PANCONTINENTAL RESOURCES CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(for the nine month period ended September 30, 2019)

November 22, 2019

INTRODUCTION

This management's discussion and analysis ("MDA") has been prepared by Pancontinental Resources Corporation's ("Pancontinental" or the "Company") management and provides a review of the Company's operating and financial performance for the nine month period ended September 30, 2019, as well as a view of future prospects. The MD&A should be read in conjunction with Pancontinental's unaudited condensed interim consolidated financial statements for the nine month period ended September 30, 2019; and, audited consolidated financial statements for the year ended December 31, 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) is a Canadian junior mining company focused on North American gold and battery metals projects surrounding or near producing or former mines in proven and safe mining districts. Pancontinental's 100%-owned Jefferson Gold Project is 15 km along-trend from the Haile Gold Mine and surrounds the former Brewer Gold Mine property, on the prolific and underexplored Carolina Slate Belt in South Carolina, USA. In addition, Pancontinental has five nickel-copper-cobalt projects in Northern Ontario. The Montcalm, Gambler, Nova and Strachan Projects are near and/or surround the former Montcalm Ni-Cu-Co Mine property, located 65 km northwest of Timmins. The St. Laurent Project has an advanced Ni-Cu-Co-Au-Pt-Pd target and is located 50 km south of the Detour Lake Mine and 20 km southwest of the Casa Berardi Mine.

HIGHLIGHTS

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

Jefferson Gold Project
As of the date of the MDA, the Company has expanded its land position along the Carolina Slate Belt to 1,758 acres through the acquisition of 11 leases in 2019. The Jefferson Project now almost surrounds the former Brewer Gold Mine property.

St. Laurent Ni-Cu-Co-Au-Pt 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 property, encompassing approximately 4,170 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.

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

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.

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 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.

JEFFERSON GOLD PROJECT

Property Description
Pancontinental has a 100% interest in the Jefferson Gold Project ("Jefferson" or the "Jefferson Project"), which is an exploration-stage gold project located 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 former Brewer Gold Mine 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.

The Jefferson Gold Project is located on the same mineralized trend and 15 kilometres northeast of the operating Haile Gold Mine (OceanaGold), which produced 131,819 ounces of gold in 2018 and has measured and indicated gold resources of 3.1 million ounces. The Jefferson Project is located 55 kilometres along trend northeast of the former Ridgeway Gold Mine, where Kennecott Minerals produced more than 1.6 million ounces of gold from 1988-1999.

The Jefferson Project almost surrounds the former Brewer Gold Mine, which produced 178,000 ounces of gold several decades ago from open pit operations that mined only down to 100-metre depths. Brewer's prospective geology, including diatreme breccias, associated high sulphidation alteration, gold and copper mineralization, and geophysics support a potential porphyry-style copper-gold system at depth (Schmidt, R.G., 1978, The Potential for Porphyry Copper-Molybdenum Deposits in the Eastern United States, US Geological Survey).

Jefferson is currently comprised of approximately 1,758 acres under fourteen leases acquired from private landowners, who own the surface and sub-surface mineral rights. The Company has revitalized its 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. Since December 31, 2018, the Company has added 873 acres 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 that 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.

Exploration Plans

Pancon's technical team has designed a comprehensive exploration program, the initial phase of which 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, expected to begin in early 2020.

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*). Pancon 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.

ST. LAURENT PROJECT

Property Description

The St. Laurent Project is an exploration-stage nickel-copper-cobalt-gold-platinum-palladium project that encompasses approximately 4,170 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. The Option may be exercised upon completing 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;
   - $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 (issued);
   - 350,000 common shares on or before April 17, 2020;
   - 500,000 common shares on or before April 17, 2021;
   - 750,000 common shares on or before April 17, 2022.

A net smelter return royalty of 2.5% (the" NSR") is payable to the Optionor from all minerals sold from the property. 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 will act as operator and is required to keep the property in good standing during the term of the Option Agreement.

Historical Exploration Activities

- In 1966, S. Gray, in association with Asarco Exploration, completed ground geophysics and 7 diamond drill holes (1,081 metres), from which disseminated sulphide assay results (for Ni and Cu only) were preserved for 3 holes.
- In 1970, Asarco conducted ground geophysical surveys and geological mapping, followed by 4 diamond drill holes (411 metres) to test geophysical targets not associated with the area of the 1966 drilling, and for which assay results were not preserved.
- From 2004-2007, Eastmain Resources and Xstrata completed a series of airborne geophysical MegaTEM surveys. Using 200-metre line spacing, the surveys revealed a prominent 600-metre long EM anomaly, coincident with the 1966 diamond drilling. The EM anomaly is strong and plunging to the northeast, below detection limits of the survey, and terminates abruptly to the southwest. St. Laurent's gabbro-hosted geological setting and exploration characteristics provide an analogue to the former gabbro-hosted Montcalm Ni-Cu-Co Mine adjacent to Pancontinental's other Northern Ontario projects. For comparison, the EM anomaly associated with the former Montcalm Mine was approximately 200-metres long, and the actual Montcalm deposit was approximately 350-metres long.
- In 2008, Eastmain and Falconbridge completed 3 diamond drill holes (604 metres) to test St. Laurent's prominent EM anomaly. All 3 holes intersected a wide halo zone of highly anomalous disseminated low grade Ni-Cu-Co-Au-Pt-Pd mineralization. The source of the prominent EM anomaly has not yet been explained.
- Ni-Cu-Co sulphide deposits may consist of massive, semi-massive and net-textured lenses with disseminated halos. Such halos can provide good exploration vectors to target massive sulphides. The Project's strong airborne EM anomaly is a conductive feature that is positioned coincident with the non-conductive disseminated mineralization. The sulphur content from the assayed Eastmain mineralized zones are relatively low, which is expected with disseminated sulphides. Extrapolated to massive sulphides of approximately 35% sulfur, St. Laurent's Ni grade could potentially be 4.8% and the Co grade could potentially be 0.2%, which are comparable massive sulphide grades found at the former Montcalm Mine. Calculating Ni and Co tenor to 35% sulphide is a common practice in Ni-Cu-Co exploration to determine potential economic possibilities of nickel sulphide mineralization.
- Eastmain's 2008 exploration report states: "drilling has indicated that the mineralization is open in all directions, and therefore a more aggressive drill program should be undertaken on the claim block."
- The project's mineralized zones have an associated geochemical anomaly, providing a cost-effective exploration tool in addition to drilling.

Exploration Activities and Plans

- On April 25, 2019, the Company received an approval letter from the Ontario Ministry of Energy, Northern Development and Mines granting permission of its drilling application.
- On July 2, 2019 the Company announced that exploration field work is underway at the Project, in preparation for an upcoming initial diamond drill program to test and further define the targets and mineralized zone as identified by previous operators.
- The field work followed a geological compilation and a re-interpretation of past work, which indicated the presence of an intrusive gabbro body containing widespread anomalous Ni-Cu-Co mineralization.

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, confirm and expand 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. The intersection of greater than 1% nickel within sulphide disseminations and sulphide stringers is encouraging. The most significant result is the low associated sulphur (S) content of these intersections (5-8% S). The Ni:S ratios predict a potential grade of 3-5% Ni for massive sulphides (25-35% S) within this system, which is our exploration goal. Drilling has extended the mineralization a considerable distance along strike and at depth, providing indications of a much larger system then previously known.

The bore hole electromagnetic survey (BHEM) has identified a series of significant conductors associated with the mineralized trend and remains open and unexplained in the down plunge direction. The results of this program allow us to confidently develop a larger exploration program to follow-up on these significant new conductors. The BHEM survey indicates a complex series of conductive features plunging to the northeast. The Maxwell Plate interpretation indicates conductive anomalies along a down plunge distance of 550 metres, greatly extending the exploration target area.

Additional geophysical modelling is being considered to assist in selecting drill targets. As massive sulphides are generally strong conductors, Pancon is confident that the interpretation of the geology and the geophysical results at the St. Laurent Project support additional exploration drilling to discover massive sulphide mineralization.

MONTCALM, NOVA, GAMBLER AND STRACHAN PROJECTS

Property Description
The Montcalm, Nova, Gambler and Strachan Projects are contiguous and proximal, 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. Together, these four projects encompass a total of 15,120 hectares (Montcalm: 3,780 hectares, Nova: 2,080 hectares, Gambler: 6,980 hectares, and Strachan: 2,280 hectares). The Montcalm and Nova properties are subject to an option agreement, the 100%-owned Gambler property was acquired through staking by the Company in April 2018, and the Strachan Project is subject to a letter of intent, entered into in January 2019.

All four 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 four projects encompass all available land covering the prospective Montcalm and Strachan gabbro complexes, 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 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;
   - $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;
   - 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 3,780 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, 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.

STRACHAN NI-CU-CO PROJECT

Letter of Intent
On January 17, 2019, the Company entered into a binding letter of intent 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 Strachan Project. The Option may be exercised in two separate option 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.

The Company will act as the operator during the first and second option periods. Following the exercise of the second option a joint venture will be formed between the parties. A joint venture will also be formed in the event the Company has elected to only exercise the first option.

Exploration Activities and Plans
The Company has not conducted any exploration activity and is assessing its future exploration plans for the Strachan Project.

Given the Strachan Project's similarity to the Montcalm property in terms of topography and surface overburden cover, the methods for identifying drill targets at Strachan will similarly include airborne geophysical surveys.

MCBRIDE PROJECT (Terminated)

Property Description
The McBride Project is 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
Todd Keast, PGeo, is the Company's qualified person 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. Keast has verified all the technical data presented in this MDA.

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 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 was merged with Crossland.

As part of the consideration received from the sale of its interest to EMR, the Company retained a gross overriding royalty of one percent (1%) on sales of production from these properties. The 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 2018 Crossland reduced its holdings of former joint venture properties and as at November 26, 2018, the reported remaining joint venture properties held by Crossland consisted of 13 Charley Creek tenements, comprising 565 sub-blocks. 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 $8,423. In January 2019, the Company received payment of the 2018 advanced royalty. To date, the Company has received advanced royalty payments totalling AUS $80,874

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 a $5,000 monthly fee and 475,000 stock options. During 2019, the Company granted an aggregate of 375,000 options to Jeanny. The options vest in quarterly instalments from the date of grant.

SUMMARY OF QUARTERLY RESULTS

		Royalty revenue	Corporate and administrative	Exploration and evaluation	Net loss	Net loss per share
Fiscal 2019		$	$	$	$	$
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
Fiscal 2017						
Q4	December 31	21,777	103,642	62,006	145,965	0.001

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 - the Company's participation in industry conferences in Q1 - the Company's annual shareholder meeting in Q2 - 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, Montcalm and St. Laurent Projects; (3) share-based payments attributable to the grant of stock options in Q1 and Q3; 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; (4) and, share-based payments attributable to the grant of stock options in Q1 and Q2.

For 2017, fourth quarter results were influenced by the amount of: (1) the Australian royalty revenue recognized; (2) corporate and administrative expenses, which were impacted by - the level of legal and administrative activity to support the Company's mineral projects – and, annual audit and tax services fees; (3) and, exploration and evaluation expenditures related to the Jefferson Project.

RESULTS OF OPERATIONS

Three month period

The net loss for the third quarter of 2019 was $650,432 versus a net loss of $681,813 for the comparable quarter of 2018, representing a decrease of $31,381. The decrease in the loss primarily resulted from reduced exploration and evaluation expenditures (2019 - $480,595 vs 2018 - $553,573), as the Company focused its efforts on expanding its Jefferson Project and conducting its inaugural drill program at its St. Laurent Project. The impact of the decrease in exploration and evaluation expenditures was partially offset by an increase in share-based compensation (2019 - $56,186 vs 2018 - $3,844), as the Company granted 4,750,000 stock options during the quarter.

The small decrease in corporate and administrative expenditures (2019 - $113,191 vs 2018 - $124,045) was primarily attributable to lower professional fees as the need for legal services declined. The movement in rent and management fees reflects the change in the compensation arrangement of the Company's Chief Executive Officer, which compensation now consists solely of management fees. 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.

Nine month period

The net loss for the nine month period of 2019 was $1,539,479 versus a net loss of $1,754,632 for the comparable nine month period of 2018, representing a decrease of $215,153. 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. The foreign exchange loss (2019 - $6,544 vs 2018 - $5,555) resulted primarily from unfavourable fluctuations in the United State dollar.

The increase in corporate and administrative expenditures (2019 - $410,938 vs 2018 - $372,741) 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; (2) and, management fees, which was 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 relate to the administration of the Jefferson Project and on a combined basis were relatively consistent. The decrease in rent is due to a change in the compensation arrangement for the services of the Company's Chief Executive Officer. Professional fees decreased mainly through a decline in the need for legal services. The remainder of these expenses were relatively consistent with the comparative period.

The increase in exploration and evaluation expenditures (2019 - $1,358,355 vs 2018 - $1,154,424) 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 the current nine month period reflect the receipt of the 2018 royalty revenue receivable and growth in accounts payable and accrued liabilities due to exploration activity at the St. Laurent Project. Financing activity cash flows for the nine month period of 2019 reflect the closing of the $643,400 private placement and repayment of a cash loan provided by a Company director.

Working capital

As at September 30, 2019, Pancontinental had working capital of $321,906. 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 $122,620 represent funds provided by Company directors and officers for working capital purposes and are non-interest bearing, unsecured and payable on demand.

As at the date of the MD&A, 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 2019 annual lease payments to US $190,865.

For 2020, Pancontinental will need to raise additional working capital to: fund its corporate operating expenditures; fund its option agreement commitments for its Canadian mineral projects; maintain Jefferson Project property payments; fund exploration activities at its Canadian mineral projects and at its Jefferson Project; and, make acquisitions. A significant portion of expenditures for the Jefferson Project 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>

As at September 30, 2019, the Company expended all of the $1,935,990 in flow-through financings completed in 2018. If the Company does 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</u>

To enhance its working capital, on September 16, 2019, the Company completed a private placement of 12,868,000 units at $0.05 per unit for gross proceeds of $643,400. 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 $0.07 for a period of thirty-six months.

SHARE CAPITAL

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

Security	**Number**
Common shares	177,697,290
Warrants	28,621,218
Options	15,350,000

RELATED PARTY TRANSACTIONS

Management fees of $60,600 (2018 - $56,127) for the current three month period and $181,800 (2018 - $138,677) for the nine month period 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 - $39,600 (2018 - $35,127) for the current three month period and $118,800 (2018 - $92,754) for the nine month period. Effective January 1, 2019, Mr. Croft's fees were increased to US $10,000 per month;
- Chief Financial Officer, Mr. Mark McMurdie - $21,000 (2018 - $21,000) for the current three month period and $63,000 (2018 - $63,000) for the nine month period.
- The comparable nine month period includes the recovery of $17,077 in management fees from a former officer of the Company.

Share-based compensation (non-cash) of $14,682 (2018 - $nil) for the current three month period and $147,812 (2018 - $184,074) for the nine month period represents the fair value of stock options granted to Company directors/officers.

Loans from related parties of $122,620 (December 31, 2018 - $129,610) represent cash advances provided by Company directors and officers, of which $6,000 is denominated in the United States dollar. These loans are non-interest bearing, unsecured and payable on demand. During the current nine month period 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 nine month period. 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.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Disclosure on the Company's financial instruments and related risks may be found in Note 16 of Pancontinental's unaudited condensed interim consolidated financial statements for the nine month period ended September 30, 2019.

The Company's exposure to liquidity risk has increased significantly with the acquisition of the Canadian mineral exploration projects in conjunction with the Jefferson Project, as the Company needs to obtain financing to fund option and property payments, corporate overheads and exploration activities. In addition, Jefferson Project expenditures and 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 meet permitting requirements and/or complete property acquisitions/transactions;
- ability to conduct exploration work and meet work commitments;
- reference to competitors exploration results;
- potential of exploration properties;
- establishing economic deposits or resources;
- potential for future benefits from its Joint Venture gross overriding royalty or investment in Tortuga;
- outlook for metals and/or mining sector;
- financial or capital market conditions;
- 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;
- 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;
- obtaining environmental and mining approvals;
- availability and cost of contractors, equipment, supplies, labour and insurance;
- 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 the Company;
- 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 prefers to obtain funds through private placements and will require significant capital to finance its overall objectives. 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.

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.

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.