

SPECIAL MESSAGE FROM PRESIDENT & CEO

April 1, 2020

Dear Pancon Shareholders & Followers,

Greetings from the Carolinas! I hope you and your family are keeping safe and healthy during these days of uncertainty. For Pancon, the health and safety of our employees, contractors, suppliers and the communities in which we operate is paramount above all else. And while the COVID-19 pandemic will delay our business operations, we also believe that investing in gold generally, and in Pancon specifically, has never been a smarter thing to do. I for one have been buying PUC and continue to buy PUC in the market, mostly because I never again expect to see such a cheap price for a stock with such amazing potential.

Given all going on in the world, last month we postponed issuing **The PUC Report**, so this is our special March-April 2020 issue. We also plan to start releasing short, informative, fun videos from the Pancon team, as we gear up to focus on making a new gold-copper discovery in South Carolina.

Following a competitive process throughout 2019, I am proud that our Pancon Team won the option to explore the past-producing Brewer Gold Mine in South Carolina. Today, April 1, 2020 is the “commencement date” of our Option Agreement, giving us the exclusive right to explore the 1,000-acre Brewer property and the right to purchase Brewer once we discover a potentially economic deposit of gold and copper. This is a transformational opportunity for our company and for all shareholders.

The former Brewer Gold Mine is on a neoproterozoic multi-million ounce gold belt, from Georgia up through the Carolinas and into Virginia. The largely untested belt has a current endowment of more than 20 million ounces of gold. Near the high sulphidation gold system at Brewer are low sulphidation gold mines on the same belt: the producing Haile gold mine 12 kilometers southwest of Brewer, and the former Ridgeway mine 65 kilometers southwest of Brewer. Brewer, unlike the others, has copper in addition to gold.

The cluster of Brewer, Haile and Ridgeway is what attracted Pancon back in mid-2016 when we acquired our 100%-owned Jefferson Gold Project. Over the last year, we expanded the Jefferson Project to surround Brewer. Now, together with Brewer, we control exploration rights to nearly 3,000 acres of contiguous land containing a former gold mine that was abandoned with known gold-copper sulphide mineralization exposed in the shallow open pits!

Oxide gold found on and just under the surface was first mined at Brewer in the 1800s. Between 1987-1995, Brewer produced 178,000 ounces of oxide gold from open pits that extended to 50-metre depths, where copper and gold-rich sulphides were exposed. The Brewer Gold Mine focused only on mining the oxide gold ore near surface, extracted from two shallow open pits and processed using a heap leach operation.

In 1999 the previous Brewer operator abandoned the mine, for several reasons. The mine was never designed to process sulphide ore, only oxide ore, and the operation stockpiled sulphide-rich ore and waste rock. In 1991 an extraordinary flood event triggered a containment pond dam failure, causing cyanide contamination of the nearby creek and river. The operator cleaned up the creek and river, but the already struggling business was running out of cash.

Mining operations ceased and the operator refilled the open pits with stockpiled sulphide ores and waste rock. The operator then implemented an expensive reclamation system that failed, resulting in groundwater contamination. Falling gold prices and financial problems for the operator’s British parent company made matters worse. After setting up a system to deal with the groundwater issues, the operator abandoned Brewer and fled the U.S., forcing the state of South Carolina and the federal Environmental Protection Agency (EPA) to seize the site and allocate public funds to continue the groundwater treatment.

Importantly, the previous operator left behind unmined gold-copper sulphide mineralization. Pancon believes this is just the surficial expression of a much larger, as yet undiscovered, gold-copper system, possibly containing multiple deposits beneath and around the abandoned shallow open pits. More information about Brewer’s history and future economic potential is in Pancon’s 2020 news releases of [January 15](#), [March 2](#), and [March 18](#).

More than 550 million years ago, Brewer was part of a volcanic island arc (like the Pacific Rim today). Volcanic rocks and volcanoclastic sediments at Brewer hosted epithermal, high sulphidation gold-copper mineralization and characteristic alteration mineral assemblages. The silica-rich, high sulphidation hydrothermal alteration centered at Brewer, which is evidence of a proximal intrusive at depth, has always resisted erosion. As a result, Brewer stands out as the highest hill in the area, and a well mineralized target. The historic open pits at Brewer represent less than 2% of the anomalous sub-regional gold footprint identified by our geologists. This large multi-element geochemical and alteration bullseye suggests a very large heat engine at depth.

Brewer is a brownfield site with a former shallow gold mine almost entirely untested below 250 meters and open at depth. There is abundant and diverse evidence of intrusion-related gold-copper mineralization beneath the historic workings. This could include a cluster of gold-copper breccia deposits similar to known mineralization exposed at the bottom of the former Brewer pits, as well as potential for associated gold-copper porphyry mineralization.

Pancon's conceptual model currently targets a multimillion ounce (gold-equivalent, AuEq) deposit between 300-600 meters below surface. We believe this likely sits above a much larger, lower-grade system, and amongst additional potential deposits across a large sub-regional footprint. Fortunately for Pancon shareholders, we have the most qualified and devoted technical team to make a significant new discovery at Brewer using this conceptual model.

As reported in our news releases, Pancon now has an Option Agreement with the Brewer Gold Receiver and C\$3 million for initial drilling and exploration. We have a close and productive working relationship with the Receiver. By spending US\$2 million (with the ability to walk away after spending US\$0.5 million), we have the exclusive right to purchase Brewer based on the estimated cost of the environmental remediation of past operations. Upcoming environmental due diligence by Environmental Risk Transfer LLC, and joint negotiations with the Brewer Receiver and the EPA, will determine the purchase price.

Meantime, our top priority is exploration and discovery. We have assembled a world-class team of geologists and an exceptionally talented drilling company. I have a very high level of confidence in our ability to successfully intersect new gold and copper mineralization underneath and nearby the former Brewer gold mine.

Despite being classified a Superfund site, the EPA has categorically declared Brewer safe and no threat or harm to the natural environment, nor to people or animals, thanks to historic and ongoing containment and remediation efforts. These efforts will continue to be the responsibility of the EPA throughout the duration of our Option Agreement.

We are excited by and devoted to exploiting the vast potential of Brewer. We intend to discover and define a large AuEq high-grade gold-copper deposit. Our dedicated and close-knit Pancon team has worked tirelessly for one year now in securing Brewer. Ever since I joined Pancon three years ago, I always knew Brewer was the prize. We have, against many odds, earned the exclusive right to explore Brewer, and we have funding and a world-class team to do so.

Moreover, the timing couldn't be better. COVID-19 and its attendant risks are real. What is also real is the fact that the U.S. government and governments around the world are taking extraordinary, unprecedented steps to prevent or at least mitigate against a global economic recession or worse. Human health and safety is paramount above all else. But what is crystal clear from an economic and investment opportunity perspective, is that the weeks, months and years ahead present a perhaps once-in-a-lifetime opportunity for investing in the gold sector.

Pancon is an exceptional investment today. I believe the 3 key criteria for junior mining investing are: people; projects; and timing. Pancon today gets a gold star in all three categories. We have removed all significant risks from our value proposition. We are laser focused on Carolina Gold. We are trading at pennies, with full control over what we believe is the best gold-copper target in the USA east of the Rockies.

I personally thank all Pancon investors and shareholders in these times of uncertainty and market volatility. I appreciate that you, like me, believe in the value-creating potential of Pancon, our team, our projects, and the amazing market timing we plan to take full advantage of. I give special thanks to the few individual investors who led and participated in our recent private placement financing. I keep you and all shareholders in the front of my mind. I am tirelessly devoted to ensuring that your investment in Pancon brings you great returns in the near future, and multiple value creation opportunities over time.

I look forward to our enriching journey together into the heart of Carolina Gold!

I send heartfelt wishes of health and safety to you and your family.

Layton Croft
Pancon President & CEO