

THE PUC REPORT

January 2020

GOLD & BATTERY METALS NEWSLETTER

INSIDE THIS EDITION

Gold & Battery Metals Insights

- Month over month commodity prices
- Year to date commodity prices

Industry News

- Vale aims to boost nickel production by 70%
- CEO says Barrick has plenty of financial firepower to do deals
- Equinox Gold to buy smaller rival Leagold for \$770M
- Glencore in the crosshairs
- Northern Star to pay US\$800M for Newmont Goldcorp's Super Pit stake
- Merger talks between Endeavour Mining and Centamin deteriorate
- BHP plans 'baby steps' return to commodities trading to cut transaction risk
- From Barrick to First Quantum: Top miners look ahead to 2020
- Top 10 lowest cost gold projects on the globe
- Nevada Copper ships first copper concentrate from Pumpkin Hollow in Nevada

FEATURED ARTICLE:

Copper tapped as the next big metals trade of 2020

COMMODITY PRICES (in US\$ per tonne)	Gold (Au)*	Nickel (Ni)	Copper (Cu)	Cobalt (Co)
November 30, 2019	\$1,463.80	\$13,805.00	\$5,853.50	\$35,000.00
December 31, 2019	\$1,521.90	\$13,990.00	\$6,155.50	\$32,000.00
Change (+/-)	\$58.10 ↑	\$185.00 ↑	\$30.50 ↑	-\$3,000.00 ↓
MoM Change (%)	+3.97%	+1.34%	+5.16%	-8.57%

Source: The London Metal Exchange

* Gold price per ounce

Supply & Demand News

- Strong demand for base metals in 2020, copper market to remain tight
- Gold miners flash the cash in biggest deal binge in a decade
- US copper frenzy grows as Rio Tinto plans \$1.5 billion Utah mine expansion
- Nickel, cobalt price: Electric car sales are tanking, but metal use spikes
- Goldman expects gold at \$1,600 per ounce in 2020 on fear driven demand
- Exploration Crisis is a perfect storm for investors
- Copper price jumps to 7-month high on Trump trade deal
- Unexpected bump on the EV road hits battery metals
- Gold Forecast 2020: Bullish Gold Holds optimism for Juniors
- Gold stocks remain cheap
- Doctor Copper ends 2019 with a new-found spring in his step
- Drickemiller bullish on copper, Gundalch says time to play defense
- George Salamis on why 2020 will be good for junior miners
- Euphoria, greed and fear mark 2010s for commodities investors
- Cobalt Forecast 2020: Execs expect EV demand to materialize
- If you invested \$10k in gold in 2009, where would you be?

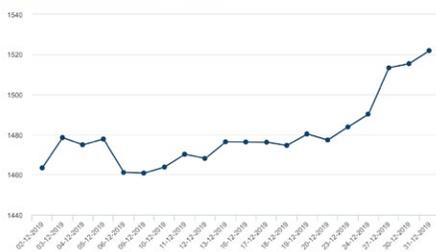
PLUS ++++

Lots more news inside

GOLD CHART

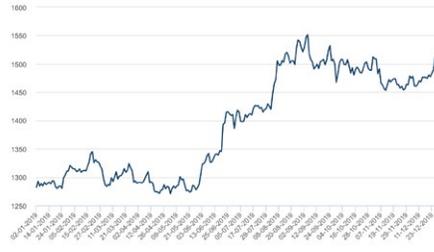
Month over Month

(December 1st to 31, 2019)



Year to Date

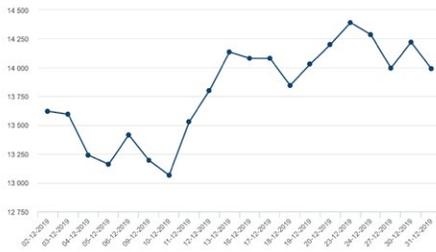
(January 1st to December 31, 2019)



NICKEL CHART

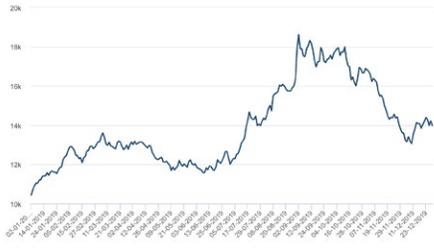
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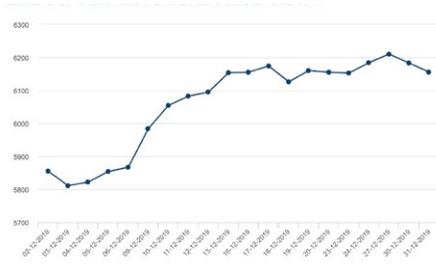
(January 1st to December 31, 2019)



COPPER CHART

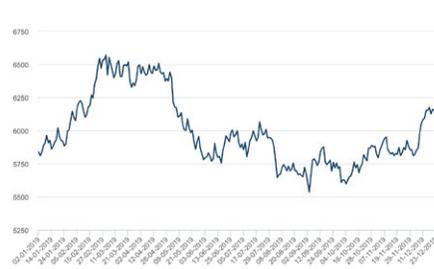
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Year to Date

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COBALT CHART

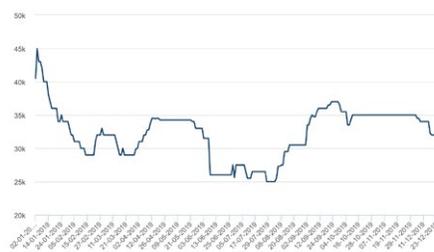
Month over Month

(December 1st to 31, 2019)



Year to Date

(January 1st to December 31, 2019)



Pancon Resources TSXV: PUC

Pancontinental Resources Corporation ("Pancon" or the "Company") (TSXV: PUC/OTCBB: PUCF) is a Canadian junior mining company focused on North American gold and battery metals projects in proven mining districts and near or surrounding producing or former mines.

Gold Project in South Carolina:

- Pancon's 100%-owned Jefferson Gold Project is 15 km along-trend from the Haile Gold Mine and surrounds the former Brewer Gold Mine property, on the prolific and underexplored Carolina Slate Belt in South Carolina, USA.

Battery Metals Projects in Northern Ontario:

Pancon has 5 nickel-copper-cobalt projects in Northern Ontario:

- 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 southwest of Casa Berardi Mine in northern Ontario, Canada
- The Montcalm, Nova, Gambler and Strachan projects are adjacent to and near the former Montcalm Ni-Cu-Co Mine located 65 km northwest of Timmins, ON, Canada

THE PUC Report

Presented by Pancon, the PUC Monthly Report highlights the latest news in gold and battery metals space such as nickel, copper and cobalt.

It includes news that affects the market as well as companies that are exploring for, developing and producing gold and battery metals.

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Copper tapped as the next big metals trade for 2020

Source: [Bloomberg News](#)

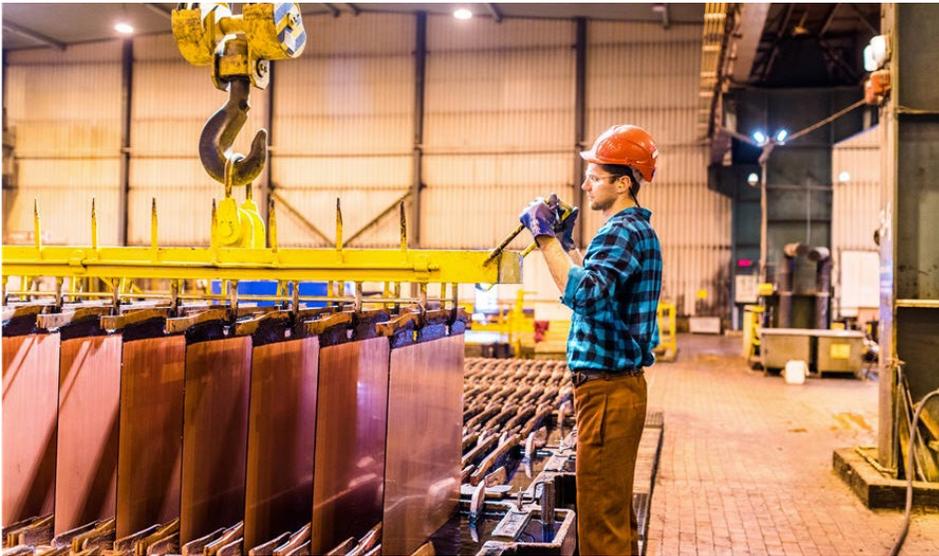


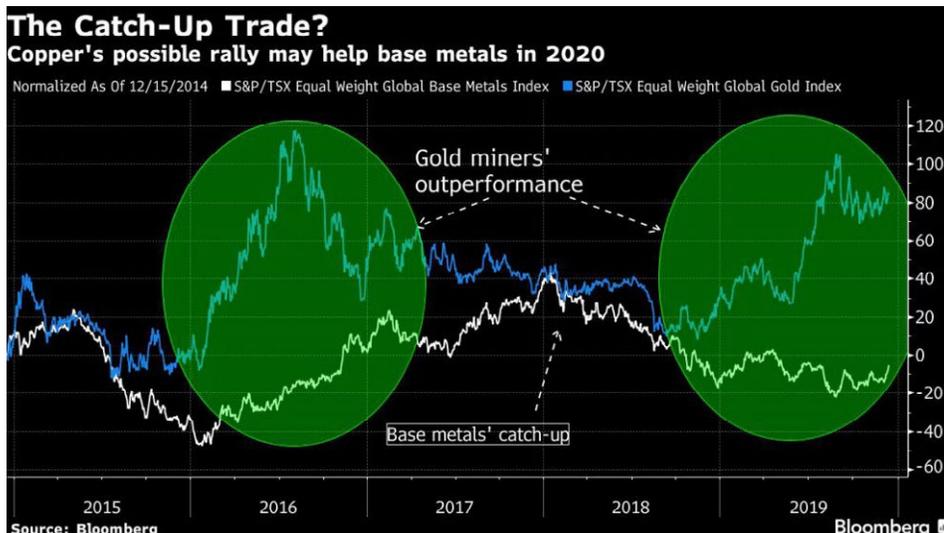
Image courtesy of KGHM

Copper, often called “Dr. Copper” due to its correlation with the economic cycle, could be the trade of 2020, as most industry analysts expect a “lift-off” for the metal as global demand recovers.

Gold miners had a blockbuster year in 2019 owing to expectations of U.S. Federal Reserve rate cuts and as geopolitical tension mounted between the U.S.-China. But concern about dampened global demand as a result of trade threats left base metal miners limping into the new year.

But that might reverse next year thanks to improved demand, making copper “poised for liftoff,” according to Jefferies analyst Christopher LaFemina. Low copper inventories, high short positions, supply constraints and better demand are creating conditions for the metal to rally, he wrote in a note to clients.

Joining LaFemina in his optimism is Goldman Sach’s Jeffrey Currie, who thinks copper is “set to inflect” in 2020 due to strong growth out of China. Morgan Stanley, Bank of America and Citi also have positive expectations for copper and an improving global economy.



CONTINUE ON PAGE 4

INDUSTRY NEWS

[Vale aims to boost nickel production by 70%](#)
December 4, 2019

[CEO says Barrick has plenty of financial firepower to do deals](#)
December 12, 2019

[Equinox Gold to buy smaller rival Leagold for \\$770M](#)
December 16, 2019

[Glencore in the crosshairs](#)
December 17, 2019

[Northern Star to pay US\\$800M for Newmont Goldcorp's Super Pit stake](#)
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December 18, 2019

[BHP plans 'baby steps' return to commodities trading to cut transaction risk](#)
December 18, 2019

[From Barrick to First Quantum: Top miners look ahead to 2020](#)
December 19, 2019

[Top 10 lowest cost gold projects on the globe](#)
December 19, 2019

[Nevada Copper ships first copper concentrate from Pumpkin Hollow in Nevada](#)
December 24, 2019

[Kirkland Lake Gold sets the bar high for production](#)
December 24, 2019

SUPPLY & DEMAND NEWS

[Strong demand for base metals in 2020, copper market to remain tight](#)
December 3, 2019

[Tipping point for electric cars still four years away](#)
December 3, 2019

[Gold miners flash the cash in biggest deal binge in a decade](#)
December 4, 2019

Copper tapped as the next big metals trade for 2020 (cont'd)

History shows that base metal miners have often caught up with gold equities after precious metals outperformed. The S&P/TSX Equal Weight Global Base Metals Index (TXBE) underperformed the S&P/TSX Equal Weight Global Gold Index (TXGE) in 2016, but caught up by the end of 2017. If analysts are right about the outlook for copper in 2020, the same trend may be coming soon.

Here is what the analysts are saying about what to expect for metals and mining in 2020:

Jefferies

The firm is most bullish on copper miners for 2020 as current supplies won't be able to meet "even a modest cyclical recovery in demand," LaFemina wrote. Expects Freeport-McMoRan Inc., First Quantum Minerals Ltd. and Glencore PLC to benefit most from the copper price recovery. Freeport and First Quantum are his top picks. Also expects select iron ore miners such as Anglo American PLC, Vale SA and Rio Tinto PLC to outperform as prices are expected to remain high, peaking at more than \$100 per ton in the near-term. The firm is "least bullish" on gold.

Goldman Sachs

"Copper is our most bullish view," for 2020, according to the commodity team. Copper demand in China has been particularly restrained by "poor performance in the grid, property and transportation sectors" and that's likely to change heading into 2020. "We expect strong completion growth in the next two years, continuing a positive trend in the property sector since August," and grid investment is likely to pick up strongly in the first quarter of 2020 thanks to the government infrastructure stimulus. Meanwhile, the "strategic case for gold" is still strong.

Citi

Most bullish on alumina, copper and coking coal in 2020, while bearish on zinc and iron ore. Thinks commodities will benefit from modestly higher global growth, with much of the improvement coming from emerging markets. The commodities team is also bullish on gold in the medium-term. The bank's equity analyst upgraded Teck Resources Ltd. to buy on better a coking coal outlook and valuation.

Morgan Stanley

The bank's commodities team expects a moderate rise in demand in 2020, driven by a "mini-cycle recovery" through year-end. Remains constructive on the North American mining sector and particularly favors copper exposure. Sees Freeport-McMoRan and Teck Resources as the best way to gain exposure to bullish copper sentiment. Commodities team is bearish on the aluminum and alumina outlook, but the equity analysts still see some upside in 2020 for Alcoa Corp. The team also expects higher met coal prices as ex-China demand should tighten the market. Bank's top commodity picks are cobalt and copper, while the least preferred are iron ore, lithium and zinc.

Bank of America

Sees cyclical raw materials benefiting in 2020 from a potential inventory restocking cycle, easier Fed policy and an interim China trade deal, providing an attractive inflation hedge. Thinks that copper and nickel are likely to rally in 2020, while the outlook for gold and precious metals is more cautious. ●

SUPPLY & DEMAND NEWS (CONT'D)

[US copper frenzy grows as Rio Tinto plans \\$1.5 billion Utah mine expansion](#)
December 3, 2019

[Nickel, cobalt price: Electric car sales are tanking, but metal use spikes](#)
December 5, 2019

[Goldman expects gold at \\$1,600 per ounce in 2020 on fear driven demand](#)
December 9, 2019

[Exploration Crisis is a perfect storm for investors](#)
December 10, 2019

[Copper price jumps to 7-month high on Trump trade deal](#)
December 12, 2019

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December 18, 2019

[Gold Forecast 2020: Bullish Gold Holds optimism for Juniors](#)
December 19, 2019

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December 20, 2019

[Doctor Copper ends 2019 with a new-found spring in his step](#)
December 20, 2019

[Drickemiller bullish on copper, Gundlach says time to play defense](#)
December 20, 2019

[George Salamis on why 2020 will be good for junior miners](#)
December 22, 2019

[Euphoria, greed and fear mark 2010s for commodities investors](#)
December 23, 2019

[Cobalt Forecast 2020: Execs expect EV demand to materialize](#)
December 23, 2019

[If you invested \\$10k in gold in 2009, where would you be?](#)
December 23, 2019

[Is Copper the New Gold?](#)
December 13, 2019

PUC PROJECTS

North Carolina, USA

Jefferson Gold Project

The Jefferson Gold Project is located in Chesterfield County, South Carolina, on one of the most significant gold trends in the United States: the Carolina Gold Belt.

The Jefferson Gold Project is adjacent to the former Brewer gold mine (which produced 178,000 oz Au from 1985-1991), and 15 km up trend from OceanaGold's producing Haile gold mine.

The former Ridgeway gold mine, located 50 miles along trend southwest of the Jefferson Gold Project, was a 15,000-tonnes per day open pit operated by Kennecott Minerals from 1988-1999.

The Haile gold mine, first discovered in 1827, is today a new open pit operation with a multi-million ounce resource that commissioned in December 2016. Haile is owned and operated by OceanaGold (TSX: OCG), which reports ongoing exploration and the potential for an expansion phase to an underground mine at Haile.

Pathway conduits of mineralization discovered at Jefferson mimic the same initial exploration successes at Haile.

Northern Ontario, Canada

St. Laurent Ni-Cu-Co 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 southwest 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 Au-Co-Cu Project

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

Montcalm Ni-Cu-Co 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).

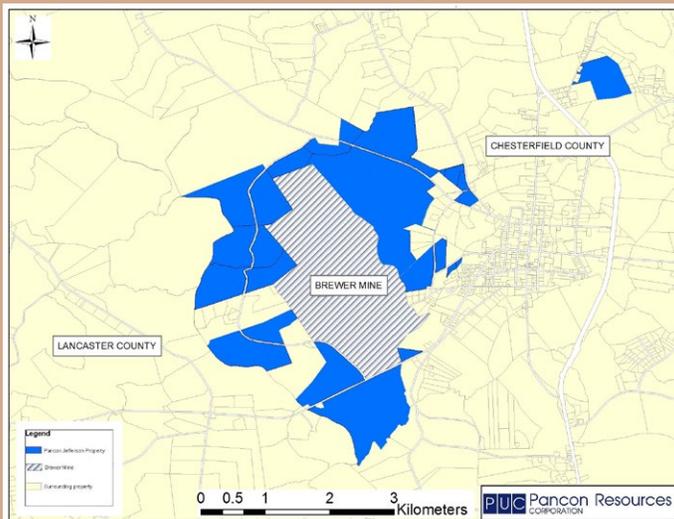
Gambler Ni-Cu-Co Project

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.

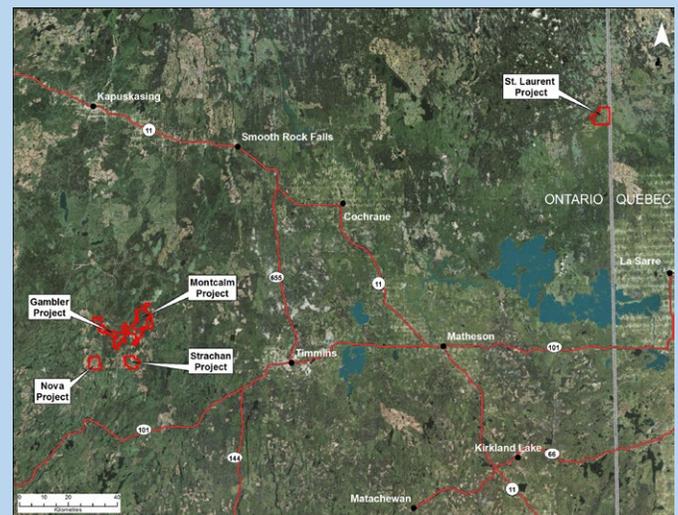
Strachan Ni-Cu-Co Project

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

North Carolina, USA



Northern Ontario, Canada



Disclaimer

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Qualified Person

The technical information in this newsletter has been prepared in accordance with Canadian regulatory requirements as set out in NI 43-101 and reviewed and approved by Todd Keast, PGeo, a Qualified Person as defined by NI 43-101, a member of Pancon's Technical Advisory Committee and Pancon's Project Manager. Certain technical information within this newsletter is historical in nature and pre-dates NI 43-101 standards, this information is believed to be reliable however the Company has not verified this material.

PUC 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. He also serves as the Chairman of Erdene Resource Development (TSX: ERD).

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 20 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.

PUC SOUTH CAROLINA TECHNICAL TEAM

Margaret Venable, PhD, CPG, QP

SC Project Coordinator & Senior Geologist

Specializing in property evaluation and three dimensional analyses and integration of data sets in order to enhance understanding of mineralization and plan future work, Margaret has 35+ years of experience, from early exploration to mine feasibility. Originally from North Carolina, she has been studying the geology and geophysics of the Brewer-Jefferson area since 2016.

Richard "Criss" Capps, PhD, CPG, QP

SC Project Consultant & Senior Geologist

40+ years of experience in minerals exploration and economic geology. Mr. Capps was part of the team that discovered six gold deposits that became the Castle Mountain Gold Mine in California. Originally from North Carolina, Mr. Capps has been working in the Brewer-Jefferson area since 2016.

Christopher Cherrywell, CPG, QP

SC Principal Geological Advisor

40+ years of experience, from early exploration to mine feasibility and spent over a decade on the Carolina Gold Belt, including working at Brewer, Haile and Barite Hill in South Carolina. Chris was the lead geologist responsible for discovering the Brewer Gold Mine in 1983-84 and provided project development engineering solutions to support project economics and local socio-economic benefits to the mine.

PUC ONTARIO TECHNICAL TEAM

Todd Keast, P.Geo, QP

Northern Ontario 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, QP

Northern Ontario 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.

PUC BOARD OF DIRECTORS

Don Whalen (Chairman)

Layton Croft
David Mosher
David Petroff
Rick Mark

PUC STRATEGIC ADVISORY COMMITTEE

David Mosher (Chairman)

Jay Freeman
Jeanny So

CAPITAL STRUCTURE (As of 12/31/19)

TSX Venture:	PUC
OTCBB:	PUCCF
Market Capitalization	4.5 million
Share Price	\$0.025
52-Week Range	\$0.055 - \$0.02
Shares Outstanding	177.7 million
Warrants	28.6 million
Options	15.3 million
Insider Ownership	35%

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