PANCONTINENTAL RESOURCES CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(for the three month period ended March 31, 2022)

May 25, 2022

INTRODUCTION

This management's discussion and analysis ("MD&A") has been prepared by Pancontinental Resources Corporation's ("Pancon" or the "Company") management and provides a review of the Company's operating and financial performance for the three month period ended March 31, 2022, as well as a view of future prospects. The MD&A should be read in conjunction with Pancon's unaudited condensed interim consolidated financial statements for the three-month period ended March 31, 2022; and. audited consolidated financial statements for the year ended December 31, 2021. 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
Pancon'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 MD&A may contain forward-looking statements, which may be influenced by factors described in the "Cautionary Statements" section of the MD&A. The "Risks and Uncertainties" section of this MDA further describes other factors that could cause results or events to differ from expectations.

CORPORATE PROFILE

Pancon is a Canadian junior mining company focused on exploring the prolific and underexplored Carolina Slate Belt in Chesterfield County, South Carolina, USA. In January 2020, Pancon won the exclusive right to explore the former Brewer Gold Mine property, which encompasses approximately 1,000 acres. Between 1987-1995, Brewer produced 178,000 ounces of oxide gold from open pits that extended to 65-metre depths, where copper and gold-rich sulphides were exposed but could not be processed by the oxide heap leach processing facility (*Zwaschka, M. and Scheetz J.W., 1995, Detailed Mine Geology of the Brewer Gold Mine, Jefferson, South Carolina, Society of Economic Geologists*). Prior to Pancon's involvement, Brewer had not been explored since 1997, and most of the tools used previously to explore the property have since been updated with more advanced technologies. Brewer is a high sulphidation system driven by a sub-volcanic intrusive and possibly connected to a large copper-gold porphyry system at depth, as indicated by: widely 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, U.S. Geological Survey*). Pancon's 100%-owned, 1,989-acre Jefferson Gold Project nearly completely surrounds the 1,000-acre former Brewer Gold Mine property, and both Jefferson and Brewer are located 15 kilometers northeast along trend from the producing Haile Gold Mine, which produced 190,000 ounces of gold in 2021 (https://oceanagold.com/operation/haile/).

HIGHLIGHTS

Brewer Gold and Copper Project
During Q1 2022, Pancon completed and released its comprehensive Geological Compilation & Discovery Model.

Effective March 21, 2022, the term of the Brewer option agreement was extended to December 31, 2024, with no additional expenditure requirements.

Financing activity
On April 19, 2022, the Company closed the first tranche of a best efforts brokered private placement for gross proceeds of $1,245,200 by issuing 15,565,000 units at $0.08 per unit. On May 13, 2022, the Company closed the

second and final tranche of the private placement for additional gross proceeds of $376,000 by issuing 4,700,000 units. The Company received total gross proceeds of $1,621,200 and issued a total of 20,265,000 units. Each unit consists of one common share and one common share purchase warrant. Each unit warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.14 for a period of 24 months from closing.

COVID-19 Pandemic

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Its impact on global economies has been far-reaching, and businesses around the world had 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.

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. Pancon has taken measures to contain the spread of COVID-19 and is proceeding with its exploration activities, as long as the work environment remains safe.

BREWER GOLD AND COPPER PROJECT – SOUTH CAROLINA, UNITED STATES

Property Description

The Brewer Gold and Copper 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 encompasses approximately 1,000 acres and is located on the same mineralized trend and 12 kilometres northeast of OceanaGold Corporation's operating Haile Gold Mine. Brewer is nearly completely surrounded by the Company's 100%-owned Jefferson Gold Project. Prior to Pancon's exploration program that began in 2020, Brewer had 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 65-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). Historic drill results and mining operations at Brewer focused on near-surface, oxide gold mineralization and not on the disseminated and massive sulphide mineralization at depth which was encountered in the deeper holes.

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.

Option Agreement
In January 2020, Pancon, in co-operation with Environmental Risk Transfer LLC ("ERT"), was awarded the right to explore the highly prospective former Brewer Gold Mine property. On March 1, 2020, Pancon 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 was 24 months, which was extended from 18 months, commencing on April 1, 2020. Pancon expended the requisite US $2 million on exploration and environmental due diligence during the initial option term, and effective March 21, 2022, the option term was extended to December 31, 2024 with no additional expenditure requirements. 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 has a co-operation arrangement with ERT (an industry leader providing environmental risk-transfer solutions to eliminate environmental liabilities) in order, 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 will provide input to upcoming negotiations with the Receiver, S.C. DHEC and the EPA; and,

b) Half (50%), estimated to be in the order of US $15 million, 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 utilize input from ERT's environmental due diligence and ERT's and Pancon's negotiations with the Receiver, S.C. DHEC and the EPA.

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 for 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.

During 2020 and 2021, Pancon paid a total of US $250,000 to ERT to perform environmental due diligence, which is required in order to finalize a purchase and sale agreement for the Brewer Project.

Exploration Plans
Pancon's goal is to discover new gold and new gold-copper mineralization under and/or nearby the former gold mine and to assess gold content in the reclaimed Brewer pit. To achieve this goal the Company has four objectives: 1) to understand, through iterative data analysis, the probable location of gold and gold-copper mineralization near-surface and at depth; 2) to find, through drilling, in-pit new gold and new gold-copper mineralization; 3) to expand, through

more drilling, the size and shape of new gold and new gold-copper mineralization; and 4) to demonstrate, through data modeling, Brewer's economic potential.

Exploration work and results to date have enabled Pancon to advance Brewer's three value drivers:

- Quickly remediate the waste and monetize the gold contained in the reclaimed former mined pits.
- Define and develop a maiden gold-copper resource below and near the former mine.
- Use Pancon's Geologic Compilation and Discovery Model of the Brewer-Jefferson system to discover a large copper-gold porphyry deposit.

Based on the Company's current understanding of what a realistic implementation schedule will be in light of COVID-19, the following summarizes the Brewer exploration plan. The schedule may be modified as needed in order to follow government protocols and to ensure Company activities keep all employees, contractors, suppliers and community members safe from COVID-19. To date, the Company has been working according to the following:

- Improve knowledge of Brewer mineralogy by using short-wave infrared (SWIR) spectral analysis and petrographic examination on historic and recent drill core – ongoing.
- Ongoing compilation, integration and analysis of historic and new geophysical, geochemical and geologic data.
- Conduct new geophysics (ground magnetics, gravity, resistivity/induced polarization) – completed in early July 2020.
- Conduct shallow validation and exploration drilling using rotary air blast (RAB) drills – completed Phase 1 in early September 2020 and Phase 2 in early July 2021.
- Based on historic data compilation together with new geophysical, geochemical, geological and mineralogical data and interpretation, refresh the Company's Geological & Discovery Model for the Brewer mineralizing system.
- Commenced Phase 1 of sonic and diamond drilling in early November 2020. Drilled 7 holes and approximately 2,700 meters, and concluded Phase I at the end of January 2021.
- Produced assay, geochemical and hyperspectral mineralogy data from Phase 1 drill core, the results of which were reported on March 2, 2021 and April 27, 2021.
- Conducted follow-up time-domain electromagnetic (TDEM) downhole and surface geophysics in March-April 2021. Produced historic blast hole model for main pit and B6 pit in March-April 2021.
- Commenced Phase 2 of sonic and diamond drilling in early April 2021.
- In April-May 2021, collected outcrop surface samples across the Brewer and Jefferson projects, to provide additional geological, geochemical and mineralogical information about the larger mineralized system.
- Completed Phase 2 of shallow rotary air blast (RAB) drilling, including 104 holes on the Brewer property.
- Reported results for diamond drill holes 8, 9 and 10 on July 26, 2021. Reported results for all 6 sonic drill hole results on August 11, 2021. Reported results for diamond drill holes 11 and 12 on August 31, 2021. Reported partial results for diamond drill hole 15 on September 8, 2021, and complete results for holes 13, 14 and 15 on November 24, 2021. Reported results for all 104 Phase 2 RAB drill holes on December 21, 2021.
- Utilized the refreshed Geological & Discovery Model for the Brewer Gold & Copper Project.
- Conduct comprehensive induced polarization (IP) geophysics.
- Conduct more drilling on priority targets as determined by the Discovery Model and IP geophysics interpretation.

Exploration Activities

Pancon is following the exploration plans described above. Specifically, an effort to compile and integrate historic and new geologic, geochemical and geophysical data from Brewer is ongoing, and began in April 2020 when the Option Agreement commenced. In late May 2020, a modern geophysics program commenced, which included resistivity/induced polarization (IP), magnetic, and gravity geophysical surveys. It was 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.

Pancon's geophysics work had two strategic objectives: (i) to better understand the local geology within the regional context; and (ii) to help locate gold and gold-copper targets with the ultimate goal of identifying one or more new potential gold and gold-copper deposits. Pancon's initial phase of geophysical surveys at the Brewer-Jefferson areas-of-interest ("AOI"), conducted between May 18, 2020 to July 1, 2020, 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.

As a result, Pancon identified multiple, locally coincident IP chargeability, resistivity, gravity and magnetic anomalies – and new drill targets – below and adjacent to the former main pit and to the west and south. This prospective zone covers much of the 1,000-acre Brewer property and extends in multiple directions onto the surrounding 1,500-acre Jefferson Project land position.

Pancon's spectral analysis of all rotary-air-blast (RAB) samples shows minerals commonly associated and zoned with respect to gold-copper mineralization contained within Brewer's alteration lithocap and include: pyrophyllite, topaz, alunite, and kaolinite group minerals.

In early November 2020, Pancon launched the first phase of the Company's maiden diamond drill program, that largely aimed to test coincident geochemical, geophysical and geological targets with hole locations, angles and depths informed by the Company's compilation of historic data together with its own recently produced data.

In late January 2021, Pancon completed Phase I, in which 2,692 meters were drilled in seven holes, two of which included both sonic and diamond drilling. Holes 4 and 5 intersected lithologies typical of highly mineralized zones in the historic mine and core.

In early March 2021, Pancon reported partial results from three holes, confirming significant continuity of gold mineralization below the former Brewer mine. The Company reported complete results (gold assays and multi-element geochemistry) for Hole 2 and partial results (gold assays) for Holes 4 and 5, out of the total 7 holes drilled in Phase I. Highlights included:

- Hole 5, from 56 meters' vertical depth (immediately below the bottom of the former mine), intersected 181.6 meters of 1.24 g/t gold, including: 152 meters of 1.4 g/t gold; 75 meters of 2.14 g/t gold; 24.2 meters of 4.26 g/t gold; and 3 meters of 24.3 g/t gold.
- Hole 4, located 110 meters due south of Hole 5, from 66.4 meters' vertical depth (about 10 meters below the bottom of the former mine), intersected 115.6 meters of 0.91 g/t gold, including: 71 meters of 1.24 g/t gold; 15.5 meters of 2.35 g/t gold; and 3.45 meters of 5.29 g/t gold.
- In Hole 5, Pancon geologists identified five sightings of visible gold in three different locations.
- In Hole 5, 144 out of the 146 samples contain detectable gold, with the lowest detectable gold sample value being 0.034 g/t gold and the highest being 30.2 g/t gold.
- In Hole 4, 341 out of the 373 samples contain detectable gold, with the lowest detectable gold sample value being 0.025 g/t gold and the highest being 6.53 g/t gold.
- In Hole 2, all 219 samples contain detectable gold, with the lowest sample value being 0.012 g/t gold and the highest being 2.05 g/t gold.

In late April 2021, Pancon reported complete gold assay and multi-element geochemistry results for diamond holes 1 through 5, among the total 7 diamond and 2 sonic holes drilled in Phase 1. Highlights included:

- Hole 4 returned 7.6 m of 0.97% Cu and 2.96 g/t Au, from 161.4 m to 169.0 m vertical depth.

- Hole 5 returned 7.6 m of 0.95% Cu and 1.11 g/t Au, from 190.9 m to 198.5 m vertical depth.
- Hole 4, in terms of copper values as they correlate to gold values, returned 115.6 m of 0.17% Cu, including: 71 m of 0.24% Cu; 15.5 m of 0.45% Cu; and 3.45 m of 1.17% Cu.
  - On a gold equivalent basis, Hole 4 returned 115.6 m of 1.19 g/t AuEq, including: 71 m of 1.64 g/t AuEq; 15.5 m of 3.10 g/t AuEq; and 3.45 m of 7.24 g/t AuEq.
- Hole 5, in terms of copper values as they correlate to gold values, returned 181.6 m of 0.26% Cu, including 24.2 m of 0.41% Cu.
  - On a gold equivalent basis, Hole 5 returned 181.6 m of 1.67 g/t AuEq, including: 75 m of 2.57 g/t AuEq and 24.2 m of 4.94 g/t AuEq.

86% of all 1,339 samples from Holes 1-5 returned detectable gold, further demonstrating widespread presence of anomalous gold across the Brewer property.

In June 2021, Pancon reported gold assay and multi-element geochemistry results for the final two sonic and two diamond drill holes drilled in Phase 1. Highlights included:

- First two sonic holes through the backfill waste material and former mined pit floor bedrock produced 242 large samples averaging about 35 kilograms per sample.
- One pit floor bedrock sonic sample contains 9.81 g/t Au; one backfill waste sample contains 5.67 g/t Au.
- Average gold value of all 242 sonic samples is 0.37 g/t Au; average value of all samples excluding the surface clay cap and pit floor bedrock is 0.34 g/t Au.
- All sonic samples but one contain detectable gold (>0.025g/t Au); 30 samples contain >0.5 g/t Au and 11 samples contain >1 g/t Au.

In July 2021, Pancon reported gold and multielement geochemistry results for the first three diamond drill holes in Phase 2. Highlights included:

- Hole 8 intersected 106.5 m of 1.07 g/t Au, 0.26% Cu and 1.49 g/t AuEq, including:
  - 45.23 m of 2.03 g/t Au, 0.52% Cu and 2.87 g/t AuEq; and
  - 8.23 m of 5.04 g/t Au, 1.43% Cu and 7.34 g/t AuEq.
- Hole 9 intersected 15.95 m of 1.09 g/t, 0.22% Cu and 1.44 g/t AuEq.
- Hole 10 intersected 11.90 m of 2.22 g/t Au, 0.07% Cu and 2.33 g/t AuEq.

In August 2021, Pancon reported results for an additional four sonic drill holes (B21S-003 to B21S-006), and analysis for all six sonic drill holes in the reclaimed backfill waste material as part of Phases 1 and 2. Highlights included:

- Hole 11 intersected 25.2 m of 0.96 g/t Au, 0.21% Cu and 1.31 g/t AuEq, including:
  - 5.6 m of 1.73 g/t Au, 0.42% Cu and 2.41 g/t AuEq; and
  - 8.23 m of 5.04 g/t Au, 1.43% Cu and 7.34 g/t AuEq.
- Hole 12 intersected 15.5 m of 0.9 g/t and 4.57 m of 2.32 g/t Au.

In September 2021, Pancon reported gold and multi-element geochemistry partial results for an interval that was selected for a rush assay of hole. Highlights included:

- Hole 15 intersected 20.2 m of 2.25 g/t Au, 0.35% Cu and 2.82 g/t AuEq, including:
  - 8.5 m of 3.32 g/t Au, 0.65% Cu and 4.38 g/t AuEq.

In November 2021, Pancon provided full results for Holes 13, 14 and 15, including:

- Hole 15 intersected 62.4 meters of 1.03 g/t Au and 0.15% Cu, including the previously reported interval of:
  - 20.2 meters of 2.25 g/t Au and 0.35% Cu; and,
  - 8.50 meters of 3.32 g/t Au and 0.65% Cu.
- Hole 15 intersected an additional 19 meters of 0.31 g/t Au starting at a 4-meter vertical depth.
- Hole 14B intersected 106.6 meters of 0.31 g/t Au.
- Hole 13 interested 42.35 meters of 0.42 g/t Au, including:
  - 7 meters of 0.60 g/t Au and 0.23% Cu.

In December 2021, Pancon provided full results for Phase 2 RAB holes. Highlights included:

- All 104 Phase 2 RAB drill holes contain detectable gold (using the laboratory's 5 ppb detection limit) and end less than 25 meters below surface.
- The average gold grade of all 1,437 RAB drill samples is nearly 100 ppb (0.1 ppm), and 87.5% of all RAB holes contain at least one sample grading higher than 50 ppb (0.05 ppm) gold.
- RAB Hole B21B-100 – located ~150 meters (m) west of the former mine, intersected 21 m of 0.46 g/t Au starting at 3 m below surface:
  - including 6 m of 1.2 g/t Au.
- RAB Hole B21B-111 – located ~300 meters west of the former mine, intersected 13.7 m of 0.59 g/t Au starting at 6 m below surface;
  - including 6 m of 1.0 g/t Au.
- RAB Hole B21B-153 – located ~100 meters south of the former mine, intersected 7.6 m of 0.69 g/t Au starting at 16.7 m below surface;
  - including 3 m of 0.90 g/t Au.
- RAB Hole B21B-175 – located immediately east of the former main pit (and immediately west of the former ancillary B6 pit), intersected 10.7 m of 0.47 g/t Au, including;
  - 3 m of 0.90 g/t Au.
- Hole B21C-016 – located 350 meters north-northwest of the former mine, remained within a package of strongly altered volcanic rocks for 380 meters.

In February 2022, Pancon released its updated Geologic Compilation and Discovery Model that systematically explains the location of Brewer breccia and gold-copper mineralization, and a viable exploration model that guides next steps of the program. The Model targets additional breccia-hosted mineralization and associated high-grade feeder zones, potentially located below and to the north and west of the former mine, as well as a newly identified breccia target south-southwest of the former mine. The Model identifies four new target areas:

- beneath the former mine, to follow up on the success of core Holes 4, 5 and 8;
- south-southwest of the former mine beneath the former waste dump, to test the new breccia target encountered in core Hole 15;
- west of the former mine where the former heap leach pads were located, to test the western plunge of the known Brewer breccia; and
- north-northwest of the former mine at depth, to follow up on the broad zones of favorable alteration in core Holes 7 and 16.

JEFFERSON GOLD PROJECT – SOUTH CAROLINA, UNITED STATES

<u>Property Description</u>

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 nearly completely surrounds the Company's Brewer Project and extends along a northeast-striking structural trend of hydrothermal alteration and gold mineralization extending from the former Brewer Gold Mine. It contains multiple drill targets within a mineralized trend based on historic exploration.

Jefferson is currently comprised of approximately 1,989 acres (805 hectares) under fifteen leases acquired from private landowners, who own the surface and sub-surface mineral rights. Jefferson lease payments for 2022 is US $215,845. In addition, the Company has secured a right of first refusal to purchase, lease or explore/mine an additional property, which encompasses approximately 52 acres (21 hectares).

The fifteen leases range in expiration from 2022 to 2031 and the Company has the right to acquire a 100% interest in thirteen of the leases and also holds a right of first refusal to acquire a 100% interest in one lease. Five of the lease agreements include a production royalty ranging from 1.5% to 3.5%. The royalty is payable to the landowner who owns the property from which minerals are produced. Two 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 royalty payable from production.

Exploration Plans

Given that the Jefferson Project nearly completely surrounds the Brewer property and that alteration related to the Brewer gold-copper mineralized system extends beyond the Brewer property boundary in all directions, Pancon treats its exploration of Jefferson as part and parcel of the Company's exploration of Brewer. Therefore, the geophysics program conducted in May-June 2020, and the ongoing mapping and surface and soil sampling that began in April 2021, covered land across both the Jefferson and Brewer projects. In addition, the Company's evolving geological model for Brewer invariably incorporates historic and recently produced geological, geophysical, mineralogical and geochemical data on the Jefferson Project.

QUALIFIED PERSON

Since September 8, 2021, Pancon's Qualified Person ("QP") for the Brewer and Jefferson Projects, and for verifying all related technical data presented in the MD&A, has been and is Patrick Quigley, MSc, CPG-12116, a QP under National Instrument 43-101 "Standards of Disclosure For Mineral Projects." Patrick serves as Pancon's Senior Geologist and Exploration Manager. Prior to September 8, 2021, both Richard "Criss" Capps, PhD, CPG, and Mr. Tom Quigley, MSc, CPG, served as temporary QPs for the Company.

INVESTMENT IN VOLTAGE METALS

On June 20, 2020, the Company entered into an agreement (the "Purchase Agreement") with Voltage Metals Inc., formerly, Tempus Resources Inc. ("Voltage Inc."), a private company, pursuant to which Voltage Inc. obtained the right ("Option") to acquire up to a 100% interest in the Company's four mineral projects, St. Laurent, Montcalm, Nova and Gambler (the "Projects"), located in Ontario, Canada.

In December 2021, Voltage Inc. acquired all of the Company's interest in the Projects and completed the exercise of the Option, having:

a) Paid an aggregate of $1,000,000:

b) Issued 1,000,000 common shares (the "Voltage Inc. Shares") in the share capital of Voltage Inc. to the Company on March 29, 2021.

On March 11, 2022, Mansa Exploration Inc. acquired Voltage Metals Inc. and changed its name to Voltage Metals Corp. ("Voltage Corp."). The Voltage Inc. Shares were then exchanged for 1,269,841 Voltage Corp. common shares (the "Voltage Corp. Shares"). Voltage Corp. was then listed for trading on the Canadian Securities Exchange ("CSE") on March 18, 2022 (the "Voltage Listing Date"). The ability of the Company to sell or transfer any part of the Voltage Corp. Shares is limited by the following:

- firstly, the CSE policy, whereby 20% of the Voltage Corp. Shares were released on March 11, 2022 and the remainder shall be released in four (4) equal quarterly instalments, ending on March 11, 2023: and,

- secondly, in accordance with the Purchase Agreement, whereby beginning on the Voltage Listing Date, 50% of the Voltage Corp Shares are subject to a trading restriction of four months and 50% are subject to a trading restriction of eight months.

In 2021, the initial value placed on the Voltage Shares was $50,000. As at March 31, 2022, the total value of the Voltage Corp. Shares was $241,270, resulting in an unrealized gain of $191,270. The unrealized gain is comprised of: $190,476 attributable to the share exchange; and, $50,794 due to a change in their fair value. The Voltage Corp. Shares are considered to be a Level 1 financial instrument and any resulting gain or loss in their fair value will be recognized through profit or loss. On April 12, 2022, a Company director became a member of Voltage Corp's board of directors.

INVESTMENT IN TORTUGA RESOURCES INC.

Pursuant to an equity offering by Tortuga Resources Inc. ("Tortuga") in 2014, Pancon 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. Pancon is not involved in the management of Tortuga and relies on Tortuga for advising the Company of its future plans. In 2015, the Company lowered its outlook for recovering its investment in Tortuga and wrote down its investment to a nominal value.

GROSS OVERRIDING ROYALTY

Australia

On February 8, 2007, the Company formed a joint venture (the "Joint Venture") with Enova Mining Limited (formerly, Crossland Strategic Metals Limited) ("Enova") and subsequently earned a 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 the Joint Venture to Essential Mining Resources Pty Ltd. ("EMR") and retained a gross overriding royalty ("GOR") of one percent (1%) on sales of production from 100% of the Joint Venture properties (the "Former JV Properties"). During 2017, EMR merged with Enova.

An annual non-refundable advanced royalty payment of AUS $2,311, is due on each anniversary of the Effective Date, subject to adjustment for the number of Former JV Properties retained and their size. To date, the Company has received advanced royalty payments totalling AUS $91,335. In December 2021, Enova advised the Company that it overreported the advance royalty for the two previous years resulting in the overpayment of the advanced royalties by AUS $220. In December 2021, Enova reported that its holdings in the Former JV Properties consist of five (5) Charley Creek tenements, comprising 155 sub-blocks.

Advance royalty payments are to be deducted from gross overriding royalties on future production. The Company has not been advised if and when production is expected to begin.

INVESTOR RELATIONS AND CORPORATE DEVELOPMENT

On July 1, 2018, Pancon retained the services of Jeanny So Consulting to assist the Company in its investor relations and corporate development activities. The agreement has been extended until June 30, 2022. Compensation consists of stock options and a $6,000 monthly fee. The stock options vest in quarterly instalments from the date of grant.

In April 2021, Pancon retained the services of Red Cloud Financial Services Inc. ("Red Cloud") to provide investor marketing services for a fee of $10,000 per month. The agreement was terminated in May 2022.

In October 2021, Pancon retained Red Cloud to provide market stabilization and liquidity services for a monthly fee of $5,000. The agreement was terminated in May 2022.

SUMMARY OF QUARTERLY RESULTS

		Corporate and administrative	Exploration and evaluation	Exploration and evaluation recovery	Unrealized Gain on Investments	Net loss	Net loss per share
Fiscal 2022		$	$	$	$	$	$
Q1	March 31	222,966	343,307	-	(191,270)	386,703	0.002
Fiscal 2021							
Q4	December 31	504,677	419,232	(250,000)	-	1,007,849	0.003
Q3	September 30	238,721	759,138	(300,000)	-	710,839	0.003
Q2	June 30	598,972	1,051,000	-	-	1,694,114	0.007
Q1	March 31	223,477	947,328	(300,000)	-	919,520	0.004
Fiscal 2020							
Q4	December 31	246,191	847,510	-	-	1,178,261	0.005
Q3	September 30	176,405	342,491	(100,000)	-	919,008	0.004
Q2	June 30	134,894	417,689	(50,000)	-	527,019	0.003

For 2021, fluctuations in quarterly results were influenced by the amount of: (1) corporate and administrative expenses, which were impacted by - the Company's annual shareholder meeting in Q2 - increased compensation for the Company's Chief Executive Officer, beginning in Q2 - marketing and corporate development activities in each quarter - and, annual audit and tax services fees in Q4; (2) exploration and evaluation expenditures related to the Company's Brewer and Jefferson Projects; (3) proceeds realized from the sale of the Company's Canadian mineral projects; (4) and, share-based payment valuations attributable to the grant of stock options in Q4.

For 2020, fluctuations in quarterly results were influenced by the amount of: (1) corporate and administrative expenses, which were impacted by - financing activities and marketing and corporate development activities in Q3 and Q4 - the Company's new exchange listing on the United States OTCQB Venture Market in Q3 - the Company's annual shareholder meeting in Q3 - and, annual audit and tax services fees in Q4; (2) exploration and evaluation expenditures related to the Company's Brewer and Jefferson Projects; (3) proceeds realized from the impending sale of the Company's Canadian mineral projects; (4) share-based payment valuations attributable to the grant of stock options in Q3; and, (5) unfavourable fluctuations in the U.S. dollar in Q3 and Q4.

RESULTS OF OPERATIONS

The net loss for the first quarter of 2022 was $386,703 versus a net loss of $919,520 for the comparable quarter of 2021, representing a decrease of $532,817. The decrease in the loss was primarily attributable to: an unrealized gain on the Company's shareholdings in Voltage Metals Corp. of $191,270 (2021 - $nil); and, lower exploration and evaluation expenditures (2022 - $343,307 vs 2021 - $947,328), as the Company focused its efforts on geophysics and data compilation and analysis at its Brewer Project and maintaining its Jefferson Project leases.

Corporate and administrative expenditures (2021 - $222,966 vs 2021 - $223,477) were relatively unchanged. Management fees increased, due to higher compensation for the services of the Company's Chief Executive Officer's and Chief Financial Officer. The increase in management fees was offset by the decrease in shareholder relations and promotion costs, as the Company reduced its marketing campaigns. Consulting fees and salary and benefit costs represent costs for technical advisory and administrative services. Professional fees reflect costs for legal services. The remainder of the corporate and administrative expenses were relatively consistent with the comparative period.

Share-based payments (2022 - $10,291 vs 2021 - $35,330) represents the fair value attributed to stock options. The foreign exchange loss of $1,409 (2021 - $15,012) resulted from unfavourable fluctuations in the United States dollar.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows
Operating activity cash flows for the current three-month period of 2022 were impacted by the unrealized gain attributable to the 1,269,841 Voltage Corp. Shares. Foreign exchange references are related to the Companies exposure to the United States dollar.

Financing activity for the current thee-month period of 2022 reflects the receipt of $14,500 from the exercise of 200,000 stock options.

Working capital
As at March 31, 2022, Pancon had cash of $148,739 and working capital of $149,388. 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. Amounts receivable consist of certain Brewer Project expenditures to be recovered. Prepaid expenses and deposits are primarily comprised of Brewer Project costs and various corporate and administrative costs. The Jefferson Project lease payments for 2022 are US $215,845.

Pancon needs to raise additional working capital to fund its operations and exploration plans for 2022 and, subsequent to March 31, 2022, the Company began the recapitalization process by completing a private placement for gross proceeds of $1,621,200, as further described below. In addition to this private placement, the Company anticipates that it will need to raise additional capital to fully fund its planned 2022 activities. A significant portion of 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 or positively impact the Company's working capital.

On April 19, 2022, the Company closed the first tranche of a "best efforts" brokered private placement for gross proceeds of $1,245,200 by issuing 15,565,000 units at $0.08 per unit. On May 13, 2022, the Company closed the second and final tranche of the private placement for additional gross proceeds of $376,000 by issuing 4,700,000 units. The Company received total gross proceeds of $1,621,200 and issued a total of 20,265,000 units. Each unit consists of one common share and one common share purchase warrant. Each unit warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.14 for a period of 24 months from closing. In the event that the daily volume weighted average price (or closing bid price on days when there are no trades) of the common shares of the Company on the TSX Venture Exchange is at least C$0.25 per common share for a minimum of twenty (20) consecutive trading days, the Company may provide written notice to holders of the Unit Warrants that they are required to exercise the Unit Warrants within twenty (20) days following the date of delivery of such written notice.

As consideration for the services of the broker, the Company issued 746,700 broker warrants (tranche 1 – 661,950 BWs/tranche 2 - 84,750 BWs), each with an exercise price of $0.08. Each broker warrant entitles the holder to purchase one broker unit consisting of one common share and one share purchase warrant that entitles the holder to purchase one additional common share at an exercise price of $0.14 for a period of 24 months from closing. In addition, the Company paid cash commissions of $59,736.

RELATED PARTY TRANSACTIONS AND BALANCES

Consulting fees of $6,000 (2021 - $nil) for the current three-month period were paid to Samson Earthworks Ltd., a company controlled by Mr. Laurie Curtis, a director of the Company. Mr. Curtis was appointed a director on October 18, 2021.

Management fees of $86,979 (2021 - $60,480) for the current three-month period were paid or became payable as follows:

- President and Chief Executive Officer, Mr. Layton Croft - $56,979 (2021 - $37,980). Mr. Croft's annual compensation was increased to US $180,000, effective April 1, 2021. The agreement for Mr. Croft's services is with Stakegrowth Strategic Advisory LLC., a company controlled by Mr. Croft.
- Chief Financial Officer, Mr. Mark McMurdie - $30,000 (2021 - $22,500), paid to Rustle Woods Capital Inc., a company associated with Mr. McMurdie. Mr. McMurdie's annual compensation was increased to $120,000, effective January 1, 2022.

Share-based payments (non-cash) of $994 (2021 - $nil) for the current three-month period represents the fair value of stock options granted to Company directors and officers.

On April 12, 2022, a Company director provided the Company with a $100,000 cash loan to enhance the Company's working capital. The Company repaid the cash loan plus interest of $1,000 on May 12, 2022. The loan was unsecured.

The Company has in place a termination and change of control agreement with the Company's president and chief executive officer. The agreement provides that in the event that the officer's services are terminated by the Company, other than for cause, or there is a change in control of the Company then the officer is entitled to receive a payment equal to the sum of: two (2) years of consulting fees; any unpaid bonus; plus the average of the bonus paid to the officer over the previous two (2) year period. As a triggering event has not taken place, the value of the contingent liability as at December 31, 2021, was US $590,000.

SHARE CAPITAL

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

Security	Number
Common shares	274,262,290
Warrants	82,471,250
Options	19,685,000

Subsequent to March 31, 2022, the Company issued 20,265,000 common shares and 21,011,700 unit and broker warrants, in connection to the private placements that closed on April 19, 2022 and May 13, 2022.

NEW ACCOUNTING POLICIES

For information on current and future changes in accounting policies and disclosures, please refer to Notes 4 and 5 in Pancon's unaudited interim condensed consolidated financial statements for the three-month period ended March 31, 2022.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Disclosure on Pancon's financial instruments and related risks may be found in Note 18 of Pancon's unaudited interim condensed consolidated financial statements for the three- month period ended March 31, 2022.

Pancon's exposure to liquidity risk revolves around the Company's ability to fund its Brewer and Jefferson Project obligations and exploration activities, in addition to its corporate overheads. 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, Pancon's assumptions, estimates, expectations and statements that describe Pancon'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 or acquire an interest in Pancon's mineral properties or projects;
- ability to satisfy permitting requirements and/or complete property acquisitions/transactions;
- ability to conduct exploration work and satisfy work commitments;
- references 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 Voltage Metals Corp. or Tortuga Resources Inc.;
- 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;
- suspension or delays in Pancon's operations due to poor weather conditions or diseases or viruses;
- 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 Pancon's 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 Pancon:
- the ability to correctly value and successfully complete acquisitions;
- effectiveness of corporate and investor relations.

Although Pancon believes that the assumptions, estimates and expectations reflected in its forward-looking statements are reasonable, results may vary, and the Company 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. Pancon 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

Pancon 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 Pancon'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
Pancon 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
Pancon 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 Pancon, 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 Pancon to this risk. All the Company's mineral projects are exposed to this risk.

Dependence on directors, management and consultants/contractors
Pancon is very dependent upon the efforts and commitment of its directors, management, partners 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.

Environmental risk
The exploration and development activities conducted on Pancon'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 Pancon 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. Pancon'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
Pancon'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, Pancon'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.

Pancon 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 Pancon'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 Pancon'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.

Pandemic diseases and viruses risk
Pancon'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 Pancon's 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.

Permit risk
Pancon'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.

Price risk
The ability of Pancon 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. Metal and equity prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A decline in the price of the gold or copper, 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 Pancon 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 Pancon 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 Pancon'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.

Sufficiency of insurance risk
The business of Pancon is subject to a number of risks and hazards generally, including adverse environmental conditions, pollution, accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the political or regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to the Company's mineral properties, personal injury or death, environmental damage, delays in the exploration and development, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as the Company considers to be reasonable, the insurance may not cover all the potential risks associated with the operations of the Company and insurance coverage may not be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and development may not be available to the Company on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect on the Company's business, results of operations, financial condition and/or the value of its securities or otherwise affect the Company's insurability and reputation in the market.

Third party performance risk
For the Company to realize benefits from the Australian gross overriding royalty or its investment in Tortuga Resource Inc. or Voltage Metals Corp., 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.