PANCONTINENTAL RESOURCES CORPORATION
(formerly, Pancontinental Gold Corporation)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(for the year ended December 31, 2018)

April 25, 2019

INTRODUCTION

This management's discussion and analysis ("MD&A") 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 year ended December 31, 2018, as well as a view of future prospects. The MD&A should be read in conjunction with Pancontinental's audited consolidated financial statements for the years ended December 31, 2018 and 2017. 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 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 MD&A further describes other factors that could cause results or events to differ from expectations.

CORPORATE PROFILE

Pancontinental is a publicly-listed exploration company involved in the business of acquiring, exploring and developing mineral properties. The Company has gained considerable exposure to the growing battery metal sector through its Montcalm, Nova, Gambler, Strachan and St. Laurent nickel-copper-cobalt exploration projects, all located in northern Ontario, Canada. In addition, the Company is engaged in gold exploration through its Jefferson Gold Project in South Carolina, United States. To reflect the diversification of its mineral projects the Company changed its name on July 3, 2018. The Company's common shares are listed for trading on the TSX Venture Exchange ("TSXV") under the symbol PUC.

HIGHLIGHTS

Montcalm and Nova NI-Cu-Co Projects Option Agreement
Pursuant to an option agreement completed on January 5, 2018, the Company obtained the right to acquire a 100% interest in two prospective nickel-copper-cobalt properties, the Montcalm and Nova, encompassing approximately 5,860 hectares, in the Porcupine Mining Division located approximately 65 kilometres northwest of Timmins, Ontario. During the first quarter of 2019, the Company completed an inaugural 4,300 metre diamond drill program at the Montcalm Project.

Gambler Ni-Cu-Co Project Acquisition
In April 2018, the Company staked a 100% interest in an additional 6,980 hectares of land, called the Gambler Project, which is adjacent to the Montcalm Project.

McBride Ni-Cu-Co Project Option Agreement
Pursuant to an option agreement completed on April 25, 2018, the Company obtained the right to acquire up to a 76% interest in nickel-copper-cobalt property, encompassing approximately 880 hectares, in Limerick Township located approximately 25 kilometres south of Bancroft, Ontario. The Company subsequently terminated the option agreement in March 2019, without earning an interest.

Strachan NI-Cu-Co Project Option Agreement
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.

St. Laurent Ni-Cu-Co-Au-Pt Project Option Agreement
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.

Financing Activities
On April 4, 2018, the Company closed a private placement for gross proceeds of $1,976,490. The private placement consisted of 20,010,000 units for gross proceeds of $1,000,500 and 16,266,500 flow-through shares for gross proceeds of $975,990.

In December, 2018 the Company closed a private placement in two tranches for gross proceeds of $1,701,050. The private placement consisted of 10,586,436 units for gross proceeds of $741,050 and 12,000,000 flow-through units for gross proceeds of $960,000.

Investor Relations
On July 1, 2018 the Company retained the services of Jeanny So Consulting to assist the Company in its investor relations and corporate development activities.

Technical Advisory Committee
Pancontinental strengthened its technical team with the addition of Mr. Todd Keast, P.Geo. Mr. Keast is a project geologist with more than 30 years of experience, including expertise in discovering, drilling, delineating and developing nickel-hosted massive sulphide deposits across Canada. Mr. Keast is Pancontinental's Project Manager and oversaw the maiden drill program at the Montcalm Project. Based in Sudbury, Mr. Keast has also joined Pancontinental's Technical Advisory Committee, which as of January 2019 is chaired by Company director, David Mosher.

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.

MONTCALM AND NOVA NI-CU-CO 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 Exploration 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 would 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.
- The Company is currently conducting induced polarization (IP) and geophysical reinterpretation on the Hook zone in anticipation of follow-up drilling in the winter of 2019-20.

Nova Project

Exploration Activities
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.

Exploration Plans
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
The Company has compiled historical exploration and geophysical data and produced a working database.

Exploration Plans
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. The Company and Optionor are to form a joint venture after: the Company has exercised the first option and elected not to exercise the second option; or, the Company has exercised the second option.

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

<u>Exploration Plans</u>
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.

ST. LAURENT PROJECT

<u>Property Description</u>
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.

<u>Option Agreement</u>
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 100% 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 Plans

- In March 2019, the Company received a Circulation Letter from the Ontario Ministry of Energy, Northern Development and Mines (MENDM), referencing the Company's Permit Application for the St. Laurent Ni-Cu-Co Project.

- The Company established contact to consult with the Wahgoshig First Nation, and has reached out to the Cree Nation of Waskaganish, as per guidance from the Ontario MENDM.
- The Company plans an initial diamond drill program in the summer of 2019 to test and further define the targets and mineralized zone as identified by previous operators.

JEFFERSON GOLD PROJECT

Property Description and Exploration Plans

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. This trend hosts OceanaGold Corporation's open-pit Haile Gold Mine, which commenced production in 2017 and is located approximately 15 kilometres along trend from Jefferson. The region also includes: the former Ridgeway Gold Mine, approximately 55 kilometres from Jefferson, a former 15,000 tonnes per day open-pit mine, which produced over 1.6 million ounces of gold from 1988 to 1999; and, the former open-pit Brewer Gold Mine, which forms the western border of the Jefferson Project and from which more than 12 million tonnes of ore, including 178,000 ounces of gold, was mined from 1987 -1995.

The Jefferson Project sits 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 687 acres under four leases from private landowners, who own the surface and sub-surface mineral rights. The Company is in the process of revitalizing its strategy and has renewed its focus on the strategic positioning of the Jefferson Project. As part of this endeavour the Company relinquished six leases in 2018 and three leases in 2019, representing 769 acres in aggregate. The Company is currently pursuing the acquisition of new lease agreements. In addition, the Company has secured a right of first refusal, subject to certain conditions, to purchase, lease or explore/mine an additional property lease, which encompasses approximately 52 acres. Current lease agreements include a production royalty of 3.5% (the" Royalty"), which is payable to each landowner that owns the property from which minerals are produced. Advanced royalty payments, made in lieu of lease payments, are non-refundable and will be credited towards the Royalties payable from production.

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. The McBride Project was discovered in the 1960s and diamond drill tested with more than 90 holes by Macassa Gold Mines Limited ("Macassa") and Long Lac Minerals Limited ("Long Lac"), which later acquired control of Macassa.

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, by completing the three stages of the Option described below.

a) First Option - to earn an initial 26% interest, the Company shall:
   - Pay $142,500 to the Optionor on or before April 25, 2018 (paid);
   - Pay applicable annual property taxes (paid);
   - Issue 500,000 shares to the Optionor upon receipt of TSX Venture Exchange approval (issued);
   - Incur exploration expenditures of $1.5 million during the first year of the Option.

b) Second Option – to earn an additional 25% interest, the Company shall, during the second, third and fourth years of the Option:
   - Pay $142,500 annually to the Optionor and property owners in aggregate;
   - Pay applicable annual property taxes;
   - Incur expenditures of $3.0 million in aggregate for the purposes of producing a scoping study.

c) Third Option – to earn an additional 25% interest, the Company shall during, the fifth and sixth years of the Option:
   - Pay $142,500 annually to the Optionor and property owners in aggregate;
   - Pay applicable annual property taxes;
   - Incur sufficient expenditures for the purposes of producing a feasibility study.

In March 2019, the Company terminated the Option Agreement and did not earn an interest in the McBride Project.

<u>Exploration Activity</u>
In May 2018, the Company commenced various activities to better understand the historical exploration work at the McBride Project, as well as community support. A summary of the work conducted is described below:
- Retained P&E Mining Consultants Inc. to produce an updated, independent NI 43-101 Resource Estimate;
- Produced a comprehensive digital database of all historic drill core, sample reject and downhole survey data;
- Re-boxed and re-logged historic diamond drill core;
- Cut lines and restored the project grid from historic work;
- Conducted in-depth geological mapping of almost all the core block covered by the project grid;
- Carried out soil sampling to build on previous soil geochemistry work;
- Interpreted historic airborne geophysical surveys; and,
- Commenced environmental and social baseline studies.

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 MD&A.

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 (2017 -$29,621). To date, the Company has received advanced royalty payments totalling AUS $80,874. In January 2019, the Company received payment of the 2018 advanced royalty.

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 to assist the Company in its investor relations and corporate development activities. The initial term of the agreement is for one year. Compensation for investor relations activities consists of a $5,000 monthly fee and a grant of 100,000 stock options. The options vest in quarterly instalments of 25,000 (50,000 vested) and were issued with an exercise price of $0.08 and a five year term.

SELECTED ANNUAL INFORMATION

	Year ended, December 31,		
Results of Operations	2018	2017	2016
Royalty revenue	$ 8,086	$ 21,777	$ 50,000
Gain on debt settlement	-	-	38,520
Corporate and administrative expenses	(554,393)	(477,093)	(358,934)
Exploration and evaluation	(1,294,333)	(529,838)	(769,273)
Share-based payments	(227,420)	(27,050)	(585,075)
Foreign exchange gain (loss)	(6,223)	6,662	(2,724)
Net loss	(2,074,283)	(1,005,542)	(1,627,486)
Net loss per share - basic and diluted	(0.016)	(0.010)	(0.018)
	As at December 31,		
Financial Position	2018	2017	2016
Cash	$ 1,725,980	$ 61,180	$ 630,676
Working capital (deficiency)	1,033,075	(369,589)	424,366
Total assets	1,822,426	93,134	705,985
Total long-term financial liabilities	-	-	-

The increase in the 2018 loss, as compared to 2017, was primarily influenced by the acquisition and exploration of the McBride, Montcalm and Nova Projects, in addition to costs to support expanded corporate development and promotional activities. The decrease in the 2017 loss, as compared to 2016, was primarily influenced by the curtailment of Jefferson Project activities and a significant reduction in the number of stock options granted.

For 2018, the growth in the Company's assets and working capital were funded by private placements completed during the year. For 2017, the decline in assets and working capital was due to insufficient funds to support Jefferson Project activities and corporate overheads. For 2016, assets and working capital were funded by a private placement completed during the year.

SUMMARY OF QUARTERLY RESULTS

	Royalty revenue	Corporate and administrative	Exploration and evaluation	Net loss	Net loss per share
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
Q3 September 30	-	80,094	20,134	96,188	0.001
Q2 June 30	-	152,299	98,522	249,238	0.003
Q1 March 31	-	141,058	349,176	514,151	0.005

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 in each quarter - the Company's annual shareholder meeting in Q2 and 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 four Canadian mineral projects; (4) and, share-based payments attributable to the grant of stock options in Q1 and Q2.

For 2017, 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 - the level of Jefferson Project activity in each quarter - the Company's annual shareholder meeting in Q2 and annual audit and tax services fees in Q4 - the revamping of the Company's website and development of marketing materials in Q1 and Q2 - and, management changes made in Q1; (3) exploration and evaluation expenditures related to the Jefferson Project; (4) and, share-based payments attributable to the grant of stock options in Q1.

RESULTS OF OPERATIONS

The net loss for 2018 was $2,074,283 versus a net loss of $1,005,542 for 2017, representing an increase of $1,068,741. The increase was primarily influenced by: (1) acquisition and exploration activity revolving around the Company's four Canadian mineral projects, which was partially offset by a significant contraction in Jefferson Project activity; (2) and, share-based compensation, as the Company granted 3,900,000 stock options. The foreign exchange loss resulted primarily from unfavourable fluctuations in the United States dollar.

The increase in corporate and administrative expenditures (2018 - $554,393 vs 2017 - $477,093) is a result of heightened activity revolving around the Company's Canadian mineral projects, financings and expanded corporate development and investor marketing efforts. This elevated corporate activity caused increases in: (1) filing and transfer agent fees; (2) professional fees, as audit and tax service costs increased and the need for additional legal services grew; (3) and, shareholder relations and promotion expenses, due to the retention of an investor relations consultant and participation in industry conferences and publications. The increase in rent costs reflects the establishment of an office in Charlotte, North Carolina. The contraction in Jefferson Project activity, resulted in lower insurance premiums and salaries and benefits. As well, decreases were also experienced in: (1) consulting fees, as corporate development functions are now handled as part of investor relations; (2) and, management fees, due to a reduction in accrued fees and the number of officers receiving compensation. The remainder of these expenses were relatively consistent with the comparative period.

The increase in exploration and evaluation expenditures (2018 - $1,294,333 vs 2017 - $529,838) is attributable to the incurrence of acquisition and property costs for the Company's Canadian mineral projects, as well as costs to support related exploration activity. Activity at the Jefferson Project was limited to maintaining property leases.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows
Operating activity cash flows for 2018 reflect the: receipt of the 2017 royalty revenue receivable; and, growth in the sales tax receivable and prepaid expenses due to expanded activities revolving around the Canadian mineral projects. Accounts payable and accrued liabilities was impacted by common shares issued to settle $78,820 of payables.

Financing activity cash flows for 2018 reflect the provision, as well as repayment, of cash loans provided by Company directors/officers. In addition, the Company enhanced its liquidity by raising $3,677,540 through private placements closed in April and December 2018.

Working capital
As at December 31, 2018, Pancontinental had working capital of $1,033,075. 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 of various corporate development and marketing cost, as well as mineral exploration costs.

To recapitalize the Company, gross proceeds of $3,677,540 were raised through two private placements: the first for $1,976,490 closed in April 2018; and, the second for $1,701,050 closed in two tranches in December 2018. These funds include $1,935,990 of flow-through funds, which are designated for exploration activities at the Company's Canadian mineral projects. In addition, on May 23, 2018, the Company settled $78,820 of accounts payable and management fees through the issuance of 1,126,000 common shares.

Loans from related parties of $129,610 represent funds provided by Company directors and officers for working capital purposes and are non-interest bearing, unsecured and payable on demand.

The Company has made all of the required 2019 payments (cash and common shares) for its Canadian mineral projects. Jefferson Project property payments for 2019 amount to US $63,000. During 2019, the Company relinquished four property leases and is current with its remaining Jefferson Project property payments.

For 2019, Pancontinental will need to raise additional working capital to settle its liabilities and fund its current level of operating expenditures and exploration activities. Further capital will be required to fund its option agreement commitments, maintain property payments, make acquisitions, expand exploration activities at its Canadian mineral projects, as well as restarting Jefferson Project exploration activities. 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 December 31, 2018, the Company had incurred $922,626 in expenditures with respect to the $1,935,990 in flow-through financings completed in 2018. The Company must expend the balance of $1,013,364 in qualifying expenditures by December 31, 2019. If the Company does not spend these funds in compliance with the Government of Canada flow-through regulations, it may be subject to litigation from various counterparties. The Company intends to fulfil its flow-through commitments within the given time constraints.

SHARE CAPITAL

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

Security	Number
Common shares	164,829,290
Warrants	25,128,218
Options	12,500,000

Subsequent to December 31, 2018 the Company on:

- January 18, 2019, granted 1,100,000 stock options to director, officers and consultants. These options were issued with an exercise price of $0.08 and a five year term;
- February 12, 2019, issued 100,000 common shares in accordance with the letter of intent for the Strachan Project;
- April 1, 2019, issued 300,000 common shares in accordance with the option agreement for the Montcalm and Nova Projects; and,
- April 17, 2019, issued 250,000 common shares in accordance with the option agreement for the St. Laurent Project.

RELATED PARTY TRANSACTIONS

Management fees of $195,317 (2017 - $236,625) for the year were paid or became payable to Company officers or companies controlled by or associated with Company officers as follows:

- President and Chief Executive Officer ("CEO"), Mr. Layton Croft - $128,394 (2017 - $87,068). Effective April 1, 2018, Mr. Croft's fees were increased to US $9,000 per month;
- former President and CEO, Mr. Richard Mark - $nil (2017 - $6,300). Mr. Mark ceased acting as the Company's President and CEO on April 7, 2017;
- Chief Financial Officer, Mr. Mark McMurdie - $84,000 (2017 - $84,000); and,
- former Vice President of Exploration, Mr. Dennis Lapoint - negative $17,077 (2017 - $59,257). The recovery for 2018 is the result of settling Mr. Lapoint's 2017 management fees. Mr. Lapoint ceased acting as the Company's Vice President of Exploration on April 30, 2018. Mr. Lapoint's fees were payable in USD.

Rent of $12,495 (2017 - $4,674) for the year were paid or became payable for: the Company's President and CEO's office in Charlotte, NC, effective April 1, 2018; and, the Company's former Vice President of Exploration's office in Chapel Hill, NC. The rent is payable in USD.

Share-based compensation (non-cash) of $184,074 (2017 - $19,650) for the year represents the fair value of 3,100,000 (2017 - 400,000) stock options granted to directors/officers.

Loans from related parties of $129,190 (December 31, 2017 - $165,000) represent cash advances provided by Company directors. These loans are non-interest bearing, unsecured and payable on demand. During the year, Company directors/officers provided additional cash advances of $12,940 (2017 - $77,961) for working capital purposes and the Company repaid $48,750 (2017 - $nil) of loans provided by a Company director.

The Company settled debt owing to a Company officer for unpaid management fees of $35,000 through the issuance of 500,000 common shares.

A Company director subscribed for $28,000 (360,000 units) of the private placement closed on December 28, 2018.

Pelangio Exploration Inc. is party to: the option agreement for the Montcalm and Nova Projects, effective December 7, 2018; and, the Letter of Intent for the Strachan Project. Pelangio is a related party by virtue of a common director.

FOURTH QUARTER

The net loss for the fourth quarter of 2018 was $319,651 versus a net loss of $145,965 for the comparable quarter of 2017, representing an increase of $173,686. The increase in the loss was attributable to elevated activity revolving around its Canadian mineral projects, a financing and expanded corporate development and investor marketing efforts.

The decline in royalty revenue (2018 - $8,086 vs 2017 - $21,777) is attributable to the reduction in the size of Australian JV Properties. The increase in exploration and evaluation expenditures (2018 - $139,909 vs 2017 - $62,006), is a result of exploration activity at its Canadian mineral projects. Activity at the Jefferson Project was focused on re-assessing property positions. Share-based compensation (2018 - $5,508 vs 2017 - $nil) represents the fair value of stock options issued to FPFN and a consultant.

Corporate and administrative expenditures (2018 - $181,652 vs 2017 - $103,642) experienced an increase of $78,010, which reflects the heightened corporate activity, growth in management compensation and higher audit and tax services fees. The increase in rent reflects the establishment of an office in Charlotte, North Carolina. Related party transactions included in corporate and administrative included management fees; and, rent of $3,960 (2017- $1,144).

Corporate and administrative		**2018**		2017
Consulting	**$**	**1,247**	$	-
Filing and transfer agent fees		**14,216**		2,829
Insurance		**4,588**		4,644
Management fees		**56,640**		46,166
Office and general		**2,528**		1,421
Professional fees		**58,411**		37,040
Rent		**8,100**		2,644
Salaries and benefits		**3,055**		3,628
Shareholder relations and promotion		**29,880**		1,236
Travel		**2,987**		4,034
	$	**181,652**	$	103,642

Cash flows used in operating activities were $289,891. Cash flows consumed by operations before changes in non-cash working capital items were $315,154. Cash provided by non-cash working capital items was $25,263.

Cash flows provided from financing activities were $1,632,825. These cash flows represent the net proceeds from a private placement closed in two tranches, which consisted of 10,586,436 units and 12,000,000 flow-through units.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Disclosure on the Company's financial instruments and related risks may be found in Note 19 of Pancontinental's audited consolidated financial statements for the year ended December 31, 2018.

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.