PANCONTINENTAL RESOURCES CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

(for the nine month period ended September 30, 2021)

November 19, 2021

INTRODUCTION

This management's discussion and analysis ("MD&A") has been prepared by Pancontinental Resources Corporation's ("Pancon" or the "Company") management and provides a review of the Company's operating and financial performance for the nine month period ended September 30, 2021, as well as a view of future prospects. The MD&A should be read in conjunction with Pancon's unaudited condensed interim consolidated financial statements for the nine month period ended September 30, 2021; and, audited consolidated financial statements for the year ended December 31, 2020. Additional information related to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) and is available online at www.sedar.com.

Basis of presentation
Pancon's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars, unless otherwise noted.

This MD&A may contain forward-looking statements, which may be influenced by factors described in the "Cautionary Statements" section of the MD&A. The "Risks and Uncertainties" section of this MDA further describes other factors that could cause results or events to differ from expectations.

CORPORATE PROFILE

Pancon is a Canadian junior mining company focused on exploring the prolific and underexplored Carolina Slate Belt in Chesterfield County, South Carolina, USA. In January 2020, Pancon won the exclusive right to explore the former Brewer Gold Mine property. Between 1987-1995, Brewer produced 178,000 ounces of oxide gold from open pits that extended to 65-metre depths, where copper and gold-rich sulphides were exposed but could not be processed by the oxide heap leach processing facility (*Zwaschka, M. and Scheetz J.W., 1995, Detailed Mine Geology of the Brewer Gold Mine, Jefferson, South Carolina, Society of Economic Geologists*). Prior to Pancon's involvement, Brewer had not been explored since 1997, and most of the tools used previously to explore the property have since been updated with more advanced technologies. Brewer is a high sulphidation system driven by a sub-volcanic intrusive and possibly connected to a large copper-gold porphyry system at depth, as indicated by: widely known prospective geology, including diatreme breccias; associated high sulphidation alteration; gold and copper mineralization; and geophysics (*Schmidt, R.G., 1978, The Potential for Porphyry Copper-Molybdenum Deposits in the Eastern United States, U.S. Geological Survey*). Pancon's 100%-owned, 1,995-acre Jefferson Gold Project nearly completely surrounds the 1,000-acre former Brewer Gold Mine property, and both Jefferson and Brewer are located 12 kilometers northeast along trend from the producing Haile Gold Mine, which produced 137,413 ounces of gold in 2020 (https://oceanagold.com/operation/haile/).

HIGHLIGHTS

Brewer Gold and Copper Project
During the first three quarters of 2021, Pancon completed Phases 1 and 2 of drilling, which began in November 2020. Phase 1 included 7 diamond drill holes, 90 rotary air blast (RAB) drill holes, as well as 2 sonic drill holes drilled through the reclaimed waste rock used to backfill the former Brewer gold mine. Phase 2 included 10 diamond drill holes, 104 RAB drill holes, as well as 4 sonic drill holes drilled through the reclaimed waste rock used to backfill the former Brewer gold mine. To date, Pancon has drilled more than 9,000 meters of: diamond core, rotary air blast (RAB), and sonic drill hole samples. Results for most of the above have been released, but are pending for the totality of Phase 2 drilling.

Jefferson Gold Project
Since January 1, 2021, Pancon has expanded the Jefferson Gold Project area to approximately 1,995 acres through the acquisition of four leases representing 528 acres.

Sale of Ontario nickel-copper-cobalt exploration projects
During 2021, Voltage Metals Inc., (formerly, Tempus Resources Inc.) has paid $600,000 and issued one million common shares to Pancon. These payments were made pursuant to a June 20, 2020 purchase agreement, as amended on March 1, 2021, in which Voltage obtained the right to acquire a 100% interest in the Company's St. Laurent, Montcalm, Nova and Gambler nickel-copper-cobalt projects located in Ontario, Canada. Pancon in turn paid $110,000 and issued 1.25 million common shares to complete its payment obligations pursuant to the St. Laurent option agreement and exercised its option to acquire the St. Laurent project.

Financing activity
Since January 1, 2021, Pancon has received proceeds of $247,975 from the exercise of 3,542,500 warrants and $659,500 from the exercise of 5,725,000 stock options.

Director and advisor changes
At Pancon's Annual and Special Meeting of Shareholders held on June, 21, 2021, Mr. Philip Corriher was appointed a director of the Company in place of Mr. Donald Whalen, who did not stand for re-election. Mr. Corriher previously acted as a strategic advisor for Pancon. Mr. Corriher serves as Vice-President of Corporate Development, and previously as Vice-President of Risk Management, for Core Petroleum LLC., a privately owned company involved in the marketing of physical crude oil cargos. Mr. Corriher founded Carolina Mining Company LLC in 2015, a privately owned Carolinas focused precious and base metals prospect generator. Mr. Corriher is an entrepreneur with a deep knowledge of the geological potential of the southeastern United States. In addition, he holds a Bachelor of Science degree in Textile and Apparel Management and a Bachelor of Arts degree in Spanish Language and Literature from North Carolina State University.

On October 18, 2021, Mr. Laurie Curtis was appointed a director of the Company. Mr. Curtis is a mining geologist and executive who founded the company that discovered and developed the world-class Tujuh Bukit gold-copper district in Indonesia, which has many similarities to Brewer. He has 50-plus years of global exploration, development and executive leadership experience. Mr. Curtis has served as independent director of multiple exploration and mining companies and holds a BSc from the Australian National University and a PhD from the University of Toronto.

In October 2021, Pancon retained Mr. David Harquail and Mr. Keith Laskowski as advisors. Mr. Harquail is a geological engineer and executive with 40-plus years of professional experience, including acting as chair of the board of directors at Franco-Nevada (2020 to present), president and chief executive officer of Franco-Nevada (2007 to 2020), director of the Bank of Montreal (2018 to present), and director and former chair (2017 to 2020) of the World Gold Council. He holds a BASc from the University of Toronto and an MBA from McGill University. Mr. Laskowski is a mining geologist and executive with 40-plus years of global experience across 40 countries in the discovery, development, extraction and financing of mining projects. He spent 17 years with Newmont Exploration as senior geologist and regional manager, including work in the Carolina slate belt. From 2012 to 15, he was principal mining specialist with the World Bank's International Finance Corp. Since 2015, Mr. Laskowski has been vice-president, technical services, for Sandstorm Gold and is president and owner of Yellowstone Geological Services. He holds a BS from University of Maine and an MSc from Colorado School of Mines.

Investor relations and market stabilization/liquidity services
During April 2021, Pancon retained the services of Red Cloud Financial Services Inc. ("Red Cloud") to provide investor marketing services. In October 2021, Pancon retained Red Cloud to provide market stabilization and liquidity services.

COVID-19 Pandemic

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Its impact on global economies has been far-reaching, and businesses around the world had to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

It is not possible to reliably estimate the duration and severity of the COVID-19 pandemic, nor its impact on the financial position and results of the Company in future periods. Pancon has taken measures to contain the spread of COVID-19 and is proceeding with its exploration activities, as long as the work environment remains safe.

BREWER GOLD AND COPPER PROJECT – SOUTH CAROLINA, UNITED STATES

Property Description

The Brewer Gold and Copper Project ("Brewer" or the "Brewer Project") is an exploration-stage gold project located on the prolific and underexplored Carolina Slate Belt in Chesterfield County, South Carolina. Brewer is located on the same mineralized trend and 12 kilometres northeast of OceanaGold Corporation's operating Haile Gold Mine. Brewer is nearly completely surrounded by the Company's 100%-owned Jefferson Gold Project. Prior to Pancon's exploration program that began in 2020, Brewer had not been explored since 1997.

Gold was discovered at Brewer in the early 1800s. Between 1987 and 1995, the Brewer Gold Company ("BGC"), a United Kingdom entity, produced 178,000 ounces of gold from open pit mining operations that extended to 65-metre depths, where copper and gold-rich sulphides were exposed, but could not be processed by BGC's oxide heap leach processing facility. Brewer is a high sulphidation system driven by a sub-volcanic intrusive and possibly containing a large copper-gold porphyry system at depth, as indicated by: known prospective geology, including diatreme breccias; associated high sulphidation alteration; gold and copper mineralization; and, geophysics (Schmidt, R.G., 1978, The Potential for Porphyry Copper-Molybdenum Deposits in the Eastern United States, US Geological Survey). Historic drill results and mining operations at Brewer focused on near-surface, oxide gold mineralization and not on the disseminated and massive sulphide mineralization at depth which was encountered in the deeper holes.

BGC mined more than 12 million tons of mineralized material and waste rock from two open pits until 1995, when mining operations ceased. From 1995 to1999, BGC performed initial reclamation activities under the direction of the South Carolina Department of Health and Environmental Control ("S.C. DHEC"). BGC was unsuccessful in achieving the goal of a fully-reclaimed, clean site, and ultimately informed the S.C. DHEC that it intended to abandon the site. In 1999, BGC abandoned the site, leaving the S.C. DHEC and the U.S. Environmental Protection Agency ("EPA") to handle reclamation activities and address conditions posing environmental risk.

BGC's abandonment of the property left the S.C. DHEC and the EPA with no options for addressing water quality threats from the site other than using the Comprehensive Environmental Response, Compensations and Liability Act ("CERCLA") response actions funded by the S.C. DHEC and the EPA. The S.C. DHEC and EPA retained access to the property for purposes of constructing, operating, and maintaining the wastewater treatment plant and otherwise carrying out the CERCLA remedy. In 2005, Brewer was designated an EPA Superfund site as per the CERCLA.

In 2019, the S.C. DHEC, with the support of the EPA, sought the appointment of a Receiver (a legal construct similar to a trustee) for the former Brewer Gold Mine to facilitate the leasing, sale or other use or disposition of the abandoned property, including potential renewal of mineral exploration and mining development.

Option Agreement

In January 2020, Pancon, in co-operation with Environmental Risk Transfer LLC ("ERT"), was awarded the right to explore the highly prospective former Brewer Gold Mine property. On March 1, 2020, Pancon entered into a mining lease with an option to purchase (the "Option Agreement") with Brewer Gold Receiver, LLC (the "Receiver"). The initial option term of the Option Agreement is 24 months, which was extended from 18 months, commencing on April 1, 2020. Provided Pancon spends US $2 million (completed) on exploration and environmental due diligence during the initial option term, the Company can extend the option term for an additional 18 months. The Company has the right to exercise its option to purchase Brewer at any time within the option term.

During the option term, Pancon will design and implement the exploration program and engage ERT (an industry leader providing environmental risk-transfer solutions to eliminate environmental liabilities) to implement the environmental due diligence required to determine the Superfund liability at Brewer.

Pursuant to the Option Agreement, the components of the purchase price for Brewer consist of:

a) The cost of environmental remediation and financial assurance for assuming ownership of all past environmental liability at Brewer, which will be a number based on ERT's environmental due diligence during the option term that will provide input to upcoming negotiations with the Receiver, S.C. DHEC and the EPA; and,

b) Half (50%), estimated to be in the order of US $15 million, of total past costs incurred by the S.C. DHEC and the EPA to clean and manage Brewer since 2000, which, according to Pancon's and ERT's winning proposal, will be paid after future mining operations are commissioned, in ten annual instalments of 10%, and conditioned on the future mine operator's ability to pay based on a profit formula to be determined by the parties.

These components will be finalized in a purchase and sale agreement, which will supersede the Option Agreement, and which will utilize input from ERT's environmental due diligence and ERT's and Pancon's negotiations with the Receiver, S.C. DHEC and the EPA.

<u>Environmental Risk Transfer LLC</u>
In response to increasing shareholder and stakeholder demands for increased environmental stewardship and responsibility, as well as a state and federal regulatory focus on site closure in connection with financial and environmental liability, the Waterfield Group and Environmental Operations, Inc. (EOI) created Environmental Risk Transfer LLC (ERT) to provide complex environmental risk-transfer solutions for corporations that wish to cost-effectively eliminate all environmental liability. In this situation ERT would assume the long-term risks associated with the Superfund liability. ERT's ongoing success at Missouri Cobalt LLC - a former and current EPA Superfund site now owned and operated by an ERT affiliate - has won praise from the EPA as a positive example of transforming formerly contaminated sites into hubs of economic activity promoting redevelopment and community revitalization.

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

<u>Exploration Plans</u>
Pancon's goal is to discover new gold and new gold-copper mineralization under and/or nearby the former gold mine and to assess gold content in the reclaimed Brewer pit. To achieve this goal the Company has four objectives: 1) to understand, through iterative data analysis, the probable location of gold and gold-copper mineralization near-surface and at depth; 2) to find, through drilling, in-pit new gold and new gold-copper mineralization; 3) to expand, through more drilling, the size and shape of new gold and new gold-copper mineralization; and 4) to demonstrate, through data modeling, Brewer's economic potential.

Exploration work and results to date have enabled Pancon to advance Brewer's three value drivers:
- Quickly remediate the waste and monetize the gold contained in the reclaimed former mined pits.
- Define and develop a maiden gold-copper resource below and near the former mine.
- Use Pancon's Geologic Compilation and Discovery Model of the Brewer-Jefferson system to discover a large copper-gold porphyry deposit.

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

- Improve knowledge of Brewer mineralogy by using x-ray diffraction (XRD), thin sections and short-wave infrared (SWIR) spectral analysis on historic drill core, as well as spectral analysis, XRD and thin sections on rotary air blast (RAB) drill samples, sonic drill samples, and new drill core – ongoing.
- Ongoing compilation, integration and analysis of historic and new geophysical, geochemical and geologic data.
- Conduct new geophysics (ground magnetics, gravity, resistivity/induced polarization) – completed in early July 2020.
- Conduct shallow validation and exploration drilling using rotary air blast (RAB) drills – completed Phase 1 in early September 2020 and Phase 2 in early July 2021.
- Based on historic data compilation together with new geophysical, geochemical, geological and mineralogical data and interpretation, refresh the Company's Geological & Discovery Model for the Brewer mineralizing system – ongoing with plan to finalize in January 2022.
- Commenced Phase 1 of sonic and diamond drilling in early November 2020. Drilled 7 holes and approximately 2,700 meters, and concluded Phase I at the end of January 2021.
- Produced assay, geochemical and hyperspectral mineralogy data from Phase 1 drill core, the results of which were reported on March 2, 2021 and April 27, 2021.
- Conducted follow-up time-domain electromagnetic (TDEM) downhole and surface geophysics in March-April 2021. Produced historic blast hole model for main pit and B6 pit in March-April 2021.
- Commenced Phase 2 of sonic and diamond drilling in early April 2021.
- In April-May 2021, collected outcrop surface samples across the Brewer and Jefferson projects, to provide additional geological, geochemical and mineralogical information about the larger mineralized system.
- Completed Phase 2 of shallow rotary air blast (RAB) drilling, including 104 holes on the Brewer property.
- Reported results for diamond drill holes 8, 9 and 10 on July 26, 2021. Reported results for all 6 sonic drill hole results on August 11, 2021. Reported results for diamond drill holes 11 and 12 on August 31, 2021. Reported partial results for diamond drill hole 15 on September 8, 2021.

In the fourth quarter of 2021, based on the above, the Company envisions the following:

- Receive and report on all Phase 2 RAB and diamond drill results; and
- Continue refreshing the Geological & Discovery Model for the Brewer Gold & Copper Project.

<u>Exploration Activities</u>
Pancon is following the exploration plans described above. Specifically, an effort to compile and integrate historic and new geologic, geochemical and geophysical data from Brewer is ongoing, and began in April 2020 when the Option Agreement commenced. In late May 2020, a modern geophysics program commenced, which included resistivity/induced polarization (IP), magnetic, and gravity geophysical surveys. It was the first time in nearly three decades that any scientific data has been produced using modern technology and tools at and around the former Brewer Gold Mine.

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

- Resistivity/IP: for detecting variation in alteration mineral assemblages (especially sulfides) and rock types down to approximately 225 meter depths;

- Ground magnetics: for mapping local variations in magnetic intensity related to rock types, structure, alteration and mineralization; and
- Gravity: for mapping density contrasts related to rock types, alteration and mineralization.

As a result, Pancon identified multiple, locally coincident IP chargeability, resistivity, gravity and magnetic anomalies – and new drill targets – over the historic mine pits and adjacent to the former main pit to the west and south. Pancon's new and highly prospective zone in the Brewer-Jefferson AOI, largely untested to depths below 50 meters by previous operators, covers an area of at least 2,000 meters east-west in length, is open to the south, and is bounded to the north by a northwest-trending fault identified in the magnetic survey. Pancon's new prospective zone covers much of the 1,000-acre Brewer property and extends in multiple directions onto the surrounding 1,500-acre Jefferson Project land position.

Pancon's spectral analysis of all rotary-air-blast (RAB) samples shows minerals commonly associated with gold in Brewer's alteration lithocap include quartz, pyrophyllite, topaz, kaolinite group minerals +/- alunite, white mica, zeolite, gibbsite, smectite, diaspore, goethite, hematite, and Mg-chlorite. Other mineral phases identified by x-ray diffraction (XRD) are generally more prevalent in unoxidized zones of historic Brewer core, including andalusite, pyrite, bayerite, lizardite, ilmenite, rutile, arangasite, arsenopyrite, enargite, palygorskite, brucite, clinochlore, cerussite, chalcopyrite, antigorite, chalcanthite, nacrite, and trace amounts of other phases including zoned uvarovite, andradite, and grossular garnets associated with sulphides and possible skarn. Oxidation of the above minerals produces metal-rich acid mine waters which are routinely recovered as part of the state and federal government's environmental mitigation plan. On site, several samples of sludge concentrated and sequestered from these waters average 0.4 ppm gold, 0.7 % copper, and contain elevated levels of rare earth elements (REEs).

In early November 2020, Pancon launched the first phase of the Company's initial 10,000-meter diamond drill program, which will consist of approximately eight holes ranging from 300-600 meters each, for a total of approximately 3,500 meters. This phase is focused on coincident geochemical, geophysical and geological targets. Many of the targets are coincident resistivity and chargeability anomalies, with hole locations, angles and depths informed by the Company's compilation of historic data together with its own recently produced data.

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

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

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

In late April 2021, Pancon reported complete gold assay and multi-element geochemistry results for diamond holes 1 through 5, among the total 7 diamond and 2 sonic holes drilled in Phase 1. Results for diamond holes 6 and 7 and sonic holes 1 and 2 are pending. Highlights included:

- Hole 4 returned 7.6 m of 0.97% Cu and 2.96 g/t Au, from 161.4 m to 169.0 m vertical depth.
- Hole 5 returned 7.6 m of 0.95% Cu and 1.11 g/t Au, from 190.9 m to 198.5 m vertical depth.
- Hole 4, in terms of copper values as they correlate to gold values, returned 115.6 m of 0.17% Cu, including: 71 m of 0.24% Cu; 15.5 m of 0.45% Cu; and 3.45 m of 1.17% Cu.
    - On a gold equivalent basis, Hole 4 returned 115.6 m of 1.19 g/t AuEq, including: 71 m of 1.64 g/t AuEq; 15.5 m of 3.10 g/t AuEq; and 3.45 m of 7.24 g/t AuEq.
- Hole 5, in terms of copper values as they correlate to gold values, returned 181.6 m of 0.26% Cu, including 24.2 m of 0.41% Cu.
    - On a gold equivalent basis, Hole 5 returned 181.6 m of 1.67 g/t AuEq, including: 75 m of 2.57 g/t AuEq and 24.2 m of 4.94 g/t AuEq.

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

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

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

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

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

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

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

In September 2021, Pancon reported gold and multi-element geochemistry partial results for one more diamond drill hole in Phase 2. Highlights included:

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

In October 2021, Pancon provided an update for the Brewer Gold & Copper Project. Highlights included:

- Strategic pause in drilling until all Phase 2 results are received and analyzed.
- Actively refreshing Pancon's Geologic Compilation and Discovery Model for the Brewer system.
- Actively engaging Environmental Risk Transfer on due diligence for a Remediation Plan.

JEFFERSON GOLD PROJECT – SOUTH CAROLINA, UNITED STATES

<u>Property Description</u>
Pancon has a 100% interest in the Jefferson Gold Project ("Jefferson" or the "Jefferson Project"), which is an exploration-stage gold project located on the prolific and underexplored Carolina Slate Belt in Chesterfield County, South Carolina, U.S.A, within one of the most historically significant gold trends in the United States. The Jefferson Project nearly completely surrounds the Company's Brewer Project and extends along a northeast-striking structural trend of hydrothermal alteration and gold mineralization extending before and from the former Brewer Gold Mine. It contains multiple drill targets within a mineralized trend based on historic exploration.

Jefferson is currently comprised of approximately 1,995 acres (807 hectares) under fifteen leases acquired from private landowners, who own the surface and sub-surface mineral rights. During 2021, the area of an existing lease was reduced, and the Company acquired four additional leases representing 528 acres (214 hectares) and relinquished two leases. As of the date of the MD&A, the Company has paid all of its annual lease payments for 2021, which amounted to US $228,980. In addition, the Company has secured a right of first refusal to purchase, lease or explore/mine an additional property, which encompasses approximately 52 acres (21 hectares). The Company is continuing its pursuit of acquiring additional lease agreements and expanding its land position.

The fifteen leases range in expiration from 2022 to 2031 and the Company has the right to acquire a 100% interest in thirteen of the leases and also holds a right of first refusal to acquire a 100% interest in one lease. Five of the lease agreements include a production royalty ranging from 1.5% to 3.5%. The royalty is payable to the landowner who owns the property from which minerals are produced. Two leases provide for advanced royalty payments, which are made in lieu of lease rental payments. Advance royalty payments are non-refundable and will be credited towards the royalty payable from production.

<u>Exploration Plans</u>
Given that the Jefferson Project nearly completely surrounds the Brewer property, and given that the Brewer gold-copper mineralized system extends beyond the Brewer property boundary in all directions, Pancon treats its exploration of Jefferson as part and parcel of the Company's exploration of Brewer. Therefore, the geophysics program conducted in May-June 2020, and the outcrop surface sampling work of April-August 2021, covered land on both the Jefferson and Brewer projects. In addition, the Company's evolving geological model for Brewer invariably incorporates historic and recently produced geological, geophysical, mineralogical and geochemical data on the Jefferson Project.

ST. LAURENT PROJECT – ONTARIO, CANADA

Property Description
The St. Laurent Project is an exploration-stage nickel-copper-cobalt-gold-platinum-palladium project that encompasses approximately 4,400 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 Gold Mine and 20 kilometres southwest of the producing Casa Berardi Gold Mine.

Option Agreement
On March 25, 2019, Pancon 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. In March 2021, the Company completed its payment obligations and exercised the Option pursuant to the Company's purchase agreement with Voltage Metals Inc. To exercise the Option, the Company:

a) Paid 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 (paid*);
   - $50,000 on or before April 17, 2021 (paid in March 31, 2021);
   - $60,000 on or before April 17, 2022 (paid in March 31, 2021).

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 (completed*);
   - 500,000 common shares on or before April 17, 2021 (issued on March 29, 2021);
   - 750,000 common shares on or before April 17, 2022 (issued on March 29, 2021).

* In April 2020, a Pancon director provided the cash and shares for the Company to satisfy the required payments due by April 17, 2020.

A net smelter return royalty of 2.5% (the" NSR") is payable to the Optionor from all minerals sold from the St. Laurent Project. 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.

Exploration Activities
In October 2019, Pancon 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, was successful and confirmed and enhanced the exploration potential of this new magmatic nickel sulphide target. The Company's initial drill program produced assay results (please refer to Pancon's news release of November 7, 2019) with considerably higher grade mineralization than previous programs conducted by previous operators. No exploration activities have been conducted during 2020 or 2021.

MONTCALM, NOVA AND GAMBLER PROJECTS – ONTARIO, CANADA

Property Description
The Montcalm, Nova and Gambler Projects are contiguous and proximal to the former Montcalm Mine, 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. These three projects encompass approximately an aggregate total of 12,196 hectares (Montcalm: 3,880 hectares, Nova: 840 hectares, and Gambler: 7,476 hectares). The acquisition of the Montcalm and Nova properties were subject to an option agreement and the 100%-owned Gambler property was acquired through staking by Pancon in April 2018.

All three 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 property. The Nova Project is located approximately 19 kilometres southwest of the former Montcalm Mine. These three projects encompass all available land covering the prospective Montcalm gabbro complex, 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, Pancon 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.

MONTCALM AND NOVA NI-CU-CO-AU PROJECTS

Option Agreement
On January 5, 2018, Pancon entered into an option agreement (the "Option Agreement"), as amended on February 20, 2018, February 28, 2020 and on June 22, 2020 with 2522962 Ontario Inc., which company was subsequently acquired by Pelangio Exploration Inc. (the "Optionor"). The Option Agreement provided the Company with the right (the "Option") to acquire a 100% interest in the Montcalm and Nova properties. On June 22, 2020, the Option Agreement was amended a third time, whereby the Company agreed to issue: a total of 700,000 common shares in lieu of the Company making the remaining two annual cash payments of $35,000 each or $70,000 in the aggregate; and, issue a total of 600,000 common shares to complete the remaining two annual 300,000 share instalments. On June 25, 2020, the Company issued 1,300,000 common shares in satisfaction of all remaining payments and acquired a 100% interest in the Montcalm and Nova properties.

The total Option payments made by the Company during the term of the Option Agreement consisted of:

a) Cash payments totalling $70,000 (originally $140,000), of which $35,000 was paid in each of 2018 and 2019; and,
b) An aggregate of 1,900,000 (originally 1,200,000) common shares of the Company, issued as follows:
   - 300,000 common shares on February 28, 2018;
   - 300,000 common shares on April 1, 2019;
   - 700,000 common shares on June 25, 2020, in lieu of the remaining two annual cash payments of $35,000 each. The cash payments were due on June 28, 2020 and on February 28, 2021, respectively; and,
   - 600,000 common shares on June 25, 2020, representing the remaining two 300,000 common share instalments, previously due on June 28, 2020 and on February 28, 2021, respectively.

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.

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 64% of the Montcalm property, or 2,495 out of 3,880 hectares.

During 2019, a maiden drill program was conducted to test those VTEM geophysical anomalies identified in 2018. Assay results from the 10 diamond drill holes (please refer to Pancon's news release of March 27, 2019), covered a broad section of the Montcalm 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 Pancon (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 Pancon's subsequent drilling orientation. This could explain why Pancon's two holes in the Hook zone did not intersect mineralization.
- Pancon'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.

No exploration activities have been conducted during 2020 or 2021.

Nova Project

Exploration Activities and Plans

During 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. No exploration activities have been conducted during 2020 or 2021.

GAMBLER NI-CU-CO PROJECT

Exploration Activities and Plans

Pancon 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. No exploration activities were conducted during 2020 or 2021.

QUALIFIED PERSON

Richard "Criss" Capps, PhD, CPG, is one of the Company's qualified persons (QP) under National Instrument 43-101 "Standards of Disclosure for Mineral Projects" and has verified all the technical data presented in the MD&A that is related to the Brewer and Jefferson Projects, except for the technical data from the Company's July 26, 2021 and August 11, 2021 news releases, which was verified by Mr. Tom Quigley, MSc, CPG-11962, a Qualified Person as defined by NI 43-101. Richard "Criss" Capps, PhD, CPG, was QP for the Company's August 31, 2021 and September 8, 2021 news releases. Mr. Patrick Quigley, MSc, CPG-12116, a Qualified Person as defined by NI 43-101, was QP for the Company's October 18, 2021 news release. Mr. Todd Keast, PGeo, a Qualified Person as defined by NI 43-101, acted as the Company's QP for the Company's Canadian mineral projects and verified all the related technical data presented in the MD&A. The Company has not yet completed the work necessary to verify the historical data and past exploration results of its projects.

SALE OF THE ST.LAURENT, MONTCALM, NOVA AND GAMBLER PROJECTS – ONTARIO, CANADA

On June 20, 2020, the Company entered into an agreement (the "Purchase Agreement") with Voltage Metals Inc., formerly, Tempus Resources Inc. ("Voltage"), a private company, pursuant to which Voltage obtained the right ("Option") to acquire a up to a 100% interest in the Company's four mineral projects, St. Laurent, Montcalm, Nova and Gambler (the "Projects"), located in Ontario, Canada. On March 1, 2021, the Purchase Agreement was amended whereby the remaining $800,000 of the requisite $1 million cash payment was spread over three quarterly instalments, beginning March 31, 2021; and, the $2 million exploration expenditure stage was eliminated and exchanged for 1,000,000 common shares of Voltage. For Voltage to exercise the Option and acquire a 100% interest in the Projects, Voltage shall:

a) Pay an aggregate of $1,000,000 (non-refundable),as follows:
   - $100,000 non-refundable deposit on signing (paid *) ;
   - $100,000 by September 22, 2020 (paid);
   - $300,000 by March 31, 2021 (paid);
   - $300,000 by September 30, 2021 (paid); and,
   - $200,000 by December 31, 2021.

   * In April 2020, a Company director provided the cash and shares to for the Company to satisfy the April 17, 2020 payment requirements for the St. Laurent Project. The Company director retained the right to recover up to an aggregate of $50,000 from any party or parties that purchased or joint ventured any or all of the Company's four mineral projects (St. Laurent, Montcalm, Nova and Gambler) located in Ontario, Canada. The Company was not liable for the repayment of the cash or shares to the Company director. The Director recovered $50,000 from the initial $100,000 non-refundable deposit paid by Voltage.

b) Issue 1,000,000 common shares in the share capital of Voltage to the Company, as follows:
   - 500,000 common shares by March 31, 2021 (issued – subject to a trading restriction of four months following a liquidity event**): and,
   - 500,000 common shares by March 31, 2021 (issued – subject to a trading restriction of eight months following a liquidity event**).

   ** Liquidity event occurs upon: (i) Voltage completing a public offering and being listed for trading on a recognized stock exchange; or (ii) Voltage's common shares being exchanged for the securities of another issuer and being listed on a recognized stock exchange; or (iii) the acquisition of all or substantially all of Voltage's common shares for cash consideration.

The Company has elected to defer placing a value on the 1,000,000 Voltage common shares until such time that fair values can be supported. As a result of Voltage having made the payments due by March 31, 2021, the Company completed its payment obligations pursuant to the St. Laurent option agreement and exercised its option to acquire the St. Laurent project.

Up until the expected closing of December 31, 2021, the Company has granted Voltage the right to commence exploration activities at any of these four projects, with Voltage assuming all responsibility of ensuring that its exploration activities are conducted in accordance with all relevant laws, regulations and First Nation agreements.

GROSS OVERRIDING ROYALTY

Australia

On February 8, 2007, the Company formed a joint venture (the "Joint Venture") with Enova Mining Limited (formerly, Crossland Strategic Metals Limited) ("Enova") and subsequently earned a 50% interest in a number of Australian properties prospective for rare earth elements ("REE") and uranium. On November 26, 2015 (the "Effective Date") the Company completed the sale of its entire interest in the Joint Venture to Essential Mining Resources Pty Ltd. ("EMR") and retained a gross overriding royalty ("GOR") of one percent (1%) on sales of production from 100% of the Joint Venture properties (the " Former JV Properties"). During 2017, EMR merged with Enova.

An annual non-refundable advanced royalty payment of AUS $3,900, is due on each anniversary of the Effective Date, subject to adjustment for the number of Former JV Properties retained and their size. To date, the Company has received advanced royalty payments totalling AUS $91,335. During 2020, Enova reduced its holdings of the Former JV Properties and, as at November 26, 2020, reported that the remaining Former JV Properties were reduced to five (5) Charley Creek tenements, comprising 155 sub-blocks.
Advance royalty payments are to be deducted from gross overriding royalties on future production. The Company has not been advised if and when production is expected to begin.

INVESTMENT IN TORTUGA RESOURCES INC.

Pursuant to an equity offering by Tortuga Resources Inc. ("Tortuga") in 2014, Pancon acquired 666,667 common shares for US $200,000 (CDN $220,760). Tortuga is a private company engaged in the acquisition, exploration and development of oil and gas properties. The investment was made to gain exposure to a gas exploration opportunity in the United States. Pancon is not involved in the management of Tortuga and relies on Tortuga for advising the Company of its future plans. In 2015, 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 AND CORPORATE DEVELOPMENT

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

On September 3, 2019, Pancon entered into advisory services agreements with Liberty Capital Inc. and Lateral Management Inc. The advisers are to provide the Company 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-year term. Of these options, 1,000,000 vested immediately and the vesting of the remaining 3,000,000 options were subject to market capitalization thresholds, which were attained in 2020 and 2021.

In April 2021, Pancon retained the services of Red Cloud Financial Services Inc. ("Red Cloud") to provide investor marketing services for a fee of $10,000 per month. The initial term of the agreement is for twelve months, beginning May 1, 2021.

In October 2021, Pancon retained Red Cloud to provide market stabilization and liquidity services for a monthly fee of $5,000. The agreement may be terminated by providing 30 days written notice.

SUMMARY OF QUARTERLY RESULTS

		Royalty revenue	Corporate and administrative	Exploration and evaluation	Exploration and evaluation recovery	Net loss	Net loss per share
Fiscal 2021		$	$	$	$	$	$
Q3	September 30	-	238,721	759,138	(300,000)	710,839	0.003
Q2	June 30	-	598,972	1,051,000	-	1,694,114	0.007
Q1	March 31	-	223,477	947,328	(300,000)	919,520	0.004
Fiscal 2020							
Q4	December 31	(3,737)	246,191	847,510	-	1,178,261	0.005
Q3	September 30	-	176,405	342,491	(100,000)	919,008	0.004
Q2	June 30	-	134,894	417,689	(50,000)	527,019	0.003
Q1	March 31	-	172,984	108,727	-	402,138	0.002
Fiscal 2019							
Q4	December 31	(5,905)	175,509	169,629	-	224,905	0.001

For 2021, fluctuations in quarterly results were influenced by the amount of: (1) corporate and administrative expenses, which were impacted by - the Company's annual shareholder meeting in Q2 - increased compensation for the Company's Chief Executive Officer in Q2 and Q3 - and, marketing and corporate development activities in each quarter; (2) exploration and evaluation expenditures related to the Company's Brewer and Jefferson Projects; (3) proceeds realized in Q1 and Q3 from the impending sale of the Company's Canadian mineral projects; (4) and, share-based payment valuations attributable to the grant of stock options.

For 2020, fluctuations in quarterly results were influenced by the amount of: (1) corporate and administrative expenses, which were impacted by - financing activities and marketing and corporate development activities in Q1, Q3 and Q4 - the Company's new exchange listing on the United States OTCQB Venture Market in Q3 - the Company's annual shareholder meeting in Q3 - and, annual audit and tax services fees in Q4; (2) exploration and evaluation expenditures related to the Company's Brewer and Jefferson Projects; (3) proceeds realized in Q2 and Q3 from the impending sale of the Company's Canadian mineral projects; (4) share-based payment valuations attributable to the grant of stock options in Q1 and Q3; and, (5) unfavourable fluctuations in the U.S. dollar in Q3 and Q4.

RESULTS OF OPERATIONS

Three-month period

The net loss for the third quarter of 2021 was $710,839 versus a net loss of $919,008 for the comparable quarter of 2020, representing an decrease of $208,169. The decrease in the loss was primarily attributable to the recovery of exploration and evaluation expenditures (2021 - $300,000 vs 2020 - $100,000) from the impending sale of the Company's four Canadian mineral projects. Exploration and evaluation expenditures (2021 - $759,138 vs 2020 - $342,491) were the main contributor to the loss, as the Company focused its efforts on exploration activities at its Brewer Project and maintaining its Jefferson Project leases.

The increase in corporate and administrative expenditures (2021 - $238,721 vs 2020 - $176,405) was attributable to additional: management fees, due to increased compensation for the services of the Company's Chief Executive Officer; shareholder relations and promotion costs, as the Company enhanced its investor awareness initiatives; consulting fees and salaries and benefits costs for advisory and administrative services to support activities in the Carolinas; and, professional fees for tax advice. The reduction in filing and transfer agent fees was due to the Company's shareholders' annual meeting being held earlier in the year and reduced costs related to the Company's exchange listing on the United States OTCQB Venture Market. The remainder of the corporate and administrative expenses were relatively consistent with the comparative period.

Share-based payments (2021 - $15,664 vs 2020 - $446,606) represents the fair value attributed to stock options. The foreign exchange gain of $2,675 (2020 - $49,776 loss) resulted from fluctuations in the United States dollar.

Nine-month period

The net loss for the nine-month period ended September 30, 2021, was $3,324,473 versus a net loss of $1,848,165 for the comparable nine-month period of 2020, representing an increase of $1,476,308 A recovery of exploration and evaluation expenditures of $600,000 (2020 - $150,000) was realized from the impending sale of the Company's four Canadian mineral projects. The gain on debt settlement of $15,450 (2020 - $nil), resulted from the issuance of 515,000 common shares in settlement of $103,000 of loans payable to Company directors. Interest income of $2,922 (2020- $6,532) was earned on cash held on deposit with a Canadian banking institution.

The increase in corporate and administrative expenditures (2021 - $1,061,170 vs 2020 - $484,283) was primarily attributable to higher: management fees, as the Company's Chief Executive Officer's annual compensation was increased and a performance bonus was paid; shareholder relations and promotion costs, as the Company enhanced its investor awareness initiatives: and, insurance costs, due to an increase in premiums. The loss was also impacted by higher consulting fees and salary and benefit costs for advisory and administrative services, as well as additional office and general expenses, to support activities in the Carolinas. The remainder of the corporate and administrative expenses were relatively consistent with the comparative period.

Exploration and evaluation expenditures (2021 - $2,757,466 vs 2020 - $868,907), reflects the Company's advancement of its Brewer Project exploration activities and maintaining its Jefferson Project leases, as well as costs to exercise the option to acquire the St. Laurent Project to facilitate the sale of the Company's Canadian mineral projects.

Share-based payments (2021 - $95,086 vs 2020 - $591,229) represents the fair value attributed to stock options. The foreign exchange loss of $29,123 (2020 - $60,278) resulted from unfavourable fluctuations in the United States dollar.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

Operating activity cash flows for the current nine-month period of 2021 were impacted by the issuance of 1,250,000 common shares to complete the exercise of the Company's option to acquire a 100% interest in the St. Laurent Project and the issuance of 515,000 common shares to settle loans payable. Foreign exchange references are related to the Companies exposure to the United States dollar.

Financing activity for the current nine-month period of 2021 reflects the receipt of $883,475 from the exercise of 3,542,500 warrants and 5,525,000 stock options.

Working capital

As at September 30, 2021, Pancon had a cash balance of $1,705,760 and working capital of $1,405,082. 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 and deposits are primarily comprised of Brewer Project costs and various corporate and administrative costs.

Subsequent to September 30, 2021, the Company received proceeds of $24,000 from the exercise of 200,000 stock options.

As of the date of the MD&A, there are 48,709,500 warrants and 11,300,000 stock options currently "in the money" (exercise price of $0.12 and under) and, if exercised, could result in additional proceeds of approximately $6.2 million to fund future working capital needs.

Pancon has sufficient working capital to fund its remaining 2021 activities, however the Company may need to raise additional working capital to fund its operations and exploration plans for 2022. A significant portion of Brewer and Jefferson Project expenditures are denominated in United States dollars, giving rise to market risk from changes in foreign exchange rates, which may negatively or positively impact the Company's working capital.

RELATED PARTY TRANSACTIONS AND BALANCES

Management fees of $79,200 (2020 - $62,460) for the three-month period and $585,840 (2020 - $189,360) for the nine-month period were paid or became payable to a company controlled by a Company officer and a company associated with a Company officer as follows:

- President and Chief Executive Officer, Mr. Layton Croft - $56,700 (2020 - $39,960) for the three-month period and $518,340 (2020 - $121,860) for the nine-month period. Effective April 1, 2021, Mr. Croft's annual compensation was increased to US $180,000. In addition, Mr. Croft's received a US $300,000 bonus in recognition of current and past services. Mr. Croft's fees are denominated in US dollars.
- Chief Financial Officer, Mr. Mark McMurdie - $22,500 (2020 - $22,500) for the three-month period and $67,500 (2020 - $67,500) for the nine-month period, paid to Rustle Woods Capital Inc.

Share-based payments (non-cash) of $2,563 (2020 - $300,232) for the three-month period and $25,633 (2020 - $367,187) for the nine-month period represents the fair value of stock options granted to Company directors and officers.

Loans from related parties of $nil (December 31, 2020 - $103,000) represent cash advances provided by Company directors and officers. These loans were settled on June 22, 2021 through the issuance of 515,000 common shares at $0.17 per share. The loans were non-interest bearing, unsecured and payable on demand.

The Company has in place a termination and change of control agreement with the Company's president and chief executive officer. The agreement provides that in the event that the officer's services are terminated by the Company, other than for cause, or there is a change in control of the Company then the officer is entitled to receive a payment equal to the sum of: two (2) years of consulting fees; any unpaid bonus; plus the average of the bonus paid to the officer over the previous two (2) year period.

SHARE CAPITAL

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

Security	Number
Common shares	253,797,290
Warrants	61,459,550
Options	16,555,000

Subsequent to September 30, 2021:

- the Company issued 200,000 common shares in connection to the exercise of stock options; and,
- 200,000 stock options expired.

NEW ACCOUNTING POLICIES

For information on current and future changes in accounting policies and disclosures, please refer to Note 4 in Pancon's audited consolidated financial statements for the year ended December 31, 2020.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Disclosure on Pancon's financial instruments and related risks may be found in Note 16 of Pancon's unaudited interim condensed consolidated financial statements for the nine-month period ended September 30, 2021.

Pancon's exposure to liquidity risk has increased with the addition of the Brewer Project, as the Company will need to fund its mineral project obligations and exploration activities and its corporate overheads. In addition, Brewer and Jefferson Project expenditures, as well as certain corporate overheads, are denominated in United States dollars giving rise to market risk from changes in foreign exchange rates.

Pancon does not have a risk management committee or written risk management policies. The Company has not entered into any specialized financial agreements to minimize its credit or foreign currency risks. There are no off-balance sheet arrangements.

CAUTIONARY NOTES

This MD&A may contain forward-looking statements relating to, but not limited to, Pancon's assumptions, estimates, expectations and statements that describe Pancon's future plans, intentions, beliefs, objectives or goals, that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or anticipated by such forward-looking statements. Statements that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements or forward-looking information, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Examples of such forward-looking statements, without limiting the generality of the foregoing, include:

- potential to earn Pancon's interest in mineral properties or projects;
- ability to satisfy permitting requirements and/or complete property acquisitions/transactions;
- ability to conduct exploration work and satisfy work commitments;
- reference to competitors exploration results;
- potential of exploration properties;
- establishing economic deposits or resources;
- potential for future benefits from its Australian JV Properties gross overriding royalty or investment in Tortuga;
- outlook for metals and/or mining sector;
- financial or capital market conditions;
- evaluation of the potential impact of future accounting changes;
- capital requirements and ability to obtain funding;
- ability to continue as a going concern;

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and forward-looking information. Such factors include, but are not limited to:

- condition of underlying commodity markets and prices;
- ability to raise necessary capital;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- receipt or retention of necessary permits or approvals;

- suspension or delays in Pancon's operations due to poor weather conditions or diseases or viruses;
- access to properties and contests over title to properties;
- obtaining exploration, environmental and mining approvals;
- timing of commencement of exploration or development activities;
- geological and exploration results and conditions;
- geological, technical, drilling and operating difficulties;
- establishment of sufficient and economic resources or reserves;
- availability and cost of contractors, equipment, supplies, labour and insurance;
- performance of Pancon's partners and their financial wherewithal;
- the speculative nature of exploration and development and investor sentiment;
- degree of support from local communities;
- competition for, among other things, capital, acquisitions of resources and/or reserves, undeveloped lands and skilled personnel;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in which the Company conducts or may conduct business;
- business opportunities that may be presented to or pursued by Pancon:
- the ability to correctly value and successfully complete acquisitions;
- effectiveness of corporate and investor relations.

Although Pancon believes that the assumptions, estimates and expectations reflected in its forward-looking statements are reasonable, results may vary, and the Company cannot guarantee future results, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements due to the inherent uncertainty. Pancon disclaims any intent or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or other such factors which affect this information, except as required by law.

RISKS AND UNCERTAINTIES

Pancon is in the business of exploring for minerals and, if successful, ultimately mining them. The mining sector is by its nature, cyclical, competitive and risky. Many of these risks are beyond the Company's control. Investment in the mining sector in general and the exploration sector, in particular, involves a great deal of risk and uncertainty and Pancon's common shares should be considered as a highly speculative investment. Current and potential investors should give special consideration to the risk factors involved.

Acquisition risk

Pancon uses its best judgment in the acquisition of mineral properties and, in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including agreements to finance the acquisition and development of the mineral properties. The Company cannot provide assurance that it can complete any acquisition that it pursues, on favourable terms, or that any acquisition will ultimately benefit the Company.

Competition risk

Pancon must compete with a number of other companies that possess greater financial and technical resources. Competition in the mining and business sectors could adversely affect the Company's ability to acquire mineral properties or projects.

Conflicts of interest risk

Certain directors and officers of Pancon, in their personal capacities or as directors or officers of other companies, are engaged or have interests in mineral exploration and development activities outside of the Company. Accordingly, exploration opportunities or prospects of which they become aware of may not necessarily be made available to the Company.

Counterparty risk
Counterparty risk is the risk that each party to a contract will not fulfill its contractual obligations. The entering into transactions or agreements exposes Pancon to this risk. All the Company's mineral projects, except for the Gambler Project, are exposed to this risk.

Dependence on directors, management and consultants/contractors
Pancon is very dependent upon the efforts and commitment of its directors, management, partners and consultants/contractors to the extent that if the services of these parties were not available, a disruption in the Company's operations may occur.

Environmental risk
The exploration and development activities conducted on Pancon's mineral properties are subject to the environmental laws and regulations of the country in which the activities take place. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties, more stringent environmental assessments and a heightened degree of responsibility for companies and their officers, directors and employees.

Environmental laws and regulations may change at any time prior to the granting on necessary approvals. The support of local communities may be required to obtain necessary permits. Although the Company undertakes to comply with current environmental laws and regulations, there is no assurance that future changes in environmental laws or regulations will not adversely affect the Company's operations.

Exploration risk
There is no assurance that the activities of Pancon will be successful and result in economic deposits being discovered and in fact, most companies are unsuccessful due to the low probability of discovering an economic deposit. Once mineralization is discovered, it may take several years until production is possible during which time the economics of a project may change. Substantial expenditures are required to establish reserves through drilling. Pancon's ability to establish a profitable mining operation is subject to a host of variables, such as physical, technical and economic attributes of a deposit, availability of capital, cyclical nature of commodity markets and government regulations.

Exploration activities involve risks which even a combination of experience, knowledge and prudence may not be able to overcome. Exploration activities are subject to hazards which could result in injury or death, property damage, adverse environmental conditions and legal liability. Fires, power disruptions and shortages and the inability to access land or obtain suitable or adequate equipment or labour are some of the hazards and risks involved in conducting an exploration program.

Financing and liquidity risk
Pancon's ability to continue as a going concern, retain its mineral properties, finance its exploration and development activities and make acquisitions is highly dependent upon its working capital and its ability to obtain additional funds in the capital/equity markets. The Company does not have production income or a regular source of cash flow to fund its operating activities. In addition, Pancon's financial success is dependent on the extent to which it can discover mineralization in economic quantities and the economic viability of developing its properties or projects.

Pancon will require significant capital to finance its objectives and there can be no assurance that the Company will be able to raise the capital required, thus jeopardizing the Company's ability to achieve its objectives, meet its obligations or continue as a going concern. Given the nature of Pancon's operations, which consist of exploration, evaluation, development and acquisition of mineral properties or projects, the Company believes that the most meaningful financial information relates primarily to its current liquidity and solvency. There can be no assurance that the Company's directors/officers will fund the Company's working capital needs.

Failure to obtain sufficient and timely financing may result in delaying or indefinitely postponing exploration or development activities. If the Company obtains debt financing, it may expose its operations to restrictive loan and lease covenants and undertakings. If the Company obtains equity financing, existing shareholders may suffer dilution.

Infrastructure risk
Exploration and development activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. The lack of availability of acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of Pancon's projects. If adequate infrastructure is not available, there can be no assurance that the exploration or development of the Company's projects will be commenced or completed on a timely basis, if at all.

Pandemic diseases and viruses risk
Pancon's operations are exposed to the risk of pandemic diseases and viruses (such as COVID-19), which could have adverse economic and social impacts on global societies and in areas in which the Company operates. Such pandemics pose a threat to maintaining our operations as planned, due to shortages of workers and contractors, supply chain disruptions, insufficient healthcare, changes in how people socialize and interact, government or regulatory actions or inactions, declines in the price of our underlying commodities, as well as capital market volatility. There can be no assurance that Pancon's workers, partners, suppliers, consultants and contractors will not be impacted by such diseases or viruses. As a result, the Company may not be able to predict and effectively mitigate the impact from such diseases or viruses on its operations and these diseases and viruses could have a material adverse effect on our business, operating results, financial condition and share price.

Permit risk
Pancon's current and anticipated future exploration and development activities on its properties may require permits from various governmental authorities. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could prevent, delay or restrict the Company from proceeding with certain exploration or development activities. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties,

There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company.

Price risk
The ability of Pancon to finance the acquisition, exploration and development of its mineral properties and the future profitability of the Company is strongly related to: the price of its properties underlying minerals; the market price of the Company's equities; and, commodity and investor sentiment. Metal and equity prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A decline in the price of the gold or copper, the Company's issued equities or investor sentiment could have a negative impact on the Company's ability to raise additional capital. Management monitors the commodity and stock markets to determine the applicable financing strategy to be taken when needed.

Property title risk
Although Pancon takes reasonable measures to ensure proper title in the properties in which it holds or is acquiring an interest, there may still be undetected title defects affecting such properties. Accordingly, the properties in which Pancon holds or is acquiring an interest in, may be subject to prior unregistered liens, agreements, transfers or claims, or unsatisfied work commitments, all of which could have a material adverse impact on the Company's operations. In addition, the Company may be unable to access or operate its properties as permitted or to enforce its rights with respect to its properties. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Further, there can be no assurance that the Company will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments having jurisdiction over the Company's mineral properties will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned.

Share volatility and dilution risk
The securities markets are subject to a high level of price and volume volatility, and the securities of many mineral exploration companies can experience wide fluctuations in price, which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of Pancon's common shares may also be significantly affected by short term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its financial reporting.

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or the issue of securities convertible into common shares. The Company cannot predict the size of future issues of common shares or the issue of securities convertible into common shares or the effect, if any, that future issues and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective holders of shares.

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

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

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