

ESSENTIAL MINERALS

TO POWER THE NEW ENERGY ECONOMY



PUC Battery Metals Report

May 2019

INCLUDED IN THIS REPORT

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- MoM commodity price

Industry News

- Australia's Jervois Mining buys eCobalt Solutions for US cobalt mine
- MMG joins Glencore, ERG reviewing Congo plans after tax hike
- Copper producers gather; electric cars seen driving demand growth
- Commodities outperform other asset classes in Q1 of 2019
- Cobalt stocks guide: Here's everything you need to know
- Cobalt, uranium and silver prices expected to rally in 2019
- Improving Chinese economic data supports upside in metal prices
- Glencore's Katanga to resume sales of cobalt after uranium scare suspension
- Cobalt: Dramatic price fall comes to an end
- Electric cars can clean up the mining industry – here's how
- LME to shake up rules on responsible sourced metals

Supply & Demand News

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- Nickel price increases as inventories fall
- Copper mine output rises 2.3% in 2019
- A million tonnes of copper is on the way: it may not be enough
- Deficits delayed in global copper market
- Worried about nickel supply, China battery maker BYD welcomes JV discussions
- EV battery nickel use climbs

+++ lots more news inside

COMMODITY PRICES (in US\$ per tonne)

	Nickel (Ni)	Copper (Cu)	Cobalt (Co)	Gold* (Au)
March 29, 2019	\$13,010.00	\$6,484.00	\$29,000.00	\$1,295.10
April 30, 2019	\$12,355.00	\$6,441.00	\$34,250.00	\$1,283.80
Change (+ -)	\$655.00 ↓	\$43.00 ↓	\$5,250.00 ↑	\$11.30 ↓

Source: The London Metal Exchange
* Gold price per ounce

COMMODITIES OUTPERFORM OTHER ASSET CLASSES IN THE FIRST QUARTER OF THE YEAR



Source: Kalkine Media
April 8, 2019

Commodities prices soared and posted hefty gains as compared to the different asset classes in 2019. The high commodity prices in the March quarter was mainly due to the change in global policies. The rapid electrification in the automotive industry supported the base metals prices along with the higher demand from China.

The major economies across the globe marked a rapid transformation to be-

PANCON RESOURCES (TSXV: PUC)

Pancontinental Resources Corporation ("Pancon" or the "Company") (TSXV: PUC) is a Canadian-based exploration company focused on the exploration and development of its strategic battery metals & energy projects in proven mining districts and excellent infrastructure.

The Company's current focus is on prospective Nickel-Copper-Cobalt properties in low-risk areas with existing resources and/or in proximity to producing or former mines.

Looking to help address the growing demand for battery metals, Pancon holds five nickel-copper-cobalt projects in Northern Ontario:

- The Montcalm Project, Nova Project, Gambler Project and Strachan Project are adjacent to and near the former Montcalm Ni-Cu-Co Mine located 65 km northwest of Timmins.
- The St. Laurent Project has an advanced Ni-Cu-Co-Au-Pt-Pd target and is located 50 km south of Detour Lake Mine and 20 km southeast of Casa Berardi Mine.

The Company also holds a 100% interest in the Jefferson Gold Project near Haile Gold Mine and adjacent to the former Brewer Gold Mine on the Carolina Gold Belt in South Carolina, USA.

MONTHLY BATTERY METALS REPORT

Presented by Pancon, the monthly Battery Metals Report highlights the latest news on the Battery Metals space.

It includes news that affects the market as well as companies that are exploring, developing and producing essential minerals and materials that will lead a clean energy revolution.

BE IN THE KNOW WITH PANCON

[Click here to sign-up to get the monthly PUC Battery Metals Report and Pancon updates right on your inbox](#)

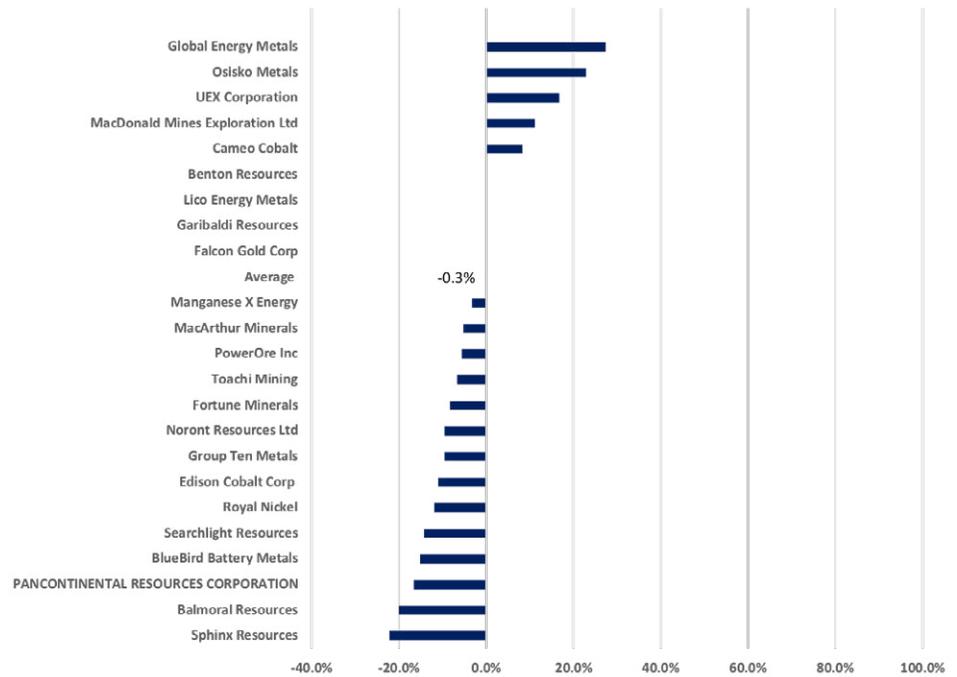
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BATTERY METALS MONTH-OVER-MONTH STOCK PERFORMANCE

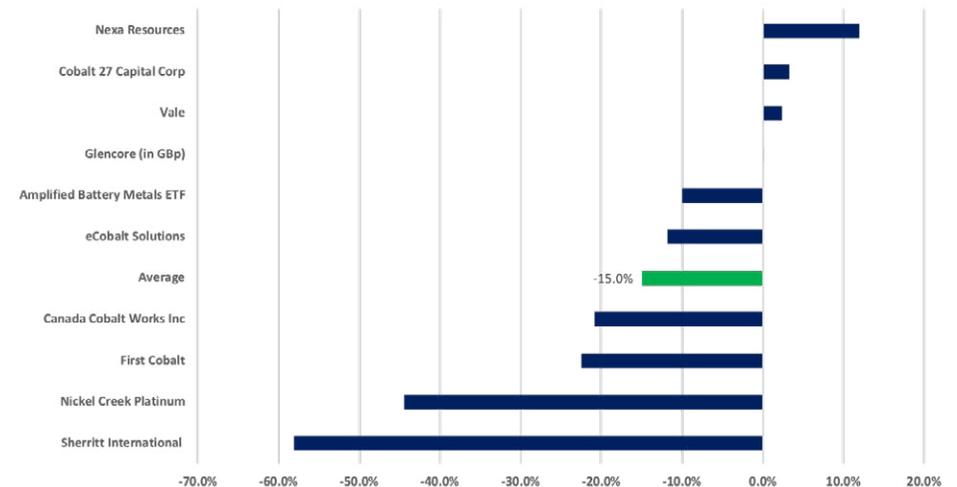
Battery Metals & Energy Explorers

One-Month Return
Battery Metals Exploration Companies

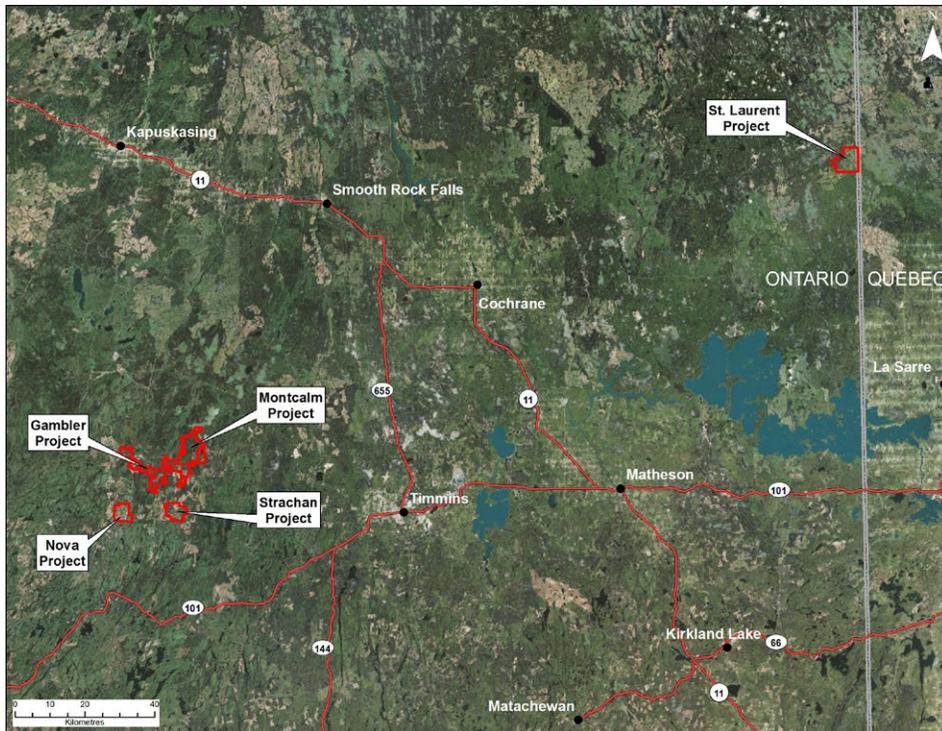


Battery Metals & Energy Producers/Developers and Funds

One-Month Return
Battery Metals Production, Development & Fund Companies



PANCON FOCUS IN NORTHERN ONTARIO



ONTARIO MINING

Source: Ontario Mining Association

Mining has been a part of Ontario’s fabric since the dawn of civilization and it is an integral component of its high-tech, environmentally-conscious future.

Ontario’s native population was the first to tap into the province’s vast mineral wealth. Major discoveries and mine development in the 20th century underpinned Ontario’s rise to the status of Canada’s most populous and wealthiest province, and supported Canada’s development as an industrialized and globally competitive nation.

Today, mining in Ontario is a multi-million dollar industry known around the world for its safety and environmental leadership, efficiency, productivity and innovation. Our members produce and process mineral resources that are the building blocks of everything from your kitchen sink to computer disk drives, wind turbines, hybrid cars, rechargeable batteries, catalytic converters, nanotechnology and beyond - where human ingenuity and aspiration for a greener future have yet to take us.

With a clear focus on the future, Ontario’s dynamic mining industry is continually evolving to meet society’s changing needs and expectations. It is not just about what and how much we mine, but about our guiding values. Our members are committed to prioritizing the health and safety of their employees; minimizing the impact of their activities on the environment by adopting innovative technologies and approaches; contributing to the development and enhancement of local economies; and investing in the future by supporting human capital, education, research and development.

MONTCALM PROJECT

The Montcalm Project (3,780 hectares) is located within the prospective Montcalm Gabbro Complex, 65 km northwest of Timmins, Ontario.

The project is contiguous to and surrounds the western, northwestern and southwestern portion of the former Montcalm Mine, currently owned by Glencore plc.

The former Montcalm Mine was discovered and developed based on a single airborne electromagnetic anomaly identified in 1970s and previously mined 3,931,610 tonnes of ore grading 1.25% nickel, 0.67% copper and 0.051% cobalt, producing in excess of 4 million pounds of cobalt (Ontario Geological Survey, Atkinson, 2011).

ST. LAURENT PROJECT

St. Laurent Project (4,170 hectares) is located in St. Laurent Township, 160 km northeast of Timmins, 50 km south of Detour Lake Mine and 20 km southeast of Casa Berardi Mine.

Past shallow drilling at the St. Laurent Project identified disseminated multi-element sulphide mineralization across notable widths trending towards a large gabbro-hosted magnetic feature.

The Ni-Cu-Co-Au-Pt-Pd zone is open along strike and at depth. This mineralized zone, importantly, is coincident with a strong 600-metre long EM anomaly.

NOVA PROJECT

The Nova Project (2,080 hectares) is located in the Montcalm Greenstone Belt, 19 km southwest of Glencore’s former Montcalm Mine.

GAMBLER PROJECT

The Gambler Project (7,630 hectares) is a camp-size project situated in the Montcalm Gabbro Complex surrounding the Montcalm Project and adjacent to the former Montcalm Mine.

STRACHAN PROJECT

The Strachan Project (2,280 hectares) is located 15 km south of the former Montcalm Mine, in the Strachan Gabbro Complex.

COMMODITIES OUTPERFORM OTHER ASSET CLASSES IN THE FIRST QUARTER OF THE YEAR (CONT'D)

come a zero-emission economy and burnt extensive capital. China declared an incentive plan to promote the electric vehicle segment to curb the environmental pollution across the major cities, which in turn, prompted the automotive industry to tap in the growing segment. The demand for electric vehicle thus supported few base metal prices such as Nickel, Zinc, etc.

Nickel demand surged by the rapid electrification of the vehicle and propelled its prices in the international market. Nickel Futures (LME) marked an up-rally from the level of \$10532.50 (Low in January 2019) to the level of \$13757.50 (High in March), which marked a return of approx. 30% in three months. Apart from nickel, base metals such as copper, zinc, etc., also gained significantly.

The supply concerns in the base metal market coupled with high demand in the industry led the base metal prices to boom. The DRC supply concern along with falling inventories in copper led the major investment banks such as Citi group, Goldman Sachs to adopt a bullish stance.

The supply concern in steel raw material market along with a steady demand for steel led the iron ore prices above \$90 mark.

Not just base metals, other segments in the commodity market such as energy and bullions also gained significantly. Crude oil spot (XBR) rose from the level of \$52.96 per barrel (Low in January 2019) to the current level of \$71, crude comfortably rose above \$70 mark, which marked 2019 high. The voluntary production cut by the OPEC members coupled with the U.S. sanctions on major oil-producing countries supported the crude prices from the starting of the year 2019.

The rising commodity scenario was also joined by the bullions, which also marked a significant gain in the prices since the commencement of the year 2019.

Gold prices also extended gains, with gold spot rising from the level of \$1276.77 (Low in January 2019) to the level of \$1346.79 (High in February 2019). However, gold lost its lustre as global economic conditions revived and coupled with the progress in the U.S-China trade talks exerted pressure on gold prices, and it fell from its February high to the level of \$1280.93 (Low in March).

The improvement in global economic conditions amid the progressive trade talks and improving data supported the commodity prices since the commencement of the year 2019. As per the data from BofA Merrill Lynch Global Research, commodities were the top returning asset till April 4th, 2019 and the commodity market returned about 16.6% in the first quarter, while global equities market returned about 13.6% for the first quarter.●

INDUSTRY NEWS

[MMG joins Glencore, ERG reviewing Congo plans after tax hike](#)
April 3, 2019

[Copper producers gather; electric cars seen driving demand growth](#)
April 7, 2019

[Commodities outperform other asset classes in the first quarter of the year 2019](#)
April 8, 2019

[Cobalt stocks guide: Here's everything you need to know](#)
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April 14, 2019

[Glencore's Katanga to resume sales of cobalt after uranium scare suspension](#)
April 15, 2019

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[Electric cars can clean up the mining industry – here's how](#)
April 16, 2019

[LME to shake up rules on responsible sourced metals](#)
April 22, 2019

SUPPLY & DEMAND NEWS

[Chinese spot cobalt metal buying resumes](#)
April 1, 2019

[Nickel price increases as inventories fall](#)
April 1, 2019

[Copper mine output rises 2.3% in 2019](#)
April 4, 2019

EV BATTERY NICKEL USE CLIMBS



Nickel use in electric vehicle batteries has doubled year-on-year, according to research consultancy Adamas Intelligence.

Source: Mining Journal
April 24, 2019

Adamas said this week that 104% more nickel was deployed in new passenger EV batteries in February, up 104% year-on-year.

Manganese deployment was up by 96% and cobalt deployment was up 87% for the same period.

“While usage of all three cathode metals saw major gains from February 2018 through February 2019, nickel enjoyed the greatest gains on account of the auto industry’s ongoing shift from no or low-nickel cathodes, such as LFP or NCM 111, to varieties with higher concentrations of nickel, such as NCM 523, NCM 622, and NCM 811,” Adamas said.

Batteries are still only estimated to account for less than 5% of global nickel demand.

The Tesla Model 3 accounted for more than 400 tonnes of nickel use in February, followed by the Nissan Leaf, Tesla Model X, Tesla Model S and Hyundai Kona.

The five models were responsible for almost 50% of all nickel deployed in EV batteries globally during February.

Adamas said lithium carbonate equivalent deployment in EV batteries rose by 76% year-on-year in February.

The top five cell suppliers by LCE deployed in February 2019 were Panasonic, LG Chem, CATL, BYD and Samsung SDI, which accounted for nearly 75% of all LCE deployed in passenger EV batteries. •

SUPPLY & DEMAND NEWS
CONT'D

[A million tonnes of copper is on the way: it may not be enough](#)

April 8, 2019

[Deficits delayed in global copper market](#)

April 9, 2019

[Worried about nickel supply, China battery maker BYD welcomes JV discussions](#)

April 11, 2019

[EV battery nickel use climbs](#)

April 24, 2019

ELECTRIC VEHICLE NEWS

[Electric car price tag shrinks along with battery cost](#)

April 12, 2019

[VW to take on Tesla X in China from 2021 with electric SUV](#)

April 14, 2019

[The world’s biggest electric vehicle company looks nothing like Tesla](#)

April 16, 2019

[Tesla is developing a unique battery recycling system](#)

April 16, 2019

[Big carmakers are placing vast bets on electric vehicles](#)

April 17, 2019

[Volkswagen joins IBM-lead initiative to track cobalt supply chains using blockchain](#)

April 22, 2019

[Aston Martin’s next vehicle for James Bond will be a \\$326,000 electric car](#)

April 19, 2019

[BMW to buy cobalt directly from Australia, Morocco for EV batteries](#)

April 23, 2019

[BMW turns to Australia for next-gen electric cars](#)

April 24, 2019

CANADA & THE GREEN ECONOMY EVOLUTION

How Canada's mining sector impacts the economy

Canada is primed to respond to growing global demand for commodities required in clean energy technologies.

Canada is a key global producer of copper, nickel and cobalt, and hosts advanced mineral projects for rare earth elements, lithium and graphite. These commodities are crucial in the production of solar cells, high-density batteries and wind turbines.

In 2017, the minerals sector directly and indirectly contributed \$97 billion or 5% to Canada's total nominal GDP.

The minerals sector directly and indirectly accounted for 634,000 jobs throughout the country in urban, rural and remote regions in 2017.

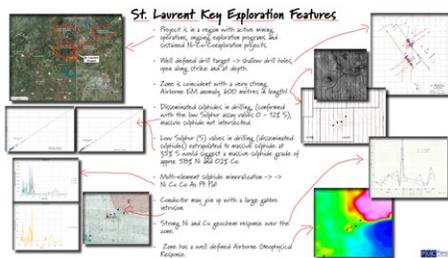
The minerals industry is an important employer of Indigenous peoples, providing jobs to over 16,500 individuals in 2017.

Source: [Natural Resources Canada](http://NaturalResourcesCanada)

ST. LAURENT WHITEBOARD

St. Laurent is Pancon's newest project.

This is an interactive document, please click on each image to zoom in and get more information.



MANAGEMENT TEAM

Layton Croft, President & CEO: More than 25 years of leadership and management experience in North America, Asia, Europe, Africa and Latin America, including executive and strategic advisory roles with Ivanhoe Mines, Rio Tinto, Peabody Energy and Duke Energy. Director of Erdene Resource Development (TSX: ERD) since 2015.

Todd Keast, P.Geo., Project Manager: Exploration and project geologist with nearly 30 years of experience in a diverse field of commodities. With an active approach to exploration, has advanced projects from grassroots target generation and evaluation through to deposit discovery, delineation, environmental permitting and PEA.

Kevin Filo, P.Geo., Project Advisor: Exploration geologist, mining geologist and project generator with nearly 40 years of experience, including 30 years in the Abitibi Greenstone Belt region, Ontario. Former VP Exploration for acquisition team which acquired the Detour Gold Mine from Placer Dome, now one of the largest gold mines in Canada.

Mark McMurdie, CFO: Chartered Professional Accountant with more than 30 years of senior leadership experience in public and private companies. Currently serving as CFO for Roscan Minerals (TSX-V: ROS), as well as Director of Finance for franchisor H&S Massage Spa Canada.

Jeanny So, External Relations Manager: More than 15 years of investor relations, public relations, corporate affairs, corporate development and communications experience in the natural resource sector. She also serves as a consultant to Purepoint Uranium Group (TSXV: PTU) and is a member of Prospector and Developers Association of Canada (PDAC) and Women In Mining.

CAPITAL STRUCTURE

Shares Outstanding	165,479,290
Share Price (April 30, 2019)	\$0.03
52 Week Range	\$0.09 / \$0.02
100-Day Avg Volume	182,000
Options	13,600,000
Warrants	25,128,218
Fully Diluted	204,207,508
Insider Ownership	35%
Cash Position (April 30, 2019)	\$700,000

BOARD OF DIRECTORS

Donald Whalen (Chairman)
Layton Croft
Rick Mark
David Mosher
David Petroff

TECHNICAL ADVISORY COMMITTEE

David Mosher (Chairman)
Todd Keast, P. Geo.
Kevin Filo, P.Geo.

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