



(FORMERLY BCGOLD CORP.)

**MANAGEMENT DISCUSSION AND
ANALYSIS**

For the Years Ended February 28, 2019

As at June 27, 2019

INTRODUCTION

The following annual management's discussion and analysis (MD&A) of the Company has been prepared as of June 27, 2019. This MD&A should be read in conjunction with the consolidated financial statements of Pan Andean Minerals Ltd. ("Pan Andean" or the "Company") (formerly BC Gold Corp.) and the notes thereto for the year ended February 28, 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable. Additional information on Pan Andean Corp is available by accessing the Company's profile on SEDAR at www.sedar.com and on the Company's website: www.panandeanminerals.com. Readers of this MD&A are cautioned that information and statements derived from the Company's financial statements do not necessarily reflect the future financial performance of the Company. Statements in this MD&A that are not historical based facts are forward looking statements which are made subject to cautionary language on page 16 and involve known and unknown risks and uncertainties. Actual results could vary considerably from these statements. Readers are again cautioned not to put undue reliance on forward looking statements.

CORPORATE HIGHLIGHTS

Highlights of the Company's activities during the period ended February 28, 2019 and up to the date of this report:

- On March 7, 2018, the Company's common shares commence trading on a post 2 for 1 consolidation basis.
- On March 16, 2018, the Company closed a private placement issuing 6,700,000 units at a price of \$0.05 per unit for gross proceeds of \$335,000. Each Unit consists of one common share and one common share warrant, each warrant entitling the holder to purchase one common share at a price of \$0.10 per common share within 24 months of the closing of the private placement.
- On March 21, 2018, the Company granted 2,400,000 stocks to its directors, officers and consultants at an exercise price of \$0.06 per option. The options are exercisable on and before March 21, 2023.
- On April 4, 2018, the Company appointed Dr. Dongmok Whang to its advisory board.
- On April 9, 2018, the Company appointed Dr. Hoh Peter In to its advisory board.
- On May 15, 2018, the Company appointed Sung Bum Spencer Huh as the Chief Executive Officer. Mr. Huh will also continue to serve as the President and Director. Gary Anderson resigned as Interim CEO and Executive Chairman of the Board and will remain as a director of the Company.
- On May 23, 2018, pursuant to the debt settlement agreements of February 15, 2018, the Company issued 3,094,000 common shares at a deemed price of \$0.05, to two directors of the Company.
- On June 18, 2018, the Company made a US\$60,000 option payment under the Tres agreement.
- On June 26, 2018, the Company appointed Mr. Chris Chung VP of Corporate Finance, Asian Markets.
- On July 9, 2018, the Company appointed Mr. Sung Rock Hwang to the its advisory board.

PAN ANDEAN MINERALS LTD.
MANAGEMENT'S DISCUSSION & ANALYSIS
February 28, 2019

- On July 18, 2018, and as amended August 29, 2018 and April 9, 2019, the Company signed an agreement to sell its Minto/Carmacks Copper-Gold properties for \$210,000 (\$182,537 received) to a Yukon company wholly owned by Pembridge Resources plc.
- On September 17, 2018, the Company closed a private placement of 7,320,000 units at a price of \$0.05 per unit for gross proceeds of \$366,000. Each unit consists of one common share and one-half common share warrant, each warrant entitling the holder to purchase one common share at a price of \$0.10 per common share within 24 months of the closing of the private placement.
- On September 27, 2018, the Company appointed Mr. Chris Cheung as a director of the Company. Mr. Cheung will also continue to serve as the VP of Corporate finance, Asian Markets.
- On October 10, 2018, the Company appointed Dr. Jay Han and Dr. Doo Jae Min to its advisory board.
- On November 8, 2018, Gary Anderson, Zbigniew Adam Szybinski and Jenny Egusquiza resigned as directors of the Company.
- On December 14, 2018, the Company at the Company's AGM shareholders passed all resolutions put before them including: 1) to set number of directors to be elected at the meeting to at 5 (five); 2) Election of new directors (Chris Chung, John Kowalchuk, Spencer Sungbum Huh, Larry Okada, and Sung Rok Whang); 3) to appoint Devisser Gray LLP as auditor of the Company; 4) approval of issuing 2,006,000 common shares settling outstanding debt of \$100,300 to two former directors of the company.
- On December 20, 2018, the Company closed a private placement of 2,200,000 units at a price of \$0.05 per unit for gross proceeds of \$110,000. Each unit consists of one common share and one common share warrant, each warrant entitling the holder to purchase one common share at a price of \$0.10 per common share within 24 months of the closing of the private placement.
- On February 27, 2019, the Company appointed Mr. Sun Jun Park to its advisory board.
- On February 28, 2019, the Company issued convertible debentures in an aggregate principal amount of \$282,000 to a group of investors. Each debenture accrues interest at an annual rate of 10%, payable in semi-annual installments, being one year from issuance. The convertible debenture holders have rights to convert a portion, or all, of principal amount of each note at any time at a price of \$0.07 (conversion price) into units of the Company, comprising into a maximum of 4,028,570 common shares of the company. A total of finder's fee of \$7,000 was paid in conjunction with the issuance.
- On February 28, 2019, the Company granted 3,100,000 stock options to its directors, officers and consultants at an exercise price of \$0.06 per option. The options are exercisable on and before February 28, 2024. The stock option is subject to shareholder's approval.
- On March 5, 2019, the Company appointed Mr. Ki-Tae Lee (Robert) to its advisory board.
- On March 11, 2019, the Company entered into binding letter of intent (the "LOI") with North Star Holdings ("North Star"). North Star is a fully integrated producer, processor and distributor of medicinal and adult use cannabis with operations in various states in the U.S. including Colorado, California and Nevada. The LOI outlines the proposed terms and conditions pursuant to which the Company and North Star will effect a business combination that will result in a reverse takeover of the Company by the securityholders of North Star. The Common Shares of the Company will remain halted until all necessary filings have been accepted by applicable regulatory authorities, and delisting from the TSXV and listing on the Canadian Securities Exchange has been completed.

PAN ANDEAN MINERALS LTD.
MANAGEMENT'S DISCUSSION & ANALYSIS
February 28, 2019

- On March 26, 2019, Ed Low resigned as the Chief Financial Officer and Nancy Zhao was appointed as the new Chief Financial Officer of the Company.
- On April 9, 2019, the Company entered the second amendment to the Minto/Carmacks Copper-Gold properties sale agreement with the purchaser. The Company agreed to extend the closing date to five business days after the date of admission of Pembridge start to be listing on and to be trading on the main market of London Stock Exchange PLC. The two parties also agreed that the final balance of payment was replaced with 100,000 Pembridge shares.
- On May 19, 2019, 322,800 warrants expired.
- On May 22, 2019, the Company closed a private placement of 2,500,000 shares at a price of \$0.12 for gross proceeds of \$300,000.
- On June 5, 2019, \$80,000 convertible debenture balance payable at February 28, 2019 was converted into 1,142,857 Company common shares.
- On June 25, 2019, the Company announced the termination of LOI with North Star. The Company continues to evaluate alternative assets and businesses with a view to completing change of business or reverse take-over transaction as soon as practicable and anticipates the Company's common shares shall remain halted as the date of reporting.
- On June 25, 2019, the Company closed a debt financing for an aggregate principal amount of \$400,000. The loans bear interest at an annual rate of 5%, payable annually.
- On June 25, 2019, the Company appointed Ryan Kim VP of Corporate Development for the Company.
- On June 25, 2019, a further \$100,000 of the convertible debenture balance payable at February 28, 2019 was converted into 1,428,571 commons shares.

SIGNIFICANT EXPLORATION PROPERTIES

Below is a table summarizing the Company's current interest held and any remaining required or optional commitments on each of its exploration properties. Please refer to Note 6 of the Company's consolidated financial statements for the year ended February 28, 2019 for further disclosure on the Company's properties.

	Current Interest Held	Remaining Required Commitments	Optional Commitments
Minto/Carmacks Copper-Gold Properties, Yukon (8 properties encompassing 471 mineral claims in total just under 10,000 hectares)	100%	None	The Company has agreed to sell the claims to a Yukon subsidiary of Pembridge Resources plc.
Chanape Property Peru			
Minera Chanape S.A.C. holdings	100%	None	None

PAN ANDEAN MINERALS LTD.
MANAGEMENT'S DISCUSSION & ANALYSIS
February 28, 2019

Pucacorrall Property Peru			
Minera Chanape S.A.C. concessions	100%	None	None
Cima de Oro S.A.C. Silver MG concession	100%	US\$20,000	Paid in June 2018
Cima de Oro S.A.C. Fundido concession	100%	None	None
Cerro de Oro Tres S.M.R.L. holdings	29.92%	Option to acquire remaining 70.08% in 7 payments totaling \$US\$1.4 million over the next four years (see below for details)	See below for details

Cima executed the Tres Agreement option on August 12, 2016 with the Company being required to complete the following schedule of option payments to earn a 100% interest in Tres:

<u>Payment</u>	<u>Cumulative Vested Interest</u>
At the onset of the option US\$ 40,000 (paid)	16.6%
February 12, 2017 US\$ 60,000 (paid)	23.26%
June 20, 2018 US\$ 60,000 (paid)	29.92%
February 12, 2019 US\$ 75,000	
August 12, 2019 US\$ 85,000	39.92%
February 12, 2020 US\$ 100,000	
August 12, 2020 US\$ 100,000	51.92%
August 12, 2021 US\$ 980,000	100%

The Chanape and Pucacorrall Properties, Peru

Pan Andean's Peru Properties consist of the adjoining Chanape and Pucacorrall mineral concessions and total 5,785 hectares. The Properties are situated central to the historical mining area in the San Mateo Mining District, which contains numerous narrow-vein, epithermal gold, copper, silver and base metal mines, including the Pacococha, Millotingo, Silveria, Germania, Veta Fulvia, Chanape and San Mateo mines. Several of these mines persisted as artisanal operations into the late 1990s. The concept (and discovery) for the existence of much larger poly-metallic epithermal breccia bodies related to a deeper, causative Cu-Au-Mo porphyry intrusion at Chanape, was the brainchild of Mr. Gary Anderson and Dr. Adam Szybinski, the 2007 management group of Vancouver-based High Ridge Resources Ltd., and former management group for Pan Andean. This concept was supported by ASX-listed Inca Minerals Ltd. (Inca) through a subsequent drill program targeting the High Ridge IP anomalies.

Inca reported some outstanding drilling results at the Inca Property that supported the presence of a deep-seated porphyry-style Cu-Mo system (220 metres averaging 0.13% Cu and 120 ppm Mo) beneath a shallower zone of high-grade epithermal breccia hosted Au-Ag mineralisation (108 metres averaging 2.0 g/t gold and 41 g/t silver from surface). These breccia bodies were mapped by the High Ridge I.P. survey and have been demonstrated to occur and extend onto the surrounding Minera Chanape property. The Inca discovery has significantly enhanced the prospectivity of the San Mateo district, demonstrating the discovery potential for giant porphyry copper deposits and associated, higher level epithermal breccia and vein-style gold-silver-base metal deposits,

similar to the nearby Toromocho deposit. Additional details of the Peru Properties are provided in Pan Andean's website at www.panandeanminerals.com.

As at the year ended February 28, 2019, the Company decided to write down the value of property to \$1 because the Company no longer intends to pursue any further interest under the Tres Agreement.

Minto/Carmacks Copper-Gold Properties, Central Yukon

Pan Andean currently owns 100% of 10 out of the original 16 Minto/Carmacks Copper-Gold properties which are strategically situated in the Minto/Carmacks Copper-Gold Belt, a significant high-grade copper-gold district centered some 220 kilometres northwest of Whitehorse, Yukon. The properties are located proximal and adjacent to Capstone Mining Corp.'s Minto Mine, currently in production, and Copper North Mining Corp.'s Carmacks Copper Project, which is in the advanced mine permitting stage. All of the Company's properties were staked by Shawn Ryan at the time when Sherwood Copper and Western Copper Corp. were both conducting feasibility studies over the Minto and Carmacks Copper projects, respectively, over areas with similar geological, geochemical and geophysical characteristics known to indicate near surface, high-grade copper-gold mineralization in the district.

Pan Andean has incurred approximately over \$4,058,224 in exploration expenditures since acquiring the properties. As a result, the Company has discovered seven significant copper zones and has advanced seven properties with "Minto-type" exploration targets to the drill-ready stage. All of Pan Andean's Minto / Carmacks properties have NI43-101 technical reports and a number of them have been optioned to exploration partners over the years. The most significant discovery is located on the WS Property, immediately south of Copper North Mining Corp.'s Carmacks Copper Project, where Pan Andean's drill hole WS08-09B intersected 2 near-surface copper sulphide horizons over 63.1 metres that averaged 0.17% Cu (containing 23.6 m averaging 0.34% Cu). This hole targeted a weak copper MMI anomaly coincident with a pronounced, 2 kilometre long linear Induced Polarization ("IP") geophysical anomaly. This potential target warrants further drilling.

On July 18, 2018, the Company entered into a sale agreement (amended August 29, 2018) with a wholly owned subsidiary of Pembridge Resources Plc ("Pembridge"). The Company agreed to sell its 100% interest in the remaining mineral claims in the Yukon (the "Minto Property") for \$210,000. The transaction had an original closing date of August 31, 2018 but was amended on April 9, 2019 to be five days after Pembridge obtains a listing on the standard segments of the official list of the Financial Conduct Authority to trade on the main market of the London Stock Exchange. As at February 28, 2019, the Company had received a total of \$182,537 from the purchaser.

Net Smelter Returns Royalty ("NSR") – at the closing, the purchaser shall grant to the Company the NSR and, effective as of the closing date, the parties shall enter into Royalty Agreement. The purchaser shall have the right to buy out the NSR at anytime for a purchase price of \$500,000. The purchaser shall make payment to the Company within 30 days after providing written notice to the Company that the purchaser wishes to buy out the NSR.

OUTLOOK

The Company will need additional funding for its corporate and overhead expenses in near future through either equity or debt financing. Many factors influence the Company's ability to raise funds, including the health of the capital market and the Company's track record. There is no guarantee that the Company will be able to secure additional financings in the future at terms that are favorable. Pan Andean will continue its policy of minimizing general and administration and eliminate exploration expenditures to conserve cash and protect assets.

The Company is currently pursuing alternative business opportunities.

On March 11, 2019, the Company entered into binding letter of intent (the "LOI") with North Star Holdings ("North Star"). North Star is a fully integrated producer, processor and distributor of medicinal and adult use cannabis with operations in various states in the U.S. including Colorado, California and Nevada. The LOI outlines the proposed terms and conditions pursuant to which the

PAN ANDEAN MINERALS LTD.
MANAGEMENT'S DISCUSSION & ANALYSIS
February 28, 2019

Company and North Star will effect a business combination that will result in a reverse takeover of the Company by the security holders of North Star. On June 25, 2019, the Company announced the termination of LOI with North Star.

The Company continues to evaluate alternative assets and businesses with a view to completing a change of business or reverse take-over transaction as soon as practicable, and anticipates the Company's common shares shall remain halted as the date of the reporting.

SELECTED ANNUAL INFORMATION

The following financial data is derived from the Company's audited financial statements years ended February 28, 2019, 2018, and 2017.

	February 28, 2019	February 28, 2018	February 28, 2017
Expenses	\$ 1,071,306	\$ 600,472	\$ 919,242
Other income (expenses)	(2,741,628)	7,906	(585,316)
Net loss	(3,812,934)	(592,566)	(1,504,558)
Comprehensive loss	(3,812,934)	(568,566)	(1,504,558)
Basic and diluted loss per share	(0.08)	(0.02)	(0.09)
Total current assets	304,730	209,240	206,907
Total assets	317,328	3,004,992	2,964,764
Total current liabilities	529,649	430,570	428,326
Total liabilities	529,649	430,570	428,326

RESULTS OF OPERATIONS

For the three-month period ended February 28, 2019

The net loss for the three-month period ended February 28, 2019 were \$3,157,666 as compared to the net loss for the three-month period ended February 28, 2018 of \$172,364. In the 4th quarter in 2019, the Company wrote-off the exploration and evaluation property in Peru and Canada, resulting in the impairment of \$2,736,637 compared to \$90,800 in 2018. Operating expenses for the 4th quarter in 2019 are totaled \$417,832 compared to 4th quarter in 2018 of \$147,123, an increase of \$270,709. The significant increased expenses are a result of stock-based compensation (\$215,000) as the Company granted the 3.1 million stock options during this quarter in 2019. There was no stock option in place in the 4th quarter in 2018.

Some of the other items contributing to the net loss and comprehensive loss for the 4th quarter in 2019 and the 4th quarter in 2018 were as follows:

- Exploration and evaluation expenses of \$3,000 (February 28, 2018 - \$535 recovery). The slightly increase is due to a small work incurred related to mining activities in the 4th quarter in 2019 rather than a recovery in 2018.
- Professional fees of \$34,576 (February 28, 2018 - \$62,434). In 2018, the accounting fee of \$15,000 incurred in previous quarters was recorded in the 4th quarter.
- Travel costs of \$23,623 (February 28, 2018: \$2,849). These costs were associated with visits to South Korea, meeting with potential and current shareholders, along with investigation of other business opportunities in this quarter.

- Consulting & management fees of \$73,051 (February 28, 2018 - \$61,845). The slight increase is a result of more consulting work incurred in 2019 related to the due diligence on the new potential projects rather than in 2018.
- Corporate listing and filing fees of \$18,752 (February 28, 2018 - \$4,808). The increase in filing fees is associated with AGM, closing private placement, and appointing new directors to the board in this quarter.
- Rent of \$25,303 (February 28, 2018 - \$10,166). The increase in rent is due to the company expanding its office space when compared to in 2018.
- Impairment of exploration and evaluation assets of \$2,736,637 (February 28, 2018 - \$90,800). The Company wrote off the properties in Peru and Canada to \$1.00 in the last quarter in 2019.
- Write-off of receivables \$27,463 (February 28, 2018 - \$Nil). The Company wrote off the receivables from Pembridge Resources in sales of the Minto/Carmacks Copper-Gold Properties in Yukon in the last quarter in 2019.

For the year ended February 28, 2019

The net loss for the year ended February 28, 2019 was \$3,812,934 as compared to the net loss and comprehensive loss for the year ended February 28, 2018 of \$592,566. In 2019, the Company wrote-off the exploration and evaluation property in Peru and Canada, resulting in the impairment of \$2,736,637 compared to \$90,800 in 2018. Operating expenses for the year ended February 28, 2019 are a totaled \$1,071,306 compared to year ended February 28, 2018 of \$600,472, an increase of \$463,834. The significant increased expenses are a result of stock-based compensation (\$358,000) as the Company granted the 5.5 million stock options in 2019. There was no stock option in place in 2018.

Some of the more items contributing to the net loss and comprehensive loss for year ended February 28, 2019 and 2018 were as follows:

- Exploration and evaluation expenses of \$62,530 (February 28, 2018 - \$77,672). The decrease is due to less property related work incurred during this year. The Company sold the claims in Minto property therefore less property maintenance work required in the current year.
- Investor relations of \$4,151 (February 28, 2018 - \$56,232). The Company decreased investor relations activities and advertising/marketing during the current year.
- Professional fees of \$138,804 (February 28, 2018 - \$123,475). The increase is a result of various corporate matters incurred in the current year, including the due diligence to the new projects.
- Travel costs of \$62,565 (February 28, 2018: \$16,471). These costs were associated with visits to South Korea for meeting current and potential shareholders along with investigation other business opportunities during this year.
- Consulting & management fees of \$279,610 (February 28, 2018 - \$230,000). The increase in consulting & management fees in the current year is due to more corporate activities including mineral property review, overlap due to the change in management and assessment of other business opportunities were required.

- Corporate listing and filing fees of \$48,214 (February 28, 2018 - \$25,792). The filing fee increased in the current year is due to more filings related to the change in management and directors, AGM and private placements incurred.
- Impairment of exploration and evaluation assets of \$2,736,637 (February 28, 2018 - \$90,800). The Company wrote off the properties in Peru and Canada to \$1 in 2019.
- Write-off of receivables \$27,463 (February 28, 2018 - \$Nil). The Company wrote off the receivables from Pembridge Resources in sales of the Minto/Carmacks Copper-Gold Properties (Yukon) in 2019.

LIQUIDITY AND CAPITAL RESOURCES

As at February 28, 2019, the Company had current assets of \$304,730 and current liabilities of \$529,649 compared to the current assets of \$196,643 and current liabilities of \$430,570 as at February 28, 2018.

As at February 28, 2019, the cash balance was \$292,578, compared to \$168,668 at February 28, 2018. This amount is insufficient to fund the Company's ongoing operations beyond the next several months. The Company is currently seeking the new business opportunities since financings in exploration activities have been proving difficult in the past few years.

As at February 28, 2019, there was a working capital deficit of \$224,919 compared to a working capital deficit of \$233,927 as at February 28, 2018. In the opinion of management, should the Company wish to continue as a going concern and continue exploring new projects in 2019 and beyond, further financing will be required, and the Company will likely have to go to the market to achieve this.

Given volatility in equity markets, global uncertainty in economic conditions, cost pressures and intensity in international business environment, management constantly reviews emerging technologies and equity markets such that the Company has sufficient liquidity to support its growth strategy.

Liquidity Outlook

The Company's cash position is highly dependent on the ability to raise cash through financings and the opportunities of new businesses. Capital expenditures are not expected to have any material impact on liquidity. As results of exploration programs are determined and other opportunities become available to the Company, management may complete an external financing as required.

At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its resource properties.

Many factors influence the Company's ability to raise funds, including the health of the financial market, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of new projects. Management believes it will be able to raise equity capital as required in the long term but recognizes that there will be risks involved which may be beyond its control.

PAN ANDEAN MINERALS LTD.
MANAGEMENT'S DISCUSSION & ANALYSIS
February 28, 2019

This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on development of the new opportunities.

Going Concern

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances on enough funding will be available to develop the new projects. These material uncertainties may cast a significant doubt on the validity of this assumption. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to continue operations. As at February 28, 2019, the Company had an accumulated deficit of \$23,566,797 (February 28, 2018 - \$19,753,863), a net loss for the year ended February 28, 2019 of \$3,812,934 (February 28, 2018 - \$592,566) and has a working capital deficiency of \$224,919 (February 28, 2018 - \$233,927).

If the going concern assumption was not appropriate, then financial statement adjustments would be necessary in the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications used. Such adjustments could be material.

Strategy and Risk Management

Further exploration activities are dependent on the Company obtaining financing to meet its new projects for 2019 and beyond. Management believes that it will be able to raise additional capital in order to meet both its planned exploration activities and its administrative expenditures. Although management has been successful in the past when raising additional financing, there can be no assurance they will be successful in the future.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial data reported by the Company for the last eight quarters in Canadian dollars.

	28-Feb-19	30-Nov-18	31-Aug-18	31-May-18	28-Feb-18	30-Nov-17	31-Aug-17	31-May-17
	\$	\$	\$	\$	\$	\$	\$	\$
Net loss	3,157,666	155,524	142,919	356,825	172,364	82,492	161,226	176,484
Comprehensive loss	3,157,666	155,524	142,919	356,825	172,925	44,304	174,853	176,484
Basic and diluted loss per share	(0.06)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	317,328	2,878,703	3,091,144	2,878,469	3,004,992	2,992,204	2,989,354	2,863,532
Exploration and evaluation assets	1	2,750,125	2,759,719	2,755,252	2,790,252	2,830,691	2,824,354	2,692,497
Revenues	-	-	-	-	-	-	-	-
Equity (deficiency)	(212,321)	2,507,784	2,673,678	2,450,597	2,574,422	2,346,897	2,448,201	2,359,954

Basic and diluted loss per share above is the same, as the effect of potential shares issuances under stock options or warrant agreements would be anti-dilutive.

EXPLORATION STAGE COMPANY RISKS

The Company is engaged in the business of acquiring, exploring and developing mineral properties with the expectation of locating economic deposits of minerals. All of the properties are without proven ore deposits and there is no assurance that the Company's exploration programs will result in proven ore deposits, nor can there be any assurance that economic deposits can be commercially mined. As a consequence, any forward-looking information is subject to known and unknown risks and uncertainties as follows, but not limited thereto:

- Exploration and development of mining properties is highly speculative in nature and involves a high degree of risk.
- Timing delays in exploration and development and delays in funding may result in delays and postponement of projects.
- Many competitors are in the business, some of which have greater financial, technical and other resources than the Company.
- Mining involves many hazards and risks in the field such as unexpected rock formations, seismic activity, cave-ins, adverse weather conditions, unstable political conditions and many other conditions.
- Lack of assurance that: the Company will be able to obtain all necessary permits and approvals to conduct its affairs or that future tax, environmental or other legislation will not cause additional expenses, delays or postponements.
- Operations of the Company are subject to environmental regulation, a breach of which may result in imposition of enforcement actions. Environmental hazards may exist on current properties which are presently unknown to the Company and regulations and laws change over time.
- World prices for metals can be unstable and unpredictable and may materially affect the Company's operations, as well as economic conditions which may change the demand for minerals.
- The securities markets worldwide can experience high price and volume volatility.
- The Company is dependent on the services of several key individuals, the loss of which could significantly affect operations.
- There is potential for officers and directors of the Company to have conflicts of interest with other entities.
- Uncertainties as to the development and implementation of future technologies.
- Changes in accounting policies and methods may affect how the financial condition of the Company is reported.
- Breaches of contracts, such as property agreements, could result in significant loss.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling activities of the Company as a whole. The Company has determined that its key management personnel consist of the Company's Board of Directors and corporate officers, and/or companies controlled by its key management personnel.

PAN ANDEAN MINERALS LTD.
MANAGEMENT'S DISCUSSION & ANALYSIS
February 28, 2019

The following amounts of due to related parties are included in trade payables and accrued liabilities. These amounts are unsecured, non-interest bearing and have no fixed terms of payments. All related party amounts are to key management personnel.

	February 28, 2019	February 28, 2018
Consulting fees and professional fees	\$ 10,525	\$ 45,702
Reimbursable expenses	6,060	-
	\$ 16,585	\$ 45,702

The remuneration of directors and other members of key management personnel during the year ended February 28, 2019 and 2018 were as follows:

	February 28, 2019	February 28, 2018
Consulting fees	\$ 221,396*	\$ 246,077
Professional fees	30,000**	70,915
Stock based compensation	215,160	-
	\$ 466,556	\$ 316,992

*Consulting and management fees including \$90,000 paid to CEO for the management services provided during year ended February 28, 2019.

**Professional fees of \$30,000 paid to former CFO for the accounting services provided during year ended February 28, 2019.

On February 15, 2018, pursuant to debt settlement agreements, the Company agreed to issue 5,100,000 common shares at a deemed price of \$0.05 to settle debts in the amount of \$289,163 to two former directors, subject to regulatory approval. 3,094,000 of such shares were issued on May 23, 2018 and the balance of 2,006,000 will be issued upon shareholder approval. The Company recorded a gain on debt settlement of \$34,163 for year ended February 28, 2018. The amount of indebtedness represents outstanding payments of consulting fees indebted to three former directors of the Company.

On December 14, 2018, the Company issued the remaining 2,006,000 common shares at a deemed price of \$0.05 per share to two former directors of the Company.

On November 9, 2018, the Company entered into a settlement agreement with three former directors. Pursuant to the agreement, the Company agreed to release the remaining 3,336,000 shares held in the escrow under the Tres Agreement and to pay \$32,350 to the three former directors.

OUTSTANDING SHARE DATA

Pan Andean's authorized capital is unlimited common shares without par value.

As at the date of this MD&A, the Company had an unlimited number of common shares authorized for issuance, with 61,233,980 issued and outstanding. The Company also had 15,931,750 warrants and 5,500,000 stock options outstanding convertible into one common share.

As of the date of this reporting, 4,665,000 shares are subject to pooling restrictions.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical judgements and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the in the unaudited condensed interim financial statements for the years ended February 28, 2019 are consistent with those applied in the preparation of the Company's annual audited consolidated financial statements for the year ended February 28, 2018.

PRONCEMENTS AFFECTING FINANCIAL STATEMENTS PRESENTATION OR DISCLOSURE

The Company has reviewed the accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and determined that these are either not applicable or are not expected to have a significant impact on the Company's financial statements.

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk, interest rate risk and market price risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, short-term investments and other receivables. Pan Andean deposits its cash and cash equivalents with high credit quality major Canadian financial institutions as determined by ratings agencies. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the maximum exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As of February 28, 2019, the Company had a cash balance of \$292,578 (February 28, 2018 - \$168,668), to settle current liabilities of \$529,649 (February 28, 2018 - \$430,570). Further information relating to liquidity risk is disclosed in Note 1 of the Company's consolidated financial statements for the years ended February 28, 2019.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash and cash equivalents, short-term investments and reclamation bonds include deposits which are at variable interest rates.

For the years ended February 28, 2019, a plus or minus 0.5% change in market interest rates would affect the Company's interest earned on cash and cash equivalents and short-term investments by approximately \$1,463.

Market Price Risks

The only significant market price risks to which the Company is exposed to is interest rate risk and price volatility on its marketable securities. The Company's bank account earns interest at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to changes in short-term rates.

MANAGEMENT OF CAPITAL

In the management of capital, the Company considers shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support exploration and development of mineral properties. The Board of Directors has not established quantitative capital structure criteria management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, to support continued evaluation and maintenance at the Company's existing properties, and to acquire, explore, and develop other precious and base metal deposits.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal.
- To obtain the necessary financing to complete exploration and development of its properties, if and when it is required.
- The properties in which the Company currently holds an interest in are in the exploration stage and the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.
- Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.
- In order to facilitate the management of capital and development of its mineral properties, the Company prepares annual expenditure budgets, which are updated as necessary and are reviewed and approved by the Company's Board of Directors. In addition, the Company may issue new equity, incur additional debt, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends.
- The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.
- There were no changes in the Company's approach to capital management during the years ended February 28, 2019 compared to the years ended February 28, 2018. The Company is not subject to externally imposed capital requirements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's reporting standards.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Pan Andean's general and administrative expenses and mineral property costs is provided in the Company's year ended February 28, 2019, statement of operations contained in its consolidated financial statements for the year ended February 28, 2019. These statements are available on the Company's website at www.panandeanminerals.com or on its SEDAR Page Site accessed through www.sedar.com.

DIVIDENDS

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of the Company and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of the Company deem relevant.

NATURE OF THE SECURITIES

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

PROPOSED TRANSACTIONS

At the present time, there are no other proposed transactions that are required to be disclosed.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

APPROVAL

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the audited consolidated financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

FORWARD LOOKING INFORMATION

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, permitting risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements which are filed and available for review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements

ADDITIONAL INFORMATION

Additional Information relating to Pan Andean can be found on the Company website www.panandeanminerals.com and on SEDAR at www.sedar.com or by contacting the Company at Suite 520 – 800 West Pender Street, Vancouver, BC Canada, V6C 2V6, Tel: (604) 697-2408.