



(FORMERLY BCGOLD CORP.)

**MANAGEMENT DISCUSSION AND
ANALYSIS**

For the Year Ended February 29, 2020

As at July 2, 2020

PAN ANDEAN MINERALS LTD.
MANAGEMENT'S DISCUSSION & ANALYSIS
Year Ended February 29, 2020

INTRODUCTION

The following annual management's discussion and analysis (MD&A) of the Company has been prepared as of July 2, 2020. This MD&A should be read in conjunction with the consolidated financial statements of Pan Andean Minerals Ltd. ("Pan Andean" or the "Company") and the notes thereto for the year ended February 29, 2020, 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 14 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 year ended February 29, 2020 and up to the date of this report:

- On March 5, 2019, the Company appointed Mr. Ki-Tae Lee (Robert) to its advisory board.
- 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 June 5, 2019, \$80,000 of the 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.
- 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 common shares.
- On August 21, 2019, the Company closed a \$900,000 private placement for 9,000,000 units at a price of \$0.10 per unit. 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 \$0.30 per common share within 24 months of the closing of the private placement.
- On August 29, 2019, the Company appointed Mr. Dongwha Cho as Vice-President of Corporate Finance, Korean Market.
- On October 13, 2019, 3,447,500 warrants with an exercise price of \$0.12 per warrant expired.
- On October 15, 2019, the Company appointed Mr. George Wohlleb and Dr. Kenneth Hughes to its advisory board.

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- On November 29, 2019, Company appointed Mr. Raymond Chan to its advisory board.
- On January 10, 2020, the Company announced a proposed change of business (the "Proposed COB") from mineral exploration to a Canadian cannabis enterprise. The Company intends to apply to the TSX Venture Exchange (the "TSXV") to have its common shares delisted from the TSXV and relisted onto the Canadian Securities Exchange (the "CSE") upon completion of the Proposed COB and shareholder's approval. The Company's common shares were halted from trading due to proposed COB.
- On February 7, 2020, the Company appointed Mr. Ted Dai as Vice-President of Corporate Finance.
- On February 28, 2020, the Company appointed Mr. Andy Liu to its advisory board.
- On March 9, 2020, the Company received a \$100,000 loan bearing interest, payable semi-annually, at a rate of 4% per annum, with outstanding principal due and payable on March 6, 2021.
- On March 24, 2020, the Company received a 1 billion South Korean Won (\$1,143,511) loan bearing interest, payable semi-annually, at a rate of 4% per annum, with outstanding principal due and payable on March 31, 2021. The Company paid \$80,046 in cash finder's fees pursuant to this loan financing.
- On April 6, 2020, the Company appointed Mr. Gunmin Park as Vice-President of Corporate Strategies and accepted resignation of Mr. Ted Dai as Vice President of Corporate Finance of the Company.

OUTLOOK

Proposed COB

On January 10, 2020, after a thorough review of the Company's resources, the market conditions, and given the expertise and skill sets of the Company's management and directors, the Board determined that the Company's long-term goal is to become a cannabis and industrial hemp company with vertically integrated operations in Canada. The Company intends to apply to the to have its common shares delisted from the TSXV and relisted onto the CSE upon completion of the proposed COB. The Company also expects to seek shareholder approval at a special meeting of the shareholders of the Company to approve, among other items, the Proposed COB and change in the name of the Company.

Completion of the transaction is subject to a number of conditions, including but not limited to, TSXV acceptance for the delisting of the Company's common shares, conditional approval of the Canadian Securities Exchange for the listing of the Company's common shares following completion of the Proposed COB and, if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all. Upon completion of the Proposed COB, the Company's primary focus will be on cannabis/hemp cultivation, processing, manufacturing, wholesale and retail sales across Canada. The Company intends to:

- 1) Acquire one or more late-stage Licensed Producers ("LP") applicants in BC. Once acquired, the Company will complete the final steps in the license including, finishing land and building prep, security protocols, and filing the final evidence package.
- 2) Open a minimum of two Provincially Licensed recreational cannabis dispensaries in BC and Ontario in within 12 months.
- 3) Acquire an ownership of a Korean company with extensive experience in developing Smart Farm Technology.

Bridge Financing

The Company is planning to undertake a pre-consolidation, arms-length non-brokered bridge financing (the "Bridge Financing") of up to 6.25 million units at a pre-consolidation price of \$0.08 cents per unit for proceeds of up to \$500,000. Each unit will consist of one common share of the Company and one-half of one share purchase warrant. Each warrant entitles the registered holder to acquire one additional share of the Company at a price of \$0.20 per share for a period of 2 years. In the event that the Company's shares trade at a closing price of \$0.30 or more for a period of ten consecutive days at any time after the closing of the offering, the Company may at its discretion, accelerate the expiry of the date of the warrants by providing notice to shareholders thereof, and in such case, the warrants will expire on the 30th day after the date on which such notice is given by the Company.

Proceeds from this financing will be used for and general working capital and costs associated with proceeding to completion of the Proposed COB.

Concurrent Financing

The Company plans on completing an additional arms-length financing (the "Concurrent Financing") upon completion of the COB and listing on the CSE of up to \$5 million to finance the COB and proposed acquisitions and new operations. The Company anticipates the Concurrent Financing will be substantially under the same terms as the Bridge Financing.

The Company will need additional funding for its corporate and overhead expenses in near future through either the issuance of 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 operating costs and eliminate exploration expenditures to conserve cash and protect assets.

Proposed RTO Transaction

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 affect 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.

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EXPLORATION PROPERTIES INTEREST

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 29, 2020 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	0%	None	The Company sold the claims to a Yukon subsidiary of Pembridge Resources plc.
Chanape Property Peru			
Minera Chanape S.A.C. holdings	100%	None	None
Pucacorrall Property Peru			
Minera Chanape S.A.C. concessions	100%	None	None
Cima de Oro S.A.C. Silver MG concession	100%	None	None
Cima de Oro S.A.C. Fundido concession	100%	None	None
Cerro de Oro Tres S.M.R.L. holdings	29.92%	None	None

SELECTED ANNUAL INFORMATION

The following financial data is derived from the Company's audited financial statements years ended February 28, 2020, 2019, and 2018.

	February 28, 2020	February 28, 2019	February 28, 2018
Expenses	\$ 1,068,604	\$ 1,071,306	\$ 600,472
Other income (expenses)	20,768	(2,741,628)	7,906
Net loss	(1,089,372)	(3,812,934)	(592,566)
Comprehensive loss	(1,089,372)	(3,812,934)	(568,566)
Basic and diluted loss per share	(0.02)	(0.08)	(0.02)
Total current assets	247,021	304,730	209,240
Total assets	389,123	317,328	3,004,992
Total current liabilities	223,368	529,649	430,570
Total liabilities	306,461	529,649	430,570

RESULTS OF OPERATIONS

For the three-month ended February 29, 2020

The net loss for the three-month period ended February 29, 2020 was \$262,755 as compared to the net loss for the three-month period ended February 28, 2019 of \$3,157,666. Operating expenses for the three months ended February 29, 2020 totaled \$274,311 compared to \$417,832 for the three months ended February 28, 2019, a decrease of \$143,521.

Significant items contributing to the net loss and comprehensive loss for the quarters ended February 29, 2020 and February 28, 2019 were as follows:

- Exploration and evaluation expenses of \$Nil (February 28, 2019 - \$3,000). The decrease resulted because the Company is currently pursuing business opportunities in cannabis industry and has decided to no longer spend capital on the mineral projects it holds.
- Travel costs of \$37,752 (February 28, 2019: \$23,623). These increased costs are associated with visits to Toronto, South Korea, USA, and Hong Kong for meetings with potential investors, funding agencies and current shareholders, and due diligence related to the COB transactions in the 4th quarter.
- Consulting & management fees of \$171,980 (February 28, 2019 - \$73,051). The significant increase is a result of more consulting work incurred related to due diligence on new cannabis projects.
- Depreciation of \$23,025 (February 28, 2019 - \$Nil). The depreciation of right-of-use assets is associated with the lease of office premises. There was no depreciation of the leases recorded in the comparable quarters.
- Lease interest of \$9,711 (February 28, 2019 - \$Nil). Interest expense on lease liabilities relating to office premises was recognized in the last quarter of fiscal 2020. There was no such expense recorded in the comparative quarter.
- Stock-based compensation of \$Nil (February 28, 2019 - \$215,000). The stock-based compensation \$215,000 was incurred in comparable quarters, because the Company granted the 3.1 million stock options in the last quarter of 2019. There were no stock options grants in 2020.

For the year ended February 29, 2020

The net loss for the year ended February 29, 2020 was \$1,089,372 as compared to the net loss for the year ended February 28, 2019 of \$3,812,934. Operating expenses for the year ended February 29, 2020 totaled \$1,068,604 compared to \$1,071,306 for the year ended February 28, 2019, an decrease of \$2,702.

Significant items contributing to the net loss and comprehensive loss for the year ended February 29, 2020 and 2019 were as follows:

- Exploration and evaluation expenses of \$Nil (February 28, 2019 - \$62,530). The decrease resulted because the Company is currently pursuing business opportunities in cannabis industry and has decided to no longer spend capital on the mineral projects it holds.

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- Travel costs of \$231,626 (February 28, 2019: \$62,565). These increased costs are associated with visits to Toronto, South Korea, USA, and Hong Kong for meetings with potential investors, funding agencies and current shareholders, and due diligence related to the COB transactions and the termination of the North Star transaction in this fiscal year.
- Consulting & management fees of \$537,160 (February 28, 2019 - \$279,610). The significant increase is a result of more consulting work incurred related to due diligence on the new cannabis projects.
- Corporate listing and filing fees of \$34,665 (February 28, 2019 - \$48,214). The higher filing fees in 2019 were associated with the AGM, two private placements, and appointing a new officer.
- Office and general of \$37,392 (February 28, 2019 - \$101,966). The decrease in office and general is due to the company cutting back expenditures.
- Depreciation of \$58,888 (February 28, 2019 - \$Nil). The depreciation of right-of-use assets is associated with leases of office premises. There was no depreciation of leases recorded in the comparative year.
- Lease interest of \$28,539 (February 28, 2019 - \$Nil). Interest expense on lease liabilities was recognized during the year ended February 29, 2020. There was no such expense recorded in the comparative year.
- Stock based compensation of \$Nil (February 28, 2019 - \$358,000). The stock-based compensation \$358,000 was incurred in the comparative year because the Company granted the 5.5 million stock options during the year ended February 28, 2019. There were no stock options grants during the year ended February 29, 2020.

LIQUIDITY AND CAPITAL RESOURCES

As at February 29, 2020, the Company's cash balance was \$201,546, compared to \$292,578 as at February 28, 2019. This amount is insufficient to fund the Company's ongoing operations for the current year.

As at February 29, 2020, the Company had working capital of \$23,653 compared to a working capital deficiency of \$224,919 as at February 28, 2019. In the opinion of management, should the Company wish to continue as a going concern and continue searching for new projects in 2020 and beyond, further financing will be required, and the Company will likely have to go to 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 enough 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 debt. Capital expenditures are not expected to have any material impact on liquidity unless the company successfully acquires a new business opportunity. As other opportunities become available to the Company, management will be required to complete further external financing.

At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to develop new business opportunities and raise additional funds. In order to finance the Company's future business opportunities and to cover administrative and overhead expenses, the Company will be required to obtain financing equity sales, debt and the exercise of convertible securities.

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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 few factors, including the sourcing of new projects. Management believes it will be able to raise equity capital and/or debt as required in the long term but recognizes that there will be risks involved which may be beyond its control.

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 condensed consolidated interim 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, has no source of operating cash flow, and no assurances that sufficient 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 29, 2020, the Company had an accumulated deficit of \$24,658,040 (February 28, 2019 - \$23,566,797), incurred a net loss for the year ended February 29, 2020 of \$1,089,372 (February 28, 2019 - \$3,812,934) and has working capital of \$23,653 (February 28, 2019 – \$224,919 working capital deficiency).

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

SUMMARY OF QUARTERLY RESULTS

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

	29-Feb-20	30-Nov-19	31-Aug-19	31-May-19	28-Feb-19	30-Nov-18	31-Aug-18	31-May-18
	\$	\$	\$	\$	\$	\$	\$	\$
Net loss	262,755	292,512	251,988	282,117	3,157,666	155,524	142,919	356,825
Comprehensive loss	262,755	292,512	251,988	282,117	3,157,666	155,524	142,919	356,825
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.01)	(0.06)	(0.00)	(0.00)	(0.01)
Total assets	389,123	764,964	1,083,587	1,607,692	317,328	2,878,703	3,091,144	2,878,469
Exploration and evaluation assets	1	1	1	1	1	2,750,125	2,759,719	2,755,252
Revenues	-	-	-	-	-	-	-	-
Equity (deficiency)	49,115	330,538	623,050	(164,438)	(212,321)	2,507,784	2,673,678	2,450,597

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.

RISKS AND UNCERTAINTIES

As the Company moves forward with its change of business strategy away from the Mining Industry and into the Canadian Cannabis and Hemp industries, many factors could cause actual results, performance and achievements to differ materially from those expressed or implied by the forward-looking statements and forward-looking information. The risks associated with the Cannabis and Hemp industries materially differ from the risks the Company was exposed to with its mining properties.

In the mining sector, the Company's risk was largely in that all of the properties it owned or had interests in were without proven ore deposits and there was no assurance that the Company's exploration programs would result in proven ore deposits, nor could there be any assurance that economic deposits could be commercially mined.

As the Company moves towards a change of business into the Canadian Cannabis and Hemp industries, any forward-looking information is subject to known and unknown risks and uncertainties as follows, but not limited thereto:

- The Company's ability to complete the contemplated change of business, is subject to both shareholder and regulatory approvals, neither of which is guaranteed.
- Store and sell medical marijuana in Canada are dependent upon licenses from Health Canada which are subject to ongoing compliance and reporting requirements.
- The activities of the Company will be subject to regulation by federal and provincial governmental authorities.
- The Company's operations will be subject to various laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of cannabis but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment.
- Third parties the Company does business with may perceive that they are exposed to reputational risk as a result of the Company's cannabis business activities.

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- The Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabis market or any particular product, or consistent with earlier publicity.
- A failure in the demand for any future products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.
- The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls.
- The Company may engage in acquisitions or other strategic transactions or make investments that could result in significant changes or management disruption.
- The Company could fail to integrate acquired companies into the business of the Company.
- Completed acquisitions, strategic transaction or investments could fail to increase shareholder value.
- The Company may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business.
- 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

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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.

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 29, 2020	February 28, 2019
Consulting fees and professional fees	\$ -	\$ 10,525

The remuneration of directors and other members of key management personnel during the nine months ended February 29, 2020 and 2019 were as follows:

	February 29, 2020	February 28, 2019
Management fees	\$ 244,700	\$ 221,396
Professional fees	43,000	30,000
Stock based compensation	-	215,160
	\$ 287,700	\$ 466,556

All amounts paid to related parties have been recorded at fair value for the services received by the Company.

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 70,233,980 issued and outstanding. The Company also had 10,060,000 warrants and 5,500,000 stock options outstanding convertible into one common share each.

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

The critical judgments 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 audited financial statements for the year ended February 29, 2020 are consistent with those applied in the preparation of the Company's annual audited consolidated financial statements for the year ended February 29, 2020.

NEW ACCOUNTING STANDARDS ADOPTED

The adoption of IFRS 16 is reflected in the notes to consolidated financial statements for year ended February 29, 2020.

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, other receivables, and the short-term debt 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 outflows to ensure that there is sufficient capital in order to meet short-term obligations. As of February 29, 2020, the Company had a cash balance of \$201,546 (February 28, 2019 - \$292,578) to settle current liabilities of \$223,368 (February 28, 2019 - \$529,649) consequently the company feels there is minimal liquidity risk currently. Further information relating to liquidity risk is disclosed in Note 1 of the Company's consolidated financial statements for the year ended February 29, 2020.

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.

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 cash and cash equivalents are 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 cash, working capital and 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 and investigating other business opportunities. 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 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.

- 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.
- The Company may issue new equity, incur additional debt, 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 year ended February 29, 2020 compared to the years ended February 28, 2019. 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 29, 2020, statement of operations contained in its consolidated

financial statements for the year ended February 29, 2020. These statements are available 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, labor 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.