

Carolina Gold

Brewer is the premier brownfields gold-copper target in the eastern USA

August 2020

| Price in US\$ per tonne | Gold (Au) | Copper (Cu) |
|-------------------------|-------------------|-------------------|
| June 30, 2020 | \$1,781.70 | \$6,038.00 |
| July 31, 2020 | \$1,969.00 | \$6,446.50 |
| Change (+/-) | \$187.30 ↑ | \$408.50 ↑ |
| MoM (%) | +9.50% | +13.23% |

Source: The London Metal Exchange
* Gold price per ounce/copper price per tonne

INSIDE THE PUC REPORT

Gold & Copper Insights

- Month over month and year to date commodity prices and charts

Industry News

- Covid-19 disrupts \$8.8 billion of global mining output
- Doomsday hedge fund sees gold topping \$3,000
- Wall Street is throwing billions at once-shunned gold miners
- Copper price surges to two-year high
- INFOGRAPHIC: Covid-19 impact on gold supply chain
- Most mining mega deals involve Canadian companies – report
- Map shows global mining “relatively unscathed” by pandemic
- Forget the gold price, copper was most profitable covid-19 trade
- China’s June US copper concentrate imports hit highest since Sept 2018
- Gold price hits record high as US dollar sinks
- Gold price steadies after record-breaking run
- Gold price rally fueled by non-traditional buyers

+++ MORE INSIDE!

Greetings from the Carolinas!

Dear Pancon Shareholders and Followers:

The past two months have been productive and fruitful for our Company. We conducted 3 complementary modern geophysical surveys at what I now refer to as our flagship Brewer-Jefferson Gold Project, since our area of interest includes the entire 1,000-acre former Brewer Gold Mine property as well as the surrounding 1,500-acre Jefferson project land position. To be sure, the Brewer alteration zone and mineralized system is very large, and Pancon is perfectly positioned for a robust and successful exploration program across all of it!

As reported on [July 28](#), our recent geophysics program led to our identification of multiple anomalies and high-value drill targets, both at the former Brewer mine and adjacent to both the south and to the west of the former main pit. We are now targeting three value drivers: 1) near-surface sulphide gold-copper in the previously mined pits, from previously stockpiled sulphide material that couldn’t be processed using heap leach technology and so was refilled into the pits when the mine was reclaimed in the mid 1990s; 2) near-surface oxide gold adjacent to and near the former mined pits, as well as across the Brewer-Jefferson area of interest; and 3) deeper sulphide gold-copper below, adjacent to and near the previously mined pits.

This week our initial rotary air blast (RAB) shallow drilling program will commence. We plan to drill approximately 150 holes to about 15 meter depths in each hole. These holes will be to both validate previous drilling, assess mineralization in the former pits, and to scout new targets based on our geological mapping, geophysics and historic data. These RAB holes will also augment our growing database and overall knowledge of geochemistry across the Brewer-Jefferson area of interest. Later this fall, we plan to commence deeper diamond core drilling, with an initial 4,000-meter program that will be well informed by our geophysics and RAB drill results, as well as by our analysis of our compilation of all historic data. All of the above work is already budgeted and funded, thanks to our financing this past March.

Please enjoy this August 2020 edition of The PUC Report, stay safe, and remember that, in hockey as in life, you can’t score unless you shoot the PUCK!

Warm regards
Layton

Click image to see Layton’s 5-min video on geophysical results and next steps



Don’t forget to follow Pancon Resources YouTube Channel for new content or simply visit: www.panconresources/investors/videos/.

Pancon identifies multiple strong geophysical anomalies and drill targets at and adjacent to the former Brewer Gold Mine

July 28, 2020

Pancon reports results of resistivity/induced polarization (IP), magnetic, and gravity geophysical surveys conducted at its flagship Brewer Gold Project and at its Jefferson Gold Project, which nearly surrounds the former Brewer Gold Mine property. Brewer is a high-sulphidation epithermal Au-Cu system that produced 178,000 ounces of near-surface oxide gold from 1987-1995. The Brewer and Jefferson gold projects are located 12 kilometers along trend from the producing Haile Gold Mine on the prolific and underexplored Carolina Slate Belt.

Highlights

- Multiple strong geophysical anomalies discovered within previously unknown prospective zone;
- New prospective zone is bounded by high-angle northwest and east-west trending faults and conductors, and has strong east-west continuity as shown by intercepts of the north-south IP traverses;
- Prospective zone has an extraordinarily strong IP chargeability anomaly through the middle of the zone;
- Prospective zone is at least 2,000 meters east to west and open to the south;
- Local anomalies and drill targets in the prospective zone are within and adjacent to the formerly mined pits; and
- The overall Brewer-Jefferson area of interest (AOI) is bound to the northwest by the highly magnetic northwest trending hornfels zone surrounding the Pageland Pluton, and to the south is interrupted by northeast trending faults.

Pancon President and CEO, Layton Croft, stated: "We are very encouraged by the compelling results from our initial phase of geophysical surveys at our Brewer and Jefferson gold projects. This is the first time in nearly three decades that any scientific data has been produced using modern technology and tools at and around the former Brewer Gold Mine. As a result, I am thrilled to report we have identified multiple, locally coincident IP chargeability, resistivity, gravity and magnetic anomalies – and exciting new drill targets – over the historic mine pits and adjacent to the former main pit to the west and south (see Figure 1, below). Pancon's new and highly prospective zone in the Brewer-Jefferson AOI, largely untested to depths below 50 meters by previous operators, covers an area of at least 2,000 meters east-west, is open to the south, and is bounded to the north by a northwest-trending fault identified in the magnetic survey. Our new prospective zone covers much of the 1,000-acre Brewer property and extends in multiple directions onto our surrounding 1,500-acre Jefferson Project land position."

Pancon's geophysics work has two objectives: (i) to better understand the local geology within the regional context; and (ii) to help locate gold-copper targets with the ultimate goal of proving one or more new gold-copper resources. Pancon's initial phase of geophysical surveys at the Brewer-Jefferson AOI, conducted between May 18-July 1, included:

- Resistivity/IP: for detecting variation in alteration mineral assemblages (especially sulfides) and rock types down to approximately 225 meter depths;
- Ground magnetics: for mapping local variations in magnetic intensity related to rock types, structure, alteration and mineralization; and
- Gravity: for mapping density contrasts related to rock types, alteration and mineralization.

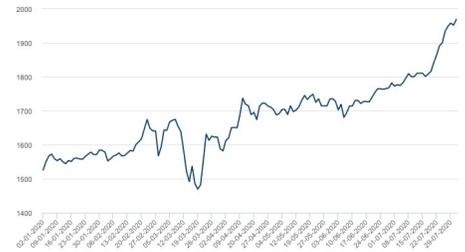
The initial geophysics program identified obvious high-angle structures, multiple gravity highs, and an exceptionally strong IP chargeability anomaly south of the main pit with a 3,000-meter north-south anomalous strike length. Recognizing that any IP chargeability response greater than 20 millivolts per volt (mV/V) is generally considered very significant and a high value drill target, Pancon's newly discovered IP anomaly returned exceptional responses, including: 49 responses measuring 30 mV/V or greater, of which 24 measure between 45-94 mV/V, 13 between 72-94 mV/V, and the most intense measuring 250 mV/V.

CONTINUE ON PAGE 3

GOLD CHART

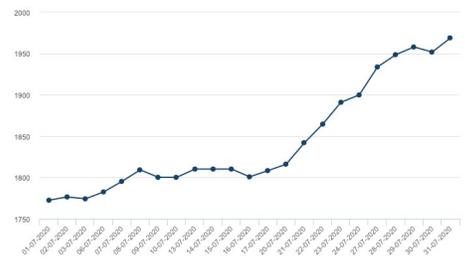
YEAR TO DATE

Price as of Jan 2, 2020: \$1,525.50/oz



MONTH OVER MONTH

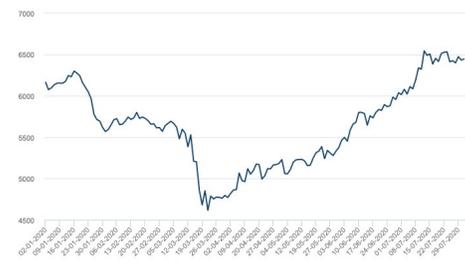
Price as of July 31, 2020: \$1,969.00/oz



COPPER CHART

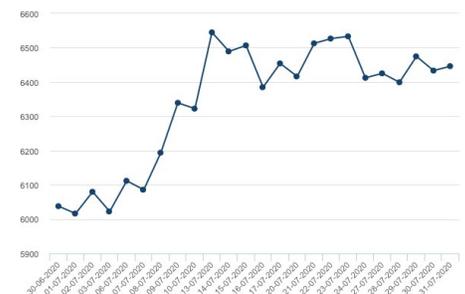
YEAR TO DATE

Price as of Jan 2, 2020: \$6,165.00/t



MONTH OVER MONTH

Price as of July 31, 2020: \$6,446.50/t



Pancon identifies multiple strong geophysical anomalies and drill targets at and adjacent to the former Brewer Gold Mine (cont'd)

Croft continued: "By compiling and analyzing historic geological, geophysical and geochemical data, we gave ourselves a head start in interpreting our recent geophysics work. These initial results show large and continuous chargeability, resistivity and gravity anomalies, which corroborate our conceptual model that the Brewer-Jefferson AOI likely contains an abundance of both near-surface oxide gold mineralization as well as massive and disseminated sulphides. The fact that the former Brewer mine contained sulphide-hosted gold and copper as shallow as 30 meters below surface strongly suggests additional mineralization at depth."

Exploration Work to Date

From April 1, 2020, when Pancon's 42-month Brewer Option Agreement commenced, the Company began comprehensive compilation and verification work of historic local and regional geologic, geochemical and geophysical data produced by previous explorers and operators at Brewer. Also from early April, Pancon began surface sampling and geologic mapping over the thickly forested site and surrounding area, which is ongoing. From mid-April, Pancon has been analyzing minerology and chemistry from select samples of historic drill core taken from multiple holes within and adjacent to the main pit area. From late May and throughout June, Pancon conducted an initial phase of gravity, ground magnetics and resistivity IP geophysical surveys. This included four lines of resistivity IP covering approximately 12 line kilometers; 226 gravity stations covering approximately 10 line kilometers; and 25 lines of ground magnetics covering approximately 12 square kilometers. [Click here for additional technical analysis, interpretation and visual images from the geophysics program.](#)

Exploration Next Steps

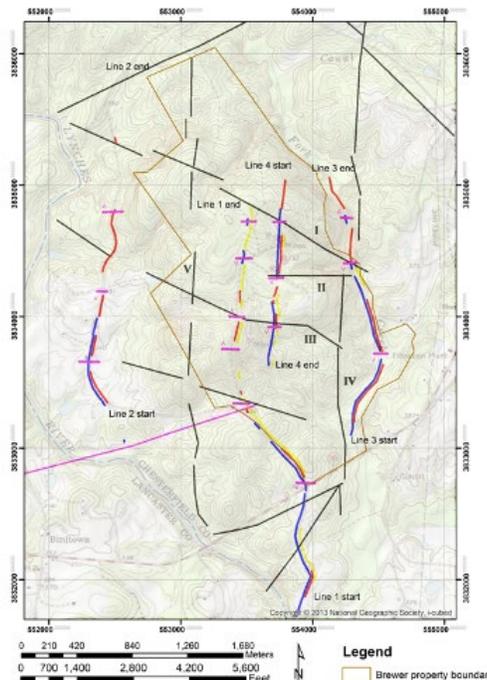
Beginning in early August, Pancon will commence a shallow testing program using rotary air blast (RAB) drilling, and consisting of approximately 150 RAB holes, each about 15 meters deep. The shallow RAB drilling program has three objectives: (i) to validate select historic drill holes; (ii) to test prospective drill targets ahead of planned core drilling; and (iii) to scout untested and underexplored ground across the property. Approximately 1,500 RAB drill samples will be assayed for gold, copper and multi-element geochemical analysis. The RAB assay and chemistry results will be incorporated into Pancon's integrated database of geological, geophysical and geochemical data, and will inform the Company's initial phase of approximately 3,000 meters of diamond core drilling, testing depths below 300 meters, will commence in Q4 2020.

Figure 1. Interpretative geophysical map. The IP interpretation is shown in: blue (conductors), red (resistors), yellow (IP chargeability anomalies), and magenta (fault). Faults derived from the magnetics survey are in black.

The Company cautions that the mineralization at the former Brewer Gold Mine is not necessarily indicative of the mineralization that may be identified on the Company's ongoing and upcoming exploration work.

Qualified Person

The technical information in this news release has been prepared in accordance with Canadian regulatory requirements as set out in NI 43-101 and reviewed and approved by Richard "Cris" Capps, PhD, RPG, SME REG. GEO, a Qualified Person as defined by NI 43-101.



INDUSTRY NEWS

[Covid-19 disrupts \\$8.8 billion of global mining output](#)
July 15, 2020

[Doomsday hedge fund sees gold topping \\$3,000](#)
July 15, 2020

[Miners may raise \\$3 billion in streaming deals, Wheaton CEO says](#)
July 15, 2020

[Wall Street is throwing billions at once-shunned gold miners](#)
July 21, 2020

[Copper price surges to two-year high](#)
July 21, 2020

[INFOGRAPHIC: Covid-19 impact on gold supply chain](#)
July 21, 2020

[Gold price surpasses \\$1,860 – highest since 2011](#)
July 22, 2020

[Most mining mega deals involve Canadian companies – report](#)
July 22, 2020

[Perfect storm in scrap is copper's hidden bull driver](#)
July 22, 2020

[Map shows global mining "relatively unscathed" by pandemic](#)
July 22, 2020

[Forget the gold price, copper was most profitable covid-19 trade](#)
July 26, 2020

[China's June US copper concentrate imports hit highest since Sept 2018](#)
July 26, 2020

[Gold price hits record high as US dollar sinks](#)
July 27, 2020

[Gold price steadies after record-breaking run](#)
July 28, 2020

[Gold price rally fueled by non-traditional buyers](#)
July 29, 2020

CAROLINA GOLD TEAM

Layton Croft President & CEO

Based in Charlotte, NC, an hour from Brewer. More than 15 years of global mining industry experience, in senior roles with Ivanhoe Mines, Rio Tinto, Peabody Energy and Duke Energy. Also Chairman of Erdene Resource Development (TSX: ERD).

Laurence (Laurie) Curtis Senior Technical Advisor

Founded the company that discovered and developed the world class Tujuh Bukit gold-copper district in Indonesia, which has many similarities to Brewer. 45 years of global exploration and executive leadership experience.

David Mosher Technical Advisor

Led exploration, development and production at multiple gold projects and mines in Canada, West Africa and Russia. 40 years of global exploration and mining executive leadership experience.

Criss Capps, PhD, CPG, QP Senior Project Geologist

Co-discovered the high-grade Buzzard gold project next to Brewer in 1997. More than 25 years of exploration experience in the Brewer-Haile area, and 40 years total across North America. Co-discovered 6 gold deposits that became the Castle Mountain Gold Mine in California.

Chris Cherrywell, CPG Project Geologist

Discovered the Brewer gold deposit in 1983. More than 10 years of exploration and project development experience on the Carolina Gold Belt, including at Haile and Barite Hill. 40 years of global exploration and development experience.

Patrick Quigley, MS Consulting Geologist

Ten years of professional experience as consulting and project geologist in the US and Latin America, including on a high-sulphidation epithermal gold project similar to Brewer.

Jen Spohn Project Data & Administration Manager

Provided project support to gold exploration programs near Brewer since 2011. A geologist with 20 years of project data management and GIS/AutoCAD experience for various engineering, environmental and mining sector projects.

STOCK PERFORMANCE YEAR TO DATE (as of July 31, 2020)



Price as of Jan 2, 2020:
\$0.02

Price as of July 31, 2020:
\$0.085

MoM: +21%

YTD: + 325%

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Qualified Person

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CAPITAL STRUCTURE (As of 07/31/2020)

| | |
|----------------------------|------------------|
| TSX Venture | PUC |
| OTCBB | PUCF |
| Market Capitalization | \$18.29 mm |
| Share Price | \$0.085 |
| 52-Week Range | \$0.085 - \$0.02 |
| Shares Outstanding | 216.8 mm |
| Warrants | 62.3 mm |
| Options | 17.8 mm |
| Insiders, Friends & Family | ~46% |

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