold intersections in the fifth and sixth holes (JEF-108 and JEF-109), which were drilled in a new orientation. Drilling was focused on defining ore controls and understanding the trend of mineralization in a poorly exposed gold system partially covered by sand. These results provide useful data and knowledge further to the 2011 drilling at Anomaly A.

Gold mineralization at the Jefferson Project is controlled by intersecting trends of structure and folding. The core from Jefferson is hosted in felsic volcanic rock, which in the mineralized areas is commonly described as fragmental tuff or breccia near sedimentary contacts as seen in holes 104 and 105. Typically, better gold values are in more deformed or sheared altered host rock. This resembles the Haile gold mine, located approximately 10 kilometres to the southwest of the Jefferson Project, where "the deposits are primarily volcanic-rock hosted, massive sulfide, and disseminated gold-sulfide deposits, which formed along the stratigraphic boundary between the metavolcanics and overlying metasedimentary rocks (Mobley and others, 2014, *Economic Geology*, v. 109, pp. 1863)."

A strong and distinctive chloritic alteration is commonly associated with the strongest mineralization. Silicification and a higher percentage of pyrite correlate with gold. Mineralization often follows a steep west-southwest foliation as well as zones of shearing, which may follow a more northwest orientation. Higher grades are often associated with breccia zones that are deformed.

Within one small area of drilling at the Jefferson Project there are multiple mineralization styles and orientations. For instance, although hole JEF-105 intersected little gold, it is very important geologically and structurally, as it suggests untested potential. The initial part of hole JEF-105 was in banded pyritic sediments, similar to those encountered at the Haile and Ridgeway gold mines.

Qualified person

Dr. Dennis LaPoint, PhD, President and owner of Appalachian, originally assembled the Jefferson property package and oversaw Firebird's and Pageland's 2011 drill program and was their identified Qualified Person when the assay results were originally released in Firebird's March 1, 2012 press release. Dr. LaPoint is a qualified person under National Instrument 43-101 "Standards of Disclosure for Mineral Projects". Dr. LaPoint has verified all the technical data presented in this MD&A as it relates to Jefferson.

Pancontinental Gold Corporation

Management's Discussion & Analysis (for the three month period ended March 31, 2018)

GROSS OVERRIDING ROYALTY

Australia

On February 8, 2007, Pancontinental formed a joint venture with Crossland Strategic Metals Limited ("Crossland") and subsequently earned an initial 50% interest in a number of Australian properties prospective for rare earth elements (REE) and uranium. On November 26, 2015 (the "Effective Date") the Company completed the sale of its entire interest to Essential Mining Resources Pty Ltd. ("EMR"), a private Australian-domiciled company, wholly-owned by EMMCO Mining Sdn Bhd, a private Malaysian company. During 2017, EMR was merged with Crossland.

As at November 26, 2017 and as reported by Crossland, the remaining joint venture properties held by Crossland consisted of 22 tenements comprised of 1,987 sub-blocks. A summary of the properties is below:

- Charley Creek - 17 tenements or 1,103 sub-blocks
- Chilling – 1 tenement or 37 sub-blocks
- Bloodwood/Highland Rocks – 4 tenements or 847 sub-blocks

As part of the consideration received from the sale of its interest to EMR, the Company retained a gross overriding royalty of one percent (1%) on sales of production from of these properties. The gross overriding royalty provides for an annual non-refundable advance royalty payment of AUS \$29,621, which may be adjusted for future reductions in the size of the properties. The advanced royalty payment is due on each anniversary of the Effective Date. Advance royalty payments are to be deducted from gross overriding royalties on future production. In addition, the gross overriding royalty is registered against title of the properties. The Company has not been advised if and when production is expected to begin.

To date, the Company has received advanced royalty payments totalling AUS \$72,451. In January 2018, the Company received payment of the 2017 advanced royalty.

INVESTMENT IN TORTUGA RESOURCES INC.

Pursuant to an equity offering by Tortuga Resources Inc. ("Tortuga") in 2014, the Company acquired 666,667 common shares for US \$200,000 (CDN \$220,760). Tortuga is a private company engaged in the acquisition, exploration and development of oil and gas properties. The investment was made to gain exposure to a gas exploration opportunity in the United States. The Company is not involved in the management or directorship of Tortuga.

In 2015, due to the continued weakness in the natural gas sector the Company lowered its outlook for recovering its investment in Tortuga and wrote down its investment to a nominal value. Tortuga has not advised the Company of its future plans.

Pancontinental Gold Corporation

Management's Discussion & Analysis (for the three month period ended March 31, 2018)

SUMMARY OF QUARTERLY RESULTS

	Royalty revenue	Net income (loss)	Net income (loss) per share
<u>Fiscal 2018</u>	\$	\$	\$
Q1 March 31	-	(201,113)	(0.002)
<u>Fiscal 2017</u>			
Q4 December 31	21,777	(145,965)	(0.001)
Q3 September 30	-	(96,188)	(0.001)
Q2 June 30	-	(249,238)	(0.003)
Q1 March 31	-	(514,151)	(0.005)
<u>Fiscal 2016</u>			
Q4 December 31	50,000	(461,860)	(0.005)
Q3 September 30	-	(984,806)	(0.011)
Q2 June 30	-	(174,742)	(0.002)

For 2017, variances in quarterly results were influenced by the amount of: (1) Australian JV royalty revenue recognized in Q4; (2) corporate and administrative expenses, which were impacted by - the level of Jefferson Project activity in each quarter - the accrual of annual audit and tax services fees in Q4 - the Company's annual shareholder meeting and annual public company fees in Q2 - the revamping of the Company's website and development of marketing materials in Q1 and Q2 - and, management changes made in Q1; (3) exploration and evaluation expenditures related to the Jefferson Project; (4) and, share-based payments attributable to the grant of stock options in Q1.

For 2016, variances in quarterly results were influenced by the amount of: (1) Australian JV royalty revenue recognized from the inaugural royalty payment in Q4; (2) corporate and administrative expenses, which were impacted by - costs associated with the Jefferson Project in Q3 and Q4 - the accrual of annual audit and tax services fees in Q4 - satisfying TSX-V Tier 2 listing requirements in Q3 - the Company's annual shareholder meeting and annual public company fees in Q2 - and, the evaluation of business opportunities in Q2; (3) exploration and evaluation expenditures related to the Jefferson Project in Q2, Q3 and Q4; (4) and, share-based payments attributable to the grant of stock options in Q3 and Q4.

RESULTS OF OPERATIONS

The net loss for the first quarter of 2018 was \$201,113 versus a net loss of \$514,151 for the comparable quarter of 2017, representing a decrease of \$313,038. The decrease was primarily influenced by: (1) a significant contraction in Jefferson Project activity; and, (2) reduced management fees. The overall decrease in the net loss was partially mitigated by an increase in share-based payments, as 1,200,000 stock option were granted in the quarter. The foreign exchange loss resulted primarily from unfavourable fluctuations in the United States dollar.

The decrease in corporate and administrative expenditures was significantly influenced through lower:

- consulting fees, as corporate development functions were handled internally;
- management fees, due to a reduction in accrued fees and activity in the Carolinas;
- salaries and benefits, as personnel costs to support administration activities in the Carolinas declined; and,
- shareholder relations and promotion costs, as promotional activities were limited.

Pancontinental Gold Corporation

Management's Discussion & Analysis (for the three month period ended March 31, 2018)

The decrease in corporate and administrative expenses was partially mitigated by an increase in professional fees, as the need for legal services grew, due to activity revolving around the Montcalm West and McBride Projects. The remainder of these expenses were relatively consistent with the comparative period.

Exploration and evaluation expenditures decreased, due to the curtailment of exploration activity at the Jefferson Project. Activity at the Jefferson Project was primarily limited to maintaining property leases. Montcalm West Project activity consisted of related Option Agreement payments.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

Operating activity cash flows for the current three month period reflect the receipt of the 2017 royalty revenue receivable. The growth in accounts payable and accrued liabilities was primarily attributable to the Company's financial liquidity constraints.

Financing activity cash flows for the current three month period represent cash loans provided by Company directors/officers. These loans were made to enable the Company to meet its immediate financial obligations and are non-interest bearing, unsecured and payable on demand.

Working capital

As at March 31, 2018, Pancontinental had a working capital deficiency of \$505,089, which includes \$339,042 payable to related parties. The Company's cash is held on deposit at Canadian and United States banking institutions. Sales tax receivables represents amounts to be refunded by the Canadian government. Prepaid expenses are comprised of insurance premiums, TSXV sustaining fees and share issuance costs.

To recapitalize the Company, gross proceeds of \$1,976,490 were raised through a private placement, which closed on April 4, 2018. These funds include \$975,990 of flow-through funds, which are designated for exploration activities at the Montcalm West and McBride Projects. In addition, on May 23, 2018, the Company settled \$78,820 of accounts payable and management fees through the issuance of 1,126,000 common shares.

As at the date of the MDA, Jefferson Project property payments for the remainder of 2018 amounted to US \$94,325. The Company is current with its Jefferson Project property payments and can relinquish any Jefferson Project lease at any time. In addition, the Company paid the \$21,000 balance of the initial \$35,000 cash payment pursuant to the Montcalm West Project Option Agreement and paid the initial \$142,500 cash payment pursuant to the McBride Project Option Agreement.

For 2018, the likelihood exists that Pancontinental may need to raise additional working capital to settle its liabilities and fund its current level of operating expenditures and exploration activity. Further capital will be required to fund property acquisitions and expand Jefferson Project exploration activities. A significant portion of expenditures for the Jefferson Project are denominated in United States dollars, giving rise to market risk from changes in foreign exchange rates, which may negatively impact the Company's working capital.

The Company prefers to obtain funds through private placements, though it has the option to raise funds through the divestiture of non-core assets. The Company's ability to continue is highly dependent on its working capital and its ability to obtain additional funds in the capital/equity markets to: finance its activities; and, meet its obligations and pay its liabilities. There is a risk that the Company will be unable to raise sufficient funds, thus jeopardizing the Company's ability to achieve its objectives and continue as a going-concern.

Given the nature of Pancontinental's operations, which consist of exploration, development, evaluation and acquisition of resource properties or projects, the Company believes that the most meaningful financial information relates primarily to its current liquidity and solvency.

Pancontinental Gold Corporation

Management's Discussion & Analysis (for the three month period ended March 31, 2018)

SHARE CAPITAL

As of the date of this MD&A, Pancontinental has the following securities outstanding:

Security	Number
Common shares	141,542,854
Warrants	13,835,000
Options	12,000,000

On April 4, 2018 the Company closed a \$1,976,490 private placement consisting of 20,010,000 units for gross proceeds of \$1,000,500 and 16,266,500 flow-through shares for gross proceeds of \$975,990. Each unit was issued at \$0.05, and consisted of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at a price of \$0.08 for a period of eighteen months, expiring on October 4, 2019. The warrant expiry can be accelerated in the event the common shares trade at a volume weighted average trading price of \$0.15 or greater for a period of 20 consecutive days following the expiry of the statutory trading restriction on August 5, 2018. The Company paid cash commissions of \$4,620.

Subsequent to March 31, 2018, the Company issued 500,000 common shares in accordance with the McBride Project Option Agreement.

On May 1, 2018, the Company granted 2,550,000 options to directors/officers, a consultant and an employee. The options vested immediately and have an exercise price of \$0.07 and a five year term, expiring May 1, 2023.

On May 23, 2018, the Company issued 1,126,000 common shares to settle accounts payable and management fees totalling \$78,820.

RELATED PARTY TRANSACTIONS

Management fees of \$26,693 (2017 - \$70,729) for the current three month period were paid or accrued. These fees are payable to Company officers or companies controlled by or associated with Company officers as follows:

- President and Chief Executive Officer ("CEO"), Mr. Layton Croft - \$22,770 (2017 - \$17,425). Effective April 1, 2018, Mr. Croft's fees were increased to \$9,000 per month. Mr. Croft's fees are payable in USD;
- former President and CEO, Mr. Richard Mark - \$nil (2017 - \$4,500). Mr. Mark ceased acting as the Company's President and CEO on April 7, 2017;
- Chief Financial Officer, Mr. Mark McMurdie - \$21,000 (2017 - \$21,000); and,
- Vice President of Exploration, Mr. Dennis Lapoint - negative \$17,077 (2017 - \$27,804). The decrease for 2018 is the result of an adjustment for an over accrual of Mr. Lapoint's 2017 management fees. Mr. Lapoint's fees are payable in USD.

Rent of \$759 (2017 - \$1,192) for the current three month period was paid or became payable to a company controlled by a Company officer for an office in Chapel Hill, NC. The rent is payable in USD.

Share-based compensation (non-cash) of \$35,742 (2017 - \$19,650) for the current three month period represents the fair value of 800,000 stock options granted to a director/officer.

Loans from related parties of \$177,940 (December 31, 2017 - \$165,000) represent cash advances provided by Company directors. These loans are non-interest bearing, unsecured and payable on demand. During the current three month period, Company directors/officers provided additional cash advances of \$12,940 for working capital purposes. Subsequent to March 31, 2018, the Company repaid \$48,750 of loans provided by a Company director.

Pancontinental Gold Corporation

Management's Discussion & Analysis (for the three month period ended March 31, 2018)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Disclosure on the Company's financial instruments and related risks may be found in Note 16 of Pancontinental's unaudited condensed interim consolidated financial statements for the three month period ended March 31, 2018.

The Company's exposure to liquidity risk has increased significantly with the acquisition of the Jefferson, Montcalm and McBride Projects, as the Company needs to obtain financing to fund option and property payments, operating expenditures and exploration activities. In addition, Jefferson Project expenditures are primarily denominated in United States dollars, giving rise to market risk from changes in foreign exchange rates.

The Company does not have a risk management committee or written risk management policies. The Company has not entered into any specialized financial agreements to minimize its credit or foreign currency risks. There are no off-balance sheet arrangements.

CAUTIONARY NOTES

This MD&A may contain forward-looking statements relating to, but not limited to, Pancontinental's assumptions, estimates, expectations and statements that describe Pancontinental's future plans, intentions, beliefs, objectives or goals, that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or anticipated by such forward-looking statements. Statements that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements or forward-looking information, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Examples of such forward-looking statements, without limiting the generality of the foregoing, include:

- potential to earn an interest in mineral properties;
- ability to acquire properties and conduct exploration work;
- outlook for metals and/or mining sector;
- potential of exploration properties;
- establishing economic deposits or resources;
- potential for future benefits from its Joint Venture gross overriding royalty or investment in Tortuga;
- possibility to dispose non-core assets;
- ability to continue as a going concern;
- capital requirements and ability to obtain funding;
- condition of financial or capital markets.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and forward-looking information. Such factors include, but are not limited to:

- condition of underlying commodity markets and prices;
- ability to raise necessary capital;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- receipt or retention of necessary permits or approvals;
- access to properties and contests over title to properties;
- timing of commencement of exploration or development activities;
- geological and exploration results and conditions;
- geological, technical, drilling and operating difficulties;
- establishment of sufficient and economic resources or reserves;
- obtaining environmental and mining approvals;
- availability and cost of contractors, equipment, supplies, labour and insurance;
- the speculative nature of exploration and development and investor sentiment;

Pancontinental Gold Corporation

Management's Discussion & Analysis (for the three month period ended March 31, 2018)

- competition for, among other things, capital, acquisitions of resources and/or reserves, undeveloped lands and skilled personnel;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in which the Company conducts or may conduct business;
- business opportunities that may be presented to or pursued by the Company;
- our ability to correctly value and successfully complete acquisitions;
- effectiveness of corporate relations;

Although Pancontinental believes that the assumptions, estimates and expectations reflected in our forward-looking statements are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements due to the inherent uncertainty. Pancontinental disclaims any intent or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or other such factors which affect this information, except as required by law.

RISKS AND UNCERTAINTIES

Pancontinental is in the business of exploring for minerals and, if successful, ultimately mining them. The mining sector is by its nature, cyclical, competitive and risky. Many of these risks are beyond the Company's control. Investment in the mining sector in general and the exploration sector, in particular, involves a great deal of risk and uncertainty and Pancontinental's common shares should be considered as a highly speculative investment. Current and potential investors should give special consideration to the risk factors involved.

Acquisition risk

Pancontinental uses its best judgment in the acquisition of mineral properties and, in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including agreements to finance the acquisition and development of the mineral properties. The Company cannot provide assurance that it can complete any acquisition that it pursues, on favourable terms, or that any acquisition will ultimately benefit the Company.

Competition risk

Pancontinental must compete with a number of other companies that possess greater financial and technical resources. Competition in the mining and business sectors could adversely affect the Company's ability to acquire mineral properties or projects.

Conflicts of interest

Certain directors and officers of Pancontinental, in their personal capacities or as directors or officers of other companies, are engaged or have interests in mineral exploration and development activities outside of the Company. Accordingly, exploration opportunities or prospects of which they become aware of may not necessarily be made available to the Company.

Dependence on management and consultants/contractors

Pancontinental is very dependent upon the efforts and commitment of its directors, management and consultants/contractors to the extent that if the services of the directors, management or consultants/contractors were not available, a disruption in the Company's operations may occur.

Counterparty risk

Counterparty risk is the risk that each party to a contract will not fulfill its contractual obligations. All of the Company's mineral projects and the Australian gross overriding royalty are exposed to this risk.

Pancontinental Gold Corporation

Management's Discussion & Analysis (for the three month period ended March 31, 2018)

Third party performance risk

For the Company to realize benefits from its Australian gross overriding royalty or its investment in Tortuga, the Company is dependent upon the evolution and success of the underlying project's exploration and development, which could be impacted by: the management of the particular project and execution of planned objectives; the participants ability to raise necessary capital and remain solvent; environmental approvals and regulations; government and mining policies and regulations; establishment of sufficient and economic resources or reserves; condition of underlying commodity markets and prices; access to properties; receipt or retention of necessary permits or approvals; timing of commencement of exploration or development activities; geological and exploration results; exploration and development conditions; and, the disclosure of technical reports and other information. As the Company is not involved in the management of either entity or participates in the oversight of either entity's projects, there is a risk that significant or material information may not be disclosed to the Company, on a timely basis, or at all.

Environmental risk

The exploration and development activities conducted on Pancontinental's mineral properties are subject to the environmental laws and regulations of the country in which the activities take place. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties, more stringent environmental assessments and a heightened degree of responsibility for companies and their officers, directors and employees. Although the Company undertakes to comply with current environmental laws and regulations, there is no assurance that future changes in environmental laws or regulations will not adversely affect the Company's operations.

Exploration risk

There is no assurance that the activities of Pancontinental will be successful and result in economic deposits being discovered and in fact, most companies are unsuccessful due to the low probability of discovering an economic deposit. Once mineralization is discovered, it may take several years until production is possible during which time the economics of a project may change. Substantial expenditures are required to establish reserves through drilling. Pancontinental's ability to establish a profitable mining operation is subject to a host of variables, such as technical and economic factors and regulatory issues. Exploration activities involve risks which even a combination of experience, knowledge and prudence may not be able to overcome. Exploration activities are subject to hazards which could result in injury or death, property damage, adverse environmental conditions and legal liability.

Financing and liquidity risk

Pancontinental's future profitability and ability to finance its exploration and development activities and make acquisitions is highly dependent upon its ability to raise capital in the financial markets, which is strongly related to: the market price of the primary minerals identified in its mineral properties; market price of the Company's equities; and, general commodity and investor sentiment. The Company does not have production income or a regular source of cash flow to fund its operating activities. Pancontinental will require significant capital to finance its overall objectives and there is no assurance that the Company will be able to raise the capital required and continue as a going concern. In addition, Pancontinental's financial success is dependent on the extent to which it can discover mineralization in economic quantities and the economic viability of developing its properties or projects.

Property title risk

Although Pancontinental takes reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged, impugned or renounced.