PANCONTINENTAL RESOURCES CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(for the year ended December 31, 2019)

April 22, 2020

INTRODUCTION

This management's discussion and analysis ("MD&A") has been prepared by Pancontinental Resources Corporation's ("Pancontinental," "Pancon" or the "Company") management and provides a review of the Company's operating and financial performance for the year ended December 31, 2019, as well as a view of future prospects. The MD&A should be read in conjunction with Pancontinental's audited consolidated financial statements for the years ended December 31, 2019 and 2018. 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 MDA may contain forward-looking statements, which may be influenced by factors described in the "Cautionary Statements" section of the MDA. The "Risks and Uncertainties" section of this MDA further describes other factors that could cause results or events to differ from expectations.

CORPORATE PROFILE

Pancontinental (TSXV: PUC), or Pancon, is a Canadian junior mining company focused on North American gold exploration at and near former and current producing gold mines. In January 2020, Pancon was awarded the exclusive right to explore and purchase the former Brewer Gold Mine property. Pancon's 100%-owned Jefferson Gold Project nearly surrounds the former Brewer Gold Mine property. These two adjacent projects are located 12 kilometres northeast along trend from OceanaGold's multi-million ounce producing Haile Gold Mine, on the prolific and underexplored Carolina Slate Belt in the southeastern USA. In addition, Pancon has four nickel-copper-cobalt exploration projects in Northern Ontario.

HIGHLIGHTS

Financing activity
On September 16, 2019, Pancon completed a 12,868,000 unit private placement for gross proceeds of $643,400.

On March 17, 2020, Pancon completed a 37,500,000 unit private placement for gross proceeds of $3,000,000.

Brewer Gold Project
In January 2020, Pancon, in co-operation with Environmental Risk Transfer LLC, was awarded the right to explore the highly prospective, approximately 1,000 acre (400 hectare) former Brewer Gold Mine, located approximately 12 kilometres northeast and along-trend from the Haile Gold Mine on the Carolina Slate Belt. On March 1, 2020 the Company executed an exclusive mining lease with an option to purchase the former Brewer Gold Mine.

Jefferson Gold Project
Pancon expanded its Jefferson Project to 1,758 acres through the acquisition of eleven (11) leases in 2019. The Jefferson Project nearly surrounds the former Brewer Gold Mine property.

Montcalm Ni-Cu-Co Project
In January 2019, the Company commenced its inaugural 4,300 metre diamond drill program at Montcalm, which consisted of 10 holes. The results of this drill program were released on March 27, 2019.

St. Laurent Ni-Cu-Co-Au-Pt-Pd Project
Pursuant to an option agreement completed on March 25, 2019, the Company obtained the right to acquire up to a 100% interest in a prospective nickel-copper-cobalt-gold-platinum-palladium property, encompassing approximately 4,396 hectares, in St. Laurent Township located approximately 160 kilometres northeast of Timmins, Ontario. In September 2019, the Company commenced its inaugural 1,730 metre diamond drill program at St. Laurent, which consisted of four holes. The results of this drill program were released on November 7, 2019.

Strachan Ni-Cu-Co Project Letter of Intent
Pursuant to a binding letter of intent ("LOI") entered into on January 17, 2019, the Company obtained the right to acquire a 75% interest in a prospective nickel-copper-cobalt property, encompassing approximately 2,280 hectares, within the Montcalm greenstone belt located approximately 65 kilometres northwest of Timmins, Ontario. In February 2020, the Company terminated the LOI without earning an interest.

McBride Ni-Cu-Co Project Option Agreement
In March 2019, the Company terminated the option agreement without earning an interest.

Corporate Development
On September 3, 2019, the Company entered into advisory services agreements with Liberty Capital Inc. and Lateral Management Inc. The advisers are to provide Pancontinental with long-term strategic support and advisory services on corporate development, including growing the business and leveraging strategic partnerships over a five year period. Each advisor was granted two million stock options with an exercise price of $0.10 per option and a five year term. Each adviser's options vest as follows: 500,000 immediately; and in instalments of 500,000 upon the Company's market capitalization reaching $15-million, $25-million and $35-million, respectively.

COVID-19 Pandemic
Since December 31, 2019, the spread of COVID-19 has severely impacted many economies around the globe. In many countries, including Canada and the U.S.A, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. Almost all of Pancontinental's personnel work from home and the Company continues to manage its affairs via virtual business platforms.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of the COVID-19 pandemic, nor its impact on the financial position and results of the Company in future periods.

On April 22, 2020, Pancon announced that, due to the COVID-19 pandemic, the initial 18-month option term to explore the Brewer Gold Project, which began on April 1, 2020, and during which the Company plans to conduct US$2 million worth of exploration and environmental work, was extended for an additional 6 months for a total of 24 months.

BREWER GOLD PROJECT

Property Description
The Brewer Gold Project ("Brewer" or the "Brewer Project") is an exploration-stage gold project located on the prolific and underexplored Carolina Slate Belt in Chesterfield County, South Carolina. Brewer is located on the same mineralized trend and 12 kilometres northeast of OceanaGold Corporation's operating Haile Gold Mine. Brewer is almost surrounded by the Company's 100%-owned Jefferson Gold Project. Brewer has not been explored since 1997.

Gold was discovered at Brewer in the early 1800s. Between 1987 and 1995, the Brewer Gold Company ("BGC"), a United Kingdom entity, produced 178,000 ounces of gold from open pit mining operations that extended to 100-metre depths, where copper and gold-rich sulphides were exposed, but could not be processed by BGC's oxide heap leach processing facility. Brewer is a high sulphidation system driven by a sub-volcanic intrusive and possibly containing a large copper-gold porphyry system at depth, as indicated by: known prospective geology, including diatreme breccias; associated high sulphidation alteration; gold and copper mineralization; and, geophysics (Schmidt, R.G., 1978, The Potential for Porphyry Copper-Molybdenum Deposits in the Eastern United States, US Geological Survey).

BGC mined more than 12 million tons of mineralized material and waste rock from two open pits until 1995, when mining operations ceased. From 1995 to1999, BGC performed initial reclamation activities under the direction of the South Carolina Department of Health and Environmental Control ("S.C. DHEC"). BGC was unsuccessful in achieving the goal of a fully-reclaimed, clean site, and ultimately informed the S.C. DHEC that it intended to abandon the site. In 1999, BGC abandoned the site, leaving the S.C. DHEC and the U.S. Environmental Protection Agency ("EPA") to handle reclamation activities and address conditions posing environmental risk.

BGC's abandonment of the property left the S.C. DHEC and the EPA with no options for addressing water quality threats from the site other than using the Comprehensive Environmental Response, Compensations and Liability Act ("CERCLA") response actions funded by the S.C. DHEC and the EPA. The S.C. DHEC and EPA retained access to the property for purposes of constructing, operating, and maintaining the wastewater treatment plant and otherwise carrying out the CERCLA remedy. In 2005, Brewer was designated an EPA Superfund site as per the CERCLA.

In 2019, the S.C. DHEC, with the support of the EPA, sought the appointment of a receiver (a legal construct similar to a trustee) for the former Brewer Gold Mine to facilitate the leasing, sale or other use or disposition of the abandoned property, including potential renewal of mineral exploration and mining development.

<u>Option Agreement</u>
In January 2020, Pancontinental, in co-operation with Environmental Risk Transfer LLC ("ERT"), was awarded the right to explore the highly prospective former Brewer Gold Mine. On March 1, 2020, Pancontinental entered into a mining lease with an option to purchase (the "Option Agreement") with Brewer Gold Receiver, LLC (the "Receiver"). The initial option term of the Option Agreement is 24 months, commencing on April 1, 2020. Provided Pancontinental spends US $2 million on exploration and environmental due diligence during the initial option term, the Company can extend the option term for an additional 18 months. The Company has the right to exercise its option to purchase Brewer at any time within the option term.

During the option term, Pancon will design and implement the exploration program and engage ERT (an industry leader providing complex environmental risk-transfer solutions to cost-effectively eliminate environmental liabilities) to implement the environmental due diligence required to determine the Superfund liability at Brewer.

Pursuant to the Option Agreement, the components of the purchase price for Brewer consist of:

a) The cost of environmental remediation and financial assurance for assuming ownership of all past environmental liability at Brewer, which will be a number based on ERT's environmental due diligence during the option term that informs upcoming negotiations with the Receiver, S.C. DHEC and the EPA; and,

b) Half of total past costs incurred by the S.C. DHEC and the EPA to clean and manage Brewer since 2000, which, according to Pancon's and ERT's winning proposal, will be paid after future mining operations are commissioned, in ten annual instalments of 10%, and conditioned on the future mine operator's ability to pay based on a profit formula to be determined by the parties.

These components will be finalized in a purchase and sale agreement, which will supersede the Option Agreement, and which will be informed by ERT's environmental due diligence and ERT's and Pancon's negotiations with the Receiver, S.C. DHEC and the EPA.

Exploration Plans
Pancon's technical team has designed a comprehensive exploration program, the initial phase, which is expected to begin in Q2-2020 and will include: ground geophysics, geological mapping, application of X-ray fluorescence (XRF) technology on existing drill core and new surface rock samples, application of state-of-the-art hyperspectral digital image scanning and mineral mapping of core and rock samples, and shallow drilling.

Pancon expects this work will lead to additional geophysics and a full drill program on targets believed to correlate to the Brewer gold system and with geological similarities to the Haile Gold Mine, including similar host rock lithology, similar age, similar stratigraphy and time of mineralization, as well as similar alteration style and mineral assemblage *(Ayuso, R.A., Wooden, J.L., Foley, N.K., Seal, R.R.II, Sinha, A.K., 2005, U-Pb zircon ages and Pb isotopic geochemistry of gold deposits in the Carolina Slate Belt of South Carolina; and Foley, N.K. and Ayuso, R.A., 2012, Gold deposits of the Carolina Slate Belt, southeastern United States: age and origin of the major producers*). The Company cautions that the mineralization on adjacent and nearby properties is not necessarily indicative of the mineralization that may be identified on the Company's property.

Environmental Risk Transfer LLC
In response to increasing shareholder and stakeholder demands for increased environmental stewardship and responsibility, as well as a state and federal regulatory focus on site closure in connection with financial and environmental liability, the Waterfield Group and Environmental Operations, Inc. (EOI) created Environmental Risk Transfer LLC (ERT) to provide complex environmental risk-transfer solutions to corporations that wish to cost-effectively eliminate all environmental liability. In this situation ERT would assume the long-term risks associated with the Superfund liability. ERT's ongoing success at Missouri Cobalt LLC - a former and current EPA Superfund site now owned and operated by an ERT affiliate - has won praise from the EPA as a positive example of transforming formerly contaminated sites into hubs of economic activity promoting redevelopment and community revitalization.

Pancon has agreed to pay up to US$250,000 to ERT during the Brewer option term to perform environmental due diligence, which is required in order to finalize a purchase and sale agreement for the Brewer Project.

JEFFERSON GOLD PROJECT

Property Description
Pancon has a 100% interest in the Jefferson Gold Project ("Jefferson" or the "Jefferson Project"), which is an exploration-stage gold project located on the prolific and underexplored Carolina Slate Belt in Chesterfield County, South Carolina, U.S.A, within one of the most historically significant gold trends in the United States. The Jefferson Project almost surrounds the Company's Brewer Project and extends along a northeast-striking structural trend of hydrothermal alteration and gold mineralization extending before and from the former Brewer Gold Mine. It contains multiple drill targets within a mineralized trend based on historic exploration. Of the 10 holes drilled on the Jefferson Gold Project between 2011-2017, nine of them intersected gold mineralization, including one averaging 1.27 grams per tonne over 164.3 metres from surface, true width unknown.

Jefferson is currently comprised of approximately 1,758 acres (710 hectares) under fourteen leases acquired from private landowners, who own the surface and sub-surface mineral rights. In 2019, the Company revitalized its exploration strategy and renewed its focus on the strategic positioning of the Jefferson Project. As part of this endeavour, during 2019 the Company acquired eleven new leases and relinquished four leases deemed to be non-strategic. Since December 31, 2018, the Company has added 873 acres (353 hectares) to the project. The Company is continuing its pursuit of acquiring additional lease agreements.

The Company has the right to acquire the land in ten of these leases and holds a right of first refusal to acquire the land in three other leases. The leases range in expiration from 2021 to 2031. Six of the fourteen lease agreements include a production royalty ranging between 1.5% to 3.5%. The royalty is payable to the landowner who owns the property from which minerals are produced. Three leases provide for advanced royalty payments, which are made in lieu of lease rental payments. Advance royalty payments are non-refundable and will be credited towards the Royalties payable from production. In addition, the Company has secured a right of first refusal to purchase, lease or explore/mine an additional property lease, which encompasses approximately 52 acres (21 hectares).

Exploration Plans
Pancon's technical team has designed a comprehensive exploration program, the initial phase of which will include: x-ray diffraction (XRD) and x-ray fluorescence (XRF) analysis of historic drill core, historic data compilation, geological mapping, state-of-the-art geophysics, and diamond drilling, expected to begin in mid-2020.

MONTCALM, NOVA AND GAMBLER PROJECTS

Property Description
The Montcalm, Nova and Gambler Projects are contiguous and proximal to the former Montcalm Mine, providing the Company with a camp-sized exploration-stage nickel-copper-cobalt opportunity that covers the majority of the Montcalm Gabbro Complex, located within the Porcupine Mining Division, approximately 65 kilometres northwest of Timmins, Ontario, Canada. As at the date of the MD&A, these three projects encompass approximately an aggregate total of 12,180 hectares (Montcalm: 3,880 hectares, Nova: 840 hectares, and Gambler: 7,460 hectares). The Montcalm and Nova properties are subject to an option agreement and the 100%-owned Gambler property was acquired through staking by the Company in April 2018.

All three of these projects are either adjacent or proximal to the former Montcalm Ni-Cu-Co Mine, owned by Glencore Plc, which 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 Montcalm and Gambler Projects are contiguous to and surround the western, northern and southern portions of the former Montcalm Mine. The Nova Project is located approximately 19 kilometres southwest of the former Montcalm Mine. These three projects encompass 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.

First Nations Memorandum of Understanding ("MOU")
On October 1, 2018, the Company completed a MOU with the Flying Post First Nation ("FPFN") to establish a framework for co-operation concerning aboriginal and treaty rights with respect to the Company's exploration activities at its Montcalm, Nova and Gambler Projects. The MOU establishes the prioritization of business, employment and training opportunities for FPFN members. The Company is to compensate FPFN for the impact of all on-the-ground exploration work by paying FPFN 2% of such costs, beginning from the date of the MOU. Pursuant to the MOU, the Company issued 50,000 common shares and granted 50,000 stock options to FPFN in 2018.

MONTCALM AND NOVA NI-CU-CO-AU PROJECTS

Option Agreement
On January 5, 2018, the Company entered into an option agreement (the "Option Agreement"), amended on February 20, 2018, with 2522962 Ontario Inc., which company was subsequently acquired by Pelangio Exploration Inc. (the "Optionor"). Pursuant to the Option Agreement the Company obtained the right (the "Option") to acquire a 100% interest in the Montcalm and Nova Projects.

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 February 28, 2019 (paid);
   - $35,000 on or before February 28, 2020 (deferred to June 28, 2020);
   - $35,000 on or before February 28, 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 February 28, 2018 (issued);
   - 300,000 common shares on or before February 28, 2019 (issued);
   - 300,000 common shares on or before February 28, 2020 (deferred to June 28, 2020);
   - 300,000 common shares on or before February 28, 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.

Montcalm Project

Exploration Activities and Plans
In 2018 an airborne Virtual Time Domain Electromagnetic (VTEM) survey and airborne gravity survey was conducted over the priority gabbroic phase lithology (Montcalm Mine host lithology) and adjoining prospective lithology within the main gabbro complex of the Montcalm property, which included a total of 280-line kilometres, covering approximately 66% of the Montcalm property, or 2,495 out of 3,880 hectares.

During the first quarter of 2019, a maiden drill program was conducted to test those VTEM geophysical anomalies identified in 2018. All assay results have been received from 10 diamond drill holes (please refer to our news release of March 27, 2019), covering a broad section of the Project area, which produced approximately 4,300 metres of drill core. Narrow (<1.5 metre) sections of massive sulphides, net textured sulphides and sulphide stringers were intersected, explaining all but 2 of the VTEM anomalies. The mineralized intervals did not return anomalous Ni-Cu-Co assay results. Further evaluation of the data identified a complex magnetic feature, hosting a cluster of electromagnetic (EM) anomalies referred to as the Hook zone.

- The former Montcalm Mine is situated in the large, continuous Montcalm Gabbro Complex, and is the only known mineralized occurrence.
- The Ontario Ministry of Northern Development and Mines' (MNDM) 1990 GEOTEM Survey (Map 81360) identified 11 EM anomalies in the area covered by the combined land positions controlled by Pancontinental (Montcalm Project) and Glencore (Montcalm Mine). The former Montcalm Mine is coincidental with 3 of those 11 EM anomalies.
- 6 of the 11 EM anomalies from the MNDM Survey are associated with a complex magnetic feature known as the Hook zone. These 6 anomalies are proximal to each other and form two east-west oriented trends which follow the magnetic pattern.
- The magnetic pattern in the Hook zone has a curved hook shape, indicating local change in strike direction. This change in strike direction posed a problem for the VTEM line orientation, and thus Pancontinental's subsequent drilling orientation. This could explain why Pancontinental's two holes in the Hook zone did not intersect mineralization.
- Pancontinental's two strongest VTEM anomalies are both located in the Hook zone. They were not explained by drilling, remain viable targets and are the subject of ongoing reinterpretation.
- The six EM anomalies in the Hook zone have not been explained by any of the previous exploration programs.

- Next steps will include follow-up drilling on the Hook zone.

Nova Project

Exploration Activities and Plans
During the months of May and June 2018, a total of 6.4 km of flagged grid lines were established and 231 mobile metal ion (MMI) soil samples were collected for analysis. The samples were analyzed for cobalt and other associated pathfinder elements for the project including gold, nickel and copper. This survey was completed proximal to known cobalt mineralization detected by previous exploration groups. The Nova property has very limited surface exposure and it is anticipated that the MMI survey will assist in delineating mineralized trends associated with known surface mineralization.

With respect to the surface prospecting efforts, five specific areas with substantial sulphide mineralization were hand stripped and sampled to date. There is a distinct association with sulphide mineralization and cobalt on the Nova property. A total of 59 rock samples were tested for multi-element analysis.

Further prospecting work will be determined based on results from rock sample assays and soil sample geochemistry results.

GAMBLER NI-CU-CO PROJECT

Exploration Activities and Plans
The Company has compiled historical exploration and geophysical data and produced a working database. Given Gambler's similarity to the Montcalm property in terms of topography and surface overburden cover, the methods for identifying drill targets at Gambler will similarly include airborne geophysical surveys.

ST. LAURENT PROJECT

Property Description
The St. Laurent Project is an exploration-stage nickel-copper-cobalt-gold-platinum-palladium project that encompasses approximately 4,396 hectares and is located in northeastern Ontario in St. Laurent township, approximately 160 kilometres northeast of Timmins, Ontario. The St. Laurent Project is also located 50 kilometres south of the producing Detour Lake Mine and 20 kilometres southwest of the producing Casa Berardi Mine.

Option Agreement
On March 25, 2019, the Company entered into an option agreement with 2681891 Ontario Inc. (the "Optionor"), pursuant to which the Company obtained the right (the "Option") to acquire up to a 100% interest in the St. Laurent Project. To exercise the Option, the Company is required to complete the following:

a) Pay the Optionor an aggregate of $145,000 as follows:
   - $15,000 on or before April 17, 2019 (paid);
   - $20,000 on or before April 17, 2020 (paid*);
   - $50,000 on or before April 17, 2021;
   - $60,000 on or before April 17, 2022.

b) Issue to the Optionor an aggregate of 1,850,000 common shares of the Company as follows:
   - 250,000 common shares within 5 days of April 17, 2019 (completed);
   - 350,000 common shares on or before April 17, 2020 (completed*);
   - 500,000 common shares on or before April 17, 2021;
   - 750,000 common shares on or before April 17, 2022.

* Subsequent to December 31, 2019, a Company director provided the cash and shares for the Company to satisfy the required payments due by April 17, 2020. The Company is not liable for the repayment of the cash or shares to the Company director. The Company director has the right to recover up to an aggregate of $50,000 from the party or parties that purchase or joint venture all four of the Ontario mineral projects provided the sale or joint venture of such projects is completed by April 17, 2021.

Exploration Activities
In October 2019, the Company commenced an initial 1,730 metre drill program, to evaluate an historical Ni-Cu showing coincident with a pronounced 600-metre-long unexplained airborne electromagnetic anomaly. This drilling, along with downhole geophysical results, confirmed and expanded upon the exploration potential of this new magmatic nickel sulphide target. Our initial drill program produced assay results (please refer to our news release of November 7, 2019) with considerably higher grade mineralization than previous programs conducted by previous operators.

STRACHAN NI-CU-CO PROJECT (Terminated)

Letter of Intent
On January 17, 2019, the Company entered into a binding letter of intent (the "LOI") with Pelangio Exploration Inc. (the "Optionor"), pursuant to which the Company obtained the right (the "Option") to acquire up to a 75% interest in the approximately 2,280 hectare Strachan Project. In February 2020, the Company terminated the LOI and did not earn an interest in the Strachan Project. Pursuant to the LOI, the Company had the right to exercise the Option in two separate stages as follows:

a) First Option - to earn an initial 60% interest the Company shall:
   - Pay the Optionor an aggregate of $40,000 as follows:
     - $10,000 by February 1, 2019 (paid);
     - $10,000 by February 12, 2020;
     - $10,000 by February 12, 2021;
     - $10,000 by February 12, 2022.

   - Issue to the Optionor an aggregate of 400,000 common shares of the Company as follows:
     - 100,000 common shares by February 12, 2019 (issued);
     - 100,000 common shares by February 12, 2020;
     - 100,000 common shares by February 12, 2021;
     - 100,000 common shares by February 12, 2022.

   - Incur a total of $250,000 in exploration expenditures as follows:
     - $50,000 by February 12, 2020;
     - $100,000 by February 12, 2021;
     - $100,000 by February 12, 2022.

b) Second Option - to earn an additional 15% interest the Company shall incur an additional $500,000 in exploration expenditures over a three year period as follows:
   - $100,000 to be incurred within 12 months of exercising the second option;
   - an additional $200,000 to be incurred within 24 months of exercising the second option; and,
   - an additional $200,000 to be incurred within 36 months of exercising the second option.

Exploration Activities and Plans
The Company did not conduct any exploration activity during 2019.

MCBRIDE PROJECT (Terminated)

Property Description
The McBride Project was an exploration-stage nickel-copper-cobalt project that encompasses approximately 880 hectares in Limerick Township, located approximately 25 kilometres south of Bancroft, Ontario.

Option Agreement
On April 25, 2018, the Company entered into an option agreement (the "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. In March 2019, the Company terminated the Option Agreement and did not earn an interest in the McBride Project.

QUALIFIED PERSON

Richard "Criss" Capps, PhD, CPG and Todd Keast, PGeo, are the Company's qualified persons 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 of its projects. Mr. Capps has verified all the technical data presented in the MD&A that is related to the Brewer and Jefferson Projects and Mr. Keast has verified all the technical data presented in the MD&A that is related to the Company's Canadian mineral projects.

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 in these properties 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 merged with Crossland.

As part of the consideration received from the sale of its interest to EMR, Pancon retained a gross overriding royalty of one percent (1%) on sales of production from these properties. An 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.

During 2019 Crossland reduced its holdings of former joint venture properties and as at November 26, 2019, the reported remaining joint venture properties held by Crossland consisted of nine (9) Charley Creek tenements, comprising 377 sub-blocks (the "Australian JV Properties"). The gross overriding royalty advanced payment was adjusted for reductions in the size of the properties and now provides for an annual non-refundable advance royalty payment of AUS $6,561. In January 2020, the Company received payment of the 2019 advanced royalty. To date, the Company has received advanced royalty payments totalling AUS $87,435.

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 of Tortuga and the Company relies on Tortuga for advising the Company of its future plans. 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.

INVESTOR RELATIONS

On July 1, 2018, the Company retained the services of Jeanny So Consulting ("Jeanny") to assist the Company in its investor relations and corporate development activities. The agreement renews on an annual basis and has been extended until July 2, 2020. Compensation consists of 475,000 stock options to date and a $5,000 monthly fee. During 2019, the Company granted an aggregate of 375,000 options to Jeanny. The options vest in quarterly instalments from the date of grant.

SELECTED ANNUAL INFORMATION

	Year ended, December 31,		
Results of Operations	2019	2018	2017
Royalty revenue	$ 5,905	$ 8,086	$ 21,777
Gain on debt settlement	-	-	-
Corporate and administrative expenses	(586,447)	(554,393)	(477,093)
Exploration and evaluation	(1,527,984)	(1,294,333)	(529,838)
Share-based payments	(103,763)	(227,420)	(27,050)
Flow-through premium	460,005	-	-
Interest expense	(6,107)	-	-
Foreign exchange gain (loss)	(5,993)	(6,223)	6,662
Net loss	(1,764,384)	(2,074,283)	(1,005,542)
Net loss per share - basic and diluted	(0.010)	(0.016)	(0.010)

	As at December 31,		
Financial Position	2019	2018	2017
Cash	$ 224,808	$ 1,725,980	$ 61,180
Working capital	(23,995)	1,033,075	(369,589)
Total assets	298,652	1,822,426	93,134
Total long-term financial liabilities	-	-	-

The decrease in the 2019 loss, as compared to 2018, resulted from the renouncement of flow-through expenditures related to private placements completed in 2018. Without the renouncement of the flow-through expenditures the 2019 loss would have been higher than the 2018 loss, due to activity at the Company's Jefferson, St. Laurent and Montcalm Projects. The increase in the 2018 loss, as compared to 2017, was primarily influenced by the acquisition and exploration of the McBride, Montcalm and Nova Projects, in addition to costs to support expanded corporate development and promotional activities.

For 2019, the decline in the Company's assets and working capital was due to cash being consumed to support the Company's exploration projects and corporate overheads. For 2018, the growth in the Company's assets and working capital were funded by private placements completed during the year. For 2017, the decline in assets and working capital was due to insufficient funds to support Jefferson Project activities and corporate overheads

SUMMARY OF QUARTERLY RESULTS

		Royalty revenue	Corporate and administrative	Exploration and Evaluation	Net loss	Net loss per share
Fiscal 2019		$	$	$	$	$
Q4	December 31	5,905	175,509	169,629	224,905	0.001
Q3	September 30	-	113,191	480,595	650,432	0.004
Q2	June 30	-	132,008	249,823	388,796	0.002
Q1	March 31	-	165,739	627,937	500,251	0.003
Fiscal 2018						
Q4	December 31	8,086	181,652	139,909	319,651	0.003
Q3	September 30	-	124,045	553,573	681,813	0.005
Q2	June 30	-	173,569	532,415	871,706	0.006
Q1	March 31	-	75,127	68,436	201,113	0.002

For 2019, fluctuations in quarterly results were influenced by the amount of: (1) corporate and administrative expenses, which were impacted by – financing activities in Q3 – marketing and corporate development activities in Q1 and Q4 - the Company's annual shareholder meeting in Q2 - annual audit and tax services fees in Q4 - and, the level of legal and administrative activity to support the Company's mineral projects; (2) exploration and evaluation expenditures related to the Company's Jefferson, St. Laurent and Montcalm Projects; (3) share-based payment valuations in Q1, Q3 and Q4 attributable to the grant of stock options; and (4), the renouncement of flow-through expenditures in Q1.

For 2018, fluctuations in quarterly results were influenced by the amount of: (1) the Australian royalty revenue recognized in Q4; (2) corporate and administrative expenses, which were impacted by - financing activities in Q2 and Q4 - lower management compensation in Q1- the level of activity to support the Company's Canadian mineral projects - the Company's annual shareholder meeting in Q2 - annual audit and tax services fees in Q4 - and, marketing and corporate development activities in Q2, Q3 and Q4; (3) exploration and evaluation expenditures related to the Company's Montcalm/Nova and McBride Projects; and (4), share-based payment valuations attributable to the grant of stock options in Q1 and Q2.

RESULTS OF OPERATIONS

The net loss for 2019 was $1,764,384 versus a net loss of $2,074,283 for 2018, representing a decrease of $309,899. The decrease in the loss resulted from the settlement of the flow-through share premium liability (2019 - $460,005 vs 2018 - $nil) through the renouncement of exploration expenditure's related to flow-through private placements completed in 2018. Royalty revenue (2019 - $5,905 vs 2018 - $8,086) represents non-refundable advance royalty payments attributable to the Australian JV Properties. Share-based payments (2019 - $103,763 vs 2018 - $227,420) represents the fair value attributable to the grant of stock options. Interest expense (2019 - $6,107 vs 2018 - $nil) is attributable to the timing of expenditures related to the 2018 flow-through financings. The foreign exchange loss (2019 - $5,993 vs 2018 - $6,223) resulted primarily from unfavourable fluctuations in the United State dollar.

The increase in corporate and administrative expenditures (2019 - $586,447 vs 2018 - $554,393) was a result of expanded corporate development and investor marketing efforts and higher management compensation. Notable contributors to the increase in these expenditures were: (1) shareholder relations and promotions costs, due to the retention of an investor relations consultant and participation in industry conferences and other investor awareness activities; and, (2) management fees, which were impacted by a change in the compensation arrangement for the services of the Company's Chief Executive Officer and the absence of a significant reduction in accrued fees for a former Company officer in the comparable period. Consulting fees and salaries/benefits related to the administration of the Jefferson Project and on a combined basis experienced an increase in 2019. The decrease in rent is due to changes in the compensation arrangements for the services of two Company officers. Professional fees decreased as the need for accounting and legal services diminished. Filing and transfer agent fees experienced a decrease through a decline in corporate filings. The remainder of these expenses were relatively consistent with the comparative period.

The increase in exploration and evaluation expenditures (2019 - $1,527,984 vs 2018 - $1,294,333) was primarily attributable to exploration activity revolving around the Montcalm and St. Laurent Projects and costs related to expanding the Jefferson Project's acreage. Activity at the Nova and Strachan Projects was generally limited to property acquisition payments.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows
Operating activity cash flows for 2019 were significantly impacted by shareholder relations and promotion activity and by Jefferson, St. Laurent and Montcalm Project activities. These activities were primarily responsible for the movement in the sales tax receivable and prepaid expenses. Operating activity cash flows, also reflect the receipt of the 2018 royalty revenue receivable. Financing activity cash flows for 2019 reflect the closing of a $643,400 private placement on September 16, 2019 and the repayment of a cash loan provided by a Company director.

Working capital
As at December 31, 2019, Pancontinental had a working capital deficit of $23,995. 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 primarily of various corporate and administrative costs.

Loans from related parties of $122,500 represent funds provided by Company directors and officers for working capital purposes and are non-interest bearing, unsecured and payable on demand.

The Company has made all of the required 2019 payments (cash and common shares) for its Canadian mineral projects and its Jefferson Project property leases. During 2019, the Company relinquished four Jefferson Project property leases and acquired eleven additional property leases, which resulted in increasing its 2020 annual lease payments to US $190,865.

For 2020, Pancontinental may decide to raise further working capital to supplement its working capital, which would provide the Company with the ability to make acquisitions, accelerate its exploration plans and/or expand its operations. Almost all Brewer and Jefferson Project expenditures 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.

<u>Flow-through Obligation</u>
During 2019, the Company expended all of the $1,935,990 in flow-through financings completed in 2018. If the Company did not spend these funds in compliance with the Government of Canada flow-through regulations, it may be subject to penalties and/or litigation from various counterparties. The Company believes it has fulfilled its flow-through commitments.

<u>Private Placement – March 17, 2020</u>
To recapitalize the Company, on March 17, 2020, the Company completed a 37,500,000 unit private placement at $0.08 per unit for gross proceeds of $3,000,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of $0.12 until March 17, 2025. In the event the daily volume weighted average price is at least $0.25 per common share for a minimum of 20 consecutive trading days, as traded on the TSX Venture Exchange, the Company has the right to

accelerate the expiry date of the warrants after the expiry of the statutory trading restriction on July 17, 2020 to a date that is twenty days after notice of the accelerated expiry date.

RELATED PARTY TRANSACTIONS

Management fees of $243,900 (2018 - $195,317) for the year were paid or became payable to Company officers or companies associated with Company officers as follows:

- President and Chief Executive Officer ("CEO"), Mr. Layton Croft - $158,400 (2018 - $128,394). Effective January 1, 2019, Mr. Croft's fees were increased to US $10,000 per month;
- Chief Financial Officer, Mr. Mark McMurdie - $85,500 (2018 - $84,000), paid to Rustle Woods Capital Inc. Effective October 1, 2019, Mr. McMurdie's fees were increased to $7,500 per month;

Share-based payments (non-cash) of $48,347 (2018 - $184,074) for the year represents the fair value of 1,275,000 stock options (2018 – 3,100,000) granted to Company directors/officers.

Loans from related parties of $122,500 (December 31, 2018 - $129,610) represent cash advances provided by Company directors and officers, of which $6,000 is denominated in United States dollars. These loans are non-interest bearing, unsecured and payable on demand. During the year the Company repaid $6,750 (2018 - $48,750) of such loans.

Pelangio Exploration Inc. is party to: the Option Agreement for the Montcalm and Nova Projects and the Letter of Intent for the Strachan Project. Pursuant to the Option Agreement and the Letter of Intent the Company paid cash and/or issued common shares to Pelangio totalling $58,000 (2018 - $nil) for the year. Pelangio is a related party by virtue of a common director and became a related party in December 2018 through Pelangio's acquisition of 2522962 Ontario Inc.

A Company officer subscribed for $18,400 (368,000 units) of the private placement closed on September 16, 2019.

SHARE CAPITAL

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

Security	Number
Common shares	215,547,290
Warrants	62,291,218
Options	17,400,000

Subsequent to December 31, 2019 the Company on:

- January 22, 2020, granted 2,400,000 stock options to a director and consultants. These options were issued with an exercise price of $0.05 and a five year term;
- March 17, 2020, completed a 37,500,000 unit private placement. Each unit is comprised of one common share and one share purchase warrant; and,
- April 16, 2020, issued 350,000 shares pursuant to the exercise of options.

FOURTH QUARTER

The net loss for the fourth quarter of 2019 was $224,905, versus a net loss of $319,651 for the fourth quarter of 2018, representing a decrease of $94,746. The decline in royalty revenue (2019 - $5,905 vs 2018 - $8,086) is attributable to a reduction in the size of the Australian JV Properties. Exploration and evaluation expenditures (2019 - $149,629 vs 2018 - $139,909), were slightly higher, as the Company focused its efforts on its Jefferson Project and completed its St. Laurent Project 2019 exploration program. Share-based payments (2019 – negative $119,884 vs 2018 - $5,508) was affected by the adjustment in the fair value of stock options granted in Q1-2019.

The decrease in corporate and administrative expenditures (2019 - $175,509 vs 2018 - $181,652) was primarily the result of lower: (1) professional fees, as the need for accounting and legal services diminished; and, (2) filing and transfer agent fees, due to a decline in corporate filings. The increase in management fees and the decrease in rent was due to changes in the compensation arrangements for the services of two Company officers. Shareholder relations and promotions costs increased, due to expanded marketing and corporate development activities. Consulting fees and salaries/benefits relate to the administration of the Jefferson Project and on a combined basis were relatively consistent with the comparative period, as were the remainder of the corporate and administrative expenses.

Corporate and administrative		**2019**		2018
Consulting	**$**	**7,287**	$	1,247
Filing and transfer agent fees		**3,880**		14,216
Insurance		**4,320**		4,588
Management fees		**62,100**		56,640
Office and general		**2,913**		2,528
Professional fees		**43,038**		58,411
Rent		**-**		8,100
Salaries and benefits		**-**		3,055
Shareholder relations and promotion		**48,244**		29,880
Travel		**3,732**		2,987
	$	**175,514**	$	181,652

Cash flows used in operating activities were $544,545 (2018 - $289,891). Cash flows consumed by operations before changes in non-cash working capital items were $310,097 (2018 - $315,154). Operating activity cash flows were significantly impacted by a reduction in accounts payable and accrued liabilities. Cash flows used in financing activities were $1,112 (2018 - $1,632,825 provided) and consisted of previous period share issuance costs. There were no investing activities in the quarter.

NEW ACCOUNTING POLICIES

For information on current and future changes in accounting policies and disclosures, please refer to Note 4 in Pancontinental's audited consolidated financial statements for the year ended December 31, 2019.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Disclosure on Pancontinental's financial instruments and related risks may be found in Note 17 of Pancontinental's audited consolidated financial statements for the year ended December 31, 2019.

Pancontinental's exposure to liquidity risk has increased significantly with the addition of the Brewer Project and Canadian mineral exploration projects in conjunction with its Jefferson Project, as the Company will need to fund its obligations and exploration activities with respect to these projects, as well as its corporate overheads. In addition, Brewer and Jefferson Project expenditures, as well as certain corporate overheads are 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 our interest in mineral properties or projects;
- ability to satisfy permitting requirements and/or complete property acquisitions/transactions;
- ability to conduct exploration work and satisfy work commitments;
- reference to competitors exploration results;
- potential of exploration properties;
- establishing economic deposits or resources;
- potential for future benefits from its Australian JV Properties gross overriding royalty or investment in Tortuga;
- outlook for metals and/or mining sector;
- financial or capital market conditions;
- evaluation of the potential impact of future accounting changes;
- capital requirements and ability to obtain funding;
- ability to continue as a going concern;

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;
- obtaining exploration, environmental and mining approvals;
- 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;
- availability and cost of contractors, equipment, supplies, labour and insurance;
- performance of our partners and their financial wherewithal;
- the speculative nature of exploration and development and investor sentiment;
- degree of support from local communities;
- 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 us;
- our ability to correctly value and successfully complete acquisitions;
- effectiveness of corporate and investor 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 risk
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.

Counterparty risk
Counterparty risk is the risk that each party to a contract will not fulfill its contractual obligations. The entering into transactions or agreements exposes the Company to this risk. All the Company's mineral projects, except for the Gambler Project, are exposed to this risk.

Dependence on directors, 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 these parties were not available, a disruption in the Company's operations may occur.

Third party performance risk
For the Company to realize benefits from the 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; timing of payments by property owners to keep

properties in good standing; 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.

Environmental laws and regulations may change at any time prior to the granting on necessary approvals. The support of local communities may be required to obtain necessary permits. 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 physical, technical and economic attributes of a deposit, availability of capital, cyclical nature of commodity markets and government regulations.

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. Fires, power disruptions and shortages and the inability to access land or obtain suitable or adequate equipment or labour are some of the hazards and risks involved in conducting an exploration program.

Financing and liquidity risk
Pancontinental's ability to continue as a going concern, retain its mineral properties, finance its exploration and development activities and make acquisitions is highly dependent upon its working capital and its ability to obtain additional funds in the capital/equity markets. The Company does not have production income or a regular source of cash flow to fund its operating activities. 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.

Pancontinental will require significant capital to finance its objectives and there can be no assurance that the Company will be able to raise the capital required, thus jeopardizing the Company's ability to achieve its objectives, meet its obligations or continue as a going concern. Given the nature of Pancontinental's operations, which consist of exploration, evaluation, development and acquisition of mineral properties or projects, the Company believes that the most meaningful financial information relates primarily to its current liquidity and solvency. There can be no assurance that the Company's directors/officers will fund the Company's working capital needs.

Failure to obtain sufficient and timely financing may result in delaying or indefinitely postponing exploration or development activities. If the Company obtains debt financing, it may expose its operations to restrictive loan and lease covenants and undertakings. If the Company obtains equity financing, existing shareholders may suffer dilution.

Infrastructure risk
Exploration and development activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. The lack of availability of acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of Pancontinental's projects. If adequate infrastructure is not available, there can be no assurance that the exploration or development of the Company's projects will be commenced or completed on a timely basis, if at all.

Permit risk
Pancontinental's current and anticipated future exploration and development activities on its properties may require permits from various governmental authorities. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could prevent, delay or restrict the Company from proceeding with certain exploration or development activities. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties,

There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company.

Pandemic diseases and viruses risk
The Company's operations are exposed to the risk of pandemic diseases and viruses (such as COVID-19), which could have adverse economic and social impacts on global societies and in areas in which the Company operates. Such pandemics pose a threat to maintaining our operations as planned, due to shortages of workers and contractors, supply chain disruptions, insufficient healthcare, changes in how people socialize and interact, government or regulatory actions or inactions, declines in the price of our underlying commodities, as well as capital market volatility. There can be no assurance that our workers, partners, suppliers, consultants and contractors will not be impacted by such diseases or viruses. As a result, the Company may not be able to predict and effectively mitigate the impact from such diseases or viruses on its operations and these diseases and viruses could have a material adverse effect on our business, operating results, financial condition and share price.

Price risk
The ability of Pancontinental to finance the acquisition, exploration and development of its mineral properties and the future profitability of the Company is strongly related to: the price of its properties underlying minerals; the market price of the Company's equities; and, commodity and investor sentiment. Gold and equity prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A decline in either the price of gold, the Company's issued equities or investor sentiment could have a negative impact on the Company's ability to raise additional capital. Management monitors the commodity and stock markets to determine the applicable financing strategy to be taken when needed.

Property title risk
Although Pancontinental takes reasonable measures to ensure proper title in the properties in which it holds or is acquiring an interest, there may still be undetected title defects affecting such properties. Accordingly, the properties in which Pancontinental holds or is acquiring an interest in, may be subject to prior unregistered liens, agreements, transfers or claims, or unsatisfied work commitments, all of which could have a material adverse impact on the Company's operations. In addition, the Company may be unable to access or operate its properties as permitted or to enforce its rights with respect to its properties. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Further, there can be no assurance that the Company will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments having jurisdiction over the Company's mineral properties will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned.

Share volatility and dilution risk
The securities markets are subject to a high level of price and volume volatility, and the securities of many mineral exploration companies can experience wide fluctuations in price, which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of Pancontinental's common shares may also be significantly affected by short term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its financial reporting.

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or the issue of securities convertible into common shares. The Company cannot predict the size of future issues of common shares or the issue of securities convertible into common shares or the effect, if any, that future issues and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective holders of shares.