PANCONTINENTAL GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(for the twelve month period ended December 31, 2017)

April 20, 2018

INTRODUCTION

This management's discussion and analysis ("MD&A") has been prepared by Pancontinental Gold Corporation's ("Pancontinental" or the "Company") management and provides an analysis of the Company's operating and financial performance for the twelve month period ended December 31, 2017, as well as a view of future prospects. The MD&A should be read in conjunction with Pancontinental's: audited consolidated financial statements for the years ended December 31, 2017 and 2016. Additional information related to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) and is available online at www.sedar.com.

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

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

CORPORATE PROFILE

Pancontinental is an exploration-stage company involved in the business of acquiring, exploring and developing mineral properties. In 2016, with the encouraging outlook for the gold sector, the Company transitioned from a rare earth element (REE) and uranium explorer into a gold explorer through the acquisition of the Jefferson Gold Project, as described below, and concurrently changed its name to reflect this new direction. In addition, the Company has gained exposure to the growing battery metal sector through its Montcalm West Project, as described below.

Previously, the Company had participated in REE and uranium exploration activities in Australia, through a joint venture with Crossland Strategic Metals Limited. On November 26, 2015, the Company completed the sale of its interest in the joint venture to Essential Mining Resources Pty Ltd and retained a 1% gross overriding royalty.

Executive changes
On April 7, 2017, Thomas Layton Croft was appointed President and Chief Executive Officer ("CEO") of Pancontinental Gold Corporation, replacing Richard Mark. Mr. Mark continues to act as a director of the Company. Previously, on March 13, 2017, Mr. Croft was appointed to the Company's Board of Directors and on February 8, 2017, he was appointed President and CEO of Palmetto Mining Corporation, the Company's wholly- owned South Carolina subsidiary. As well, on January 26, 2017, Mr. Croft was appointed Pancontinental's Vice President of Corporate Development. Mr. Croft began consulting for the Company in November 2016.

HIGHLIGHTS

Jefferson Gold Project
During the first quarter of 2017, the Company completed its inaugural drill program of 912 metres (approximately 3,000 feet) at the Jefferson Gold Project. Results from the initial six holes were released on April 4, 2017.

Montcalm West Project
Pursuant to an option agreement completed on January 5, 2018, the Company obtained the right to acquire a 100% interest in two prospective nickel-copper-cobalt properties, the Montcalm and Nova, encompassing approximately 3,984 hectares (subsequently increased to 4,620 hectares), in the Porcupine Mining Division located approximately

65 kilometres northwest of Timmins, Ontario. During April, 2018, the Company acquired a 100% interest in an additional 6,980 hectares of land, called the Gambler Property, which is adjacent to its existing Montcalm Property.

Financing activities
During 2017, the Company completed a private placement for gross proceeds of $191,500. Subsequent to December 31, 2017, the Company raised gross proceeds of $1,976,490 through a private placement, which closed on April 4, 2018. The private placement consisted of 20,010,000 units for gross proceeds of $1,000,500 and 16,266,500 flow-through shares for gross proceeds of $975,990.

JEFFERSON GOLD PROJECT ("JEFFERSON" or the "JEFFERSON PROJECT")

Property description
The Jefferson Gold Project is an exploration-stage gold project located in Chesterfield County, South Carolina, within one of the most historically significant gold trends in the United States. This trend hosts OceanaGold Corporation's open pit Haile Gold Mine, which commenced production in 2017 and is located approximately 10 kilometres from Jefferson. The region also includes: the former Ridgeway Gold Mine, approximately 55 kilometres from Jefferson, a former 15,000 tonnes per day open pit mine, which produced over 1.6 million ounces of gold from 1988 to 1999; and, the former open pit Brewer Gold Mine, which forms the western border of the Jefferson Project and from which more than 12 million tonnes of ore was mined from 1987 to 1995.

Jefferson is comprised of approximately 1,456 acres under 13 leases from private landowners, who own the surface and sub-surface mineral rights. In addition, the Company has secured a right of first refusal, subject to certain conditions, to purchase, lease or explore/mine an additional property lease, which encompasses approximately 52 acres. Jefferson is along a northeast-striking structural trend of hydrothermal alteration and gold mineralization extending from the Haile and Brewer gold mines. The Jefferson Project contains multiple drill targets within a mineralized trend based on historic exploration.

In 2011, Firebird Resources Inc. ("Firebird") and Pageland Minerals Ltd. ("Pageland") drilled a total of four holes at Jefferson with very positive results, providing evidence of potential for a significant gold resource. All four holes encountered gold mineralization, with the best hole averaging 1.27 grams per tonne over 164.3 metres (539 feet - true width unknown). Please refer to Pancontinental's press release of May 25, 2016 for assay details on all four drill holes.

Acquisition
On August 17, 2016, the Company completed the acquisition of the Jefferson Project pursuant to an asset purchase agreement (the "APA"), which was entered into on May 20, 2016 with Firebird Resources Inc. ("Firebird"), Pageland Minerals Ltd. ("Pageland") and Appalachian Resources LLC ("Appalachian"). As consideration for acquiring 100% ownership in the Jefferson Project, along with all exploration and property information, Pancontinental paid and issued to:

a) Firebird and Pageland, in the aggregate: cash totalling $100,000, of which $30,000 was paid on execution of the APA with the balance of $70,000 paid on closing; and, 1,000,000 common shares issued on closing.
b) Appalachian, 1,000,000 common shares issued on closing.

To bring the acquired property leases into good standing the Company paid approximately USD $178,000 to settle lease arrears existing as at the acquisition date. Of the fourteen property leases acquired, one property lease (approximately 52 acres) could not be confirmed with the landowner (lessee), and was relinquished in exchange for the Company securing from the landowner the right of first refusal to purchase, lease or explore/mine the property under certain conditions.

A production royalty of 3.5% (the" Royalty") is payable to each landowner that owns the property from which minerals are produced. Advanced royalty payments are non-refundable and will be credited towards the Royalties payable from production.

Exploration plans and strategy

The implementation of the Company's exploration strategy at Jefferson included producing an initial NI 43-101 technical report (*which has been filed on SEDAR*) and compiling and reviewing historic exploration data to lead into a staged drilling program, which commenced on November 14, 2016. To strengthen the Company's ability to implement a successful exploration strategy, a Technical Advisory Committee was established in November 2016. The committee is led by Dr. Laurie Curtis, PhD, a senior technical advisor to the Company and also includes Mr. David Mosher, a geologist and a Company director. Dr. Curtis is a renowned and respected economic geologist and geochemist who, with more than 40 years of global exploration, mining and capital markets experience, brings a proven record of exploration, mine development and project financing to Pancontinental.

Since the 1980s, Dr. Dennis LaPoint, PhD, the Company's Vice President of Exploration, has personally explored and examined regions in the Carolinas that include the Haile and Ridgeway mine areas and has made several gold discoveries, often under sand cover, like at Jefferson. Dr. LaPoint notes that the age, deformation and lithologies identified at the Jefferson Project are comparable to host rocks at the Haile and Brewer mines, as well as at the Ridgeway mine. The Ridgeway mine was discovered in a region with minimal historic prospects that lies near the edge of sand cover, like at Haile and at Jefferson (LaPoint, D.J., 1995, SEG Guidebook, pp. 21-52).

Drill program

On November 2016, a diamond drill program was initiated, and a total 912 metres over six (6) holes was completed. The drill program has focused on an area referred to as Anomaly A, stepping out from the 2011 drill hole fence in both directions along the east-west gold trend. Dr. Margaret Venable, PhD, an exploration geologist with more than 30 years of experience managing and directing projects around the world, supervised the initial stage of the drill program.

Anomaly A highlights and drill results:

- 5 out of 6 holes intersected anomalous gold grades indicative of a focused gold system;
- JEF-108 intersected 22.9 m averaging 1.3 g/t, including 8.5 m of 1.8 g/t;
- JEF-109 intersected 12.2 m of 1.55 g/t; and
- Drilling verified a northwest trending mineralized zone previously unrecognized.

DH	From (m)	To (m)	Interval (m)	grade (g/t)
JEF-104	30.8	34.4	3.7	0.96
JEF-104	56.7	57.9	1.2	1.55
JEF-104	68.9	72.5	3.7	1.96
JEF-104	178.6	180.1	1.5	1.31
JEF-106	28.4	36.6	8.2	0.93
JEF-106	49.7	60.4	10.7	0.81
JEF-106	99.8	100.6	0.8	1.09
JEF-107	31	40.3	9.3	1.3
JEF-108	100.6	123.4	22.9	1.3
including				
JEF-108	113.1	121.6	8.5	1.8
JEF-109	51.2	54.9	3.7	0.9
JEF-109	79.2	91.4	12.2	1.55

All intercept widths reported are core intervals and not true widths, which are unknown.

Samples were shipped to ALS Chemex in Arizona by truck for preparation and then to ALS Chemex in Vancouver for fire assay gold analysis and four acid digestion 33 element ICP-AES analysis. Standard QA/QC procedures are followed including, blanks, duplicates and standards.

Pancontinental believes this drill program was quite positive and resulted in significant gold intersections in the fifth and sixth holes (JEF-108 and JEF-109), which were drilled in a new orientation. Drilling was focused on defining ore controls and understanding the trend of mineralization in a poorly exposed gold system partially covered by sand. These results provide useful data and knowledge further to the 2011 drilling at Anomaly A.

Gold mineralization at the Jefferson Project is controlled by intersecting trends of structure and folding. The core from Jefferson is hosted in felsic volcanic rock, which in the mineralized areas is commonly described as fragmental tuff or breccia near sedimentary contacts as seen in holes 104 and 105. Typically, better gold values are in more deformed or sheared altered host rock. This resembles the Haile gold mine, located approximately 10 kilometres to the southwest of the Jefferson Project, where "the deposits are primarily volcanic-rock hosted, massive sulfide, and disseminated gold-sulfide deposits, which formed along the stratigraphic boundary between the metavolcanics and overlying metasedimentary rocks (Mobley and others, 2014, *Economic Geology,* v. 109, pp. 1863)."

A strong and distinctive chloritic alteration is commonly associated with the strongest mineralization. Silicification and a higher percentage of pyrite correlate with gold. Mineralization often follows a steep west-southwest foliation as well as zones of shearing, which may follow a more northwest orientation. Higher grades are often associated with breccia zones that are deformed.

Within one small area of drilling at the Jefferson Project there are multiple mineralization styles and orientations. For instance, although hole JEF-105 intersected little gold, it is very important geologically and structurally, as it suggests untested potential. The initial part of hole JEF-105 was in banded pyritic sediments, similar to those encountered at the Haile and Ridgeway gold mines.

Pancontinental believes that the multiple styles of mineralization greatly enhance the value potential of the Jefferson Project. Drilling at Jefferson will resume following a review of the data, geophysical surveying and upon funding being obtained. The potential to expand its land holdings is also under consideration.

Qualified person

Dr. Dennis LaPoint, PhD, the Company's Vice-President of Exploration and President and owner of Appalachian, originally assembled the Jefferson property package and oversaw Firebird's and Pageland's 2011 drill program and was their identified Qualified Person when the assay results were originally released in Firebird's March 1, 2012 press release. Dr. LaPoint is a qualified person under National Instrument 43-101 "Standards of Disclosure for Mineral Projects". Dr. LaPoint has verified all the technical data presented in this MD&A as it relates to Jefferson. In addition, Dr. LaPoint has over 40 years of experience in project generation and was instrumental in the discovery of Newmont's multi-million ounce Merian Gold deposit in Suriname.

MONTCALM WEST PROJECT

Property description

The Montcalm West Project is a camp-sized exploration-stage nickel-copper-cobalt project covering the majority of the Montcalm gabbro complex, located within the Porcupine Mining Division, approximately 65 kilometres northwest of Timmins, Ontario, Canada. The Montcalm West Project encompasses a total of 11,600 hectares and is comprised of three properties – Montcalm (3,780 hectares), Nova (840 hectares), and Gambler (6,980 hectares). The Montcalm and Nova properties are subject to an option agreement (further described below) and the Gambler property was acquired through staking by the Company in April 2018.

The Montcalm West Project is contiguous and surrounds the western portion of the former Montcalm Mine property, which had 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 property is contiguous to and surrounds the western portion of the former Montcalm Mine and the Nova property is located approximately 19 kilometres southwest of the Montcalm Mine. In light of the Company's strategic acquisition of the Gambler property, its Montcalm West Project now encompasses 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.

Option Agreement

On January 5, 2018, the Company entered into an option agreement (the "Option Agreement") with 2522962 Ontario Inc. (the "Optionor") pursuant to which the Company obtained the right (the "Option") to acquire a 100% interest in the Montcalm and Nova properties. In order to exercise the Option, the Company shall:

a) Pay the Optionor an aggregate of $140,000 as follows:
   - $35,000 on or before June 28, 2018 ($14,000 paid);
   - $35,000 on or before January 22. 2019;
   - $35,000 on or before January 22. 2020;
   - $35,000 on or before January 22. 2021.

b) Issue to the Optionor an aggregate of 1,200,000 common shares of the Company as follows:
   - 300,000 common shares on or before January 29, 2018 (issued);
   - 300,000 common shares on or before January 22, 2019;
   - 300,000 common shares on or before January 22, 2020;
   - 300,000 common shares on or before January 22, 2021.

A net smelter return royalty of 2.5% (the" NSR") is payable to the Optionor from all minerals sold from the Montcalm and Nova properties. The Company reserves the right to purchase 1% of the NSR (such that the Optionor's NSR is reduced to 1.5%) for $1,000,000. The Company is required to keep the Montcalm and Nova properties in good standing during the term of the Option Agreement.

Exploration plans and strategy

At its Montcalm property, an airborne, state-of-the-art, versatile time domain electromagnetic (VTEM) survey is planned for the second quarter of 2018. In addition, the Company plans on conducting an airborne gravity survey. The purpose of these two surveys is to identify and define anomalies similar to those found at the adjacent former Montcalm Ni-Cu-Co Mine. All targets identified will be prioritized for subsequent diamond drilling. Concurrent to this work, existing untested anomalies on the Montcalm property will also be further defined and prioritized for diamond drilling.

At its Nova property, a program is being designed to assess significant anomalous cobalt occurrences, including a higher-grade historical surface showing which returned 3,230 ppm Co or 6.46 lbs of cobalt per ton. More specifically the program will evaluate the extent of the known mineralization by prospecting and extensive resampling to ascertain orientation and controls of the mineralization for future exploration. The initial work program will also include a mobile metal ion (MMI) geochemical survey to determine if known mineralization extends beyond known rock exposures into areas that are overburden-covered but proximal to known mineral occurrences. Upon completion of this work, geophysics will be considered in order to outline drill targets.

At its Gambler property, VTEM and gravity airborne surveys will be conducted at a later date.

Qualified person

J. Kevin Filo, PGeo, is the Company's qualified person under National Instrument 43-101 "Standards of Disclosure for Mineral Projects". The Company has not yet completed the work necessary to verify the historical data and past exploration results, as they pre-date National Instrument 43-101 standards. Mr. Filo has verified all the technical data presented in this MD&A as it relates to the Montcalm West Project.

GROSS OVERRIDING ROYALTY ("GOR")

Australian Joint Venture

On February 8, 2007, Pancontinental formed a joint venture (the "Joint Venture") with Crossland Strategic Metals Limited ("Crossland") and subsequently earned an initial 50% interest in a number of Australian properties prospective for rare earth elements (REE) and uranium. On November 26, 2015 (the "Effective Date") the Company completed the sale of its entire interest to Essential Mining Resources Pty Ltd. ("EMR"), a private Australian-domiciled company, wholly-owned by EMMCO Mining Sdn Bhd, a private Malaysian company. During 2017, EMR was merged with Crossland.

Properties held by the Joint Venture (the "JV Properties") on the Effective Date consisted of 28 tenements comprised of 3,354 sub-blocks. As at November 26, 2017 and as reported by Crossland, the JV Properties consisted of 22 tenements comprised of 1,987 sub-blocks, representing a reduction of 6 tenements or 1,367 sub-blocks. A summary of the remaining JV Properties is below:

- Charley Creek - 17 tenements or 1,103 sub-blocks
- Chilling – 1 tenement or 37 sub-blocks
- Bloodwood/Highland Rocks – 4 tenements or 847 sub-blocks

As part of the consideration received from the sale of its interest to EMR, the Company retained a gross overriding royalty of one percent (1%) on sales of production from 100% of the JV Properties. The gross overriding royalty now provides for an annual non-refundable advance royalty payment of AUS $29,621 (2016 - $50,000), which may be adjusted for future reductions in the size of the JV Properties. The advanced royalty payment is due on each anniversary of the Effective Date. Advance royalty payments are to be deducted from gross overriding royalties on future production. In addition, the gross overriding royalty is registered against title of the JV. The Company has not been advised if and when production is expected to begin.

The 2017 royalty revenue of AUS $22,451 (CDN $21,777) reflects reductions in the size of the JV Properties, for 2016 and 2017. To date, the Company has received advanced royalty payments of AUS $72,451. In January 2018, the Company received payment of the 2017 advanced royalty.

Charley Creek – Northern Territory

The Charley Creek project is located in central Australia, approximately 100 kilometres northwest of Alice Springs and is situated on the southern margin of the North Australian Craton, in a geological setting that is the core of an ancient mountain chain. The tenements potentially contain elements necessary for the formation of sediment-hosted REE and uranium deposits, as well as potential for nickel-platinum deposits.

INVESTMENT IN TORTUGA RESOURCES INC.

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

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. Tortuga has not advised the Company of its future plans.

SELECTED ANNUAL INFORMATION

Results of Operations	Year ended, December 31, 2017	2016	2015
Royalty revenue	$ 21,777	$ 50,000	$ -
Gain on debt settlement	-	38,520	111,245
Expenses	(1,027,319)	(1,716,006)	(504,152)
Income (loss) on continued operations	(1,005,542)	(1,627,486)	(392,907)
Income (loss) on discontinued operations	-	-	1,370,311
Net income (loss)	(1,005,542)	(1,627,486)	977,404
Net income (loss) per share – basic and diluted			
Continued operations	(0.010)	(0.018)	(0.005)
Discontinued operations	0.000	0.000	0.017

Financial Position	As at December 31, 2017	2016	2015
Working capital - Continued operations	$ (369,589)	$ 424,366	$ 292,247
Working capital - Discontinued operations	-	-	4,501
Total assets - Continued operations	93,134	705,985	506,191
Total assets - Discontinued operations	-	-	4,501
Total long-term financial liabilities	-	-	-

SUMMARY OF QUARTERLY RESULTS

		Royalty revenue	Net income (loss)	Net income (loss) per share
Fiscal 2017		$	$	$
Q4	December 31	21,777	(145,965)	(0.001)
Q3	September 30	-	(96,188)	(0.001)
Q2	June 30	-	(249,238)	(0.003)
Q1	March 31	-	(514,151)	(0.005)
Fiscal 2016				
Q4	December 31	50,000	(461,860)	(0.005)
Q3	September 30	-	(984,806)	(0.011)
Q2	June 30	-	(174,742)	(0.002)
Q1	March 31	-	(6,078)	0.000

For 2017, variances in quarterly results were influenced by the amount of: (1) Australian JV royalty revenue recognized in Q4; (2) corporate and administrative expenses, which were impacted by – the level of Jefferson Project activity in each quarter - the accrual of annual audit and tax services fees in Q4 - the Company's annual shareholder meeting and annual public company fees in Q2 - the revamping of the Company's website and development of marketing materials in Q1 and Q2 – and, management changes made in Q1; (3) exploration and evaluation expenditures related to the Jefferson Project; (4) and, share-based payments attributable to the grant of stock options in Q1.

For 2016, variances in quarterly results were influenced by the amount of: (1) Australian JV royalty revenue recognized from the inaugural royalty payment; (2) corporate and administrative expenses, which were impacted by - costs associated with the Jefferson Project in Q3 and Q4 - the accrual of annual audit and tax services fees in Q4 - satisfying TSX-V Tier 2 listing requirements in Q3 - the Company's annual shareholder meeting and annual public company fees in Q2 – and, the evaluation of business opportunities in Q1 and Q2; (3) exploration and evaluation expenditures related to the Jefferson Project in Q2, Q3 and Q4; (4) share-based payments attributable to the grant of stock options in Q3 and Q4; (5) and, a gain on debt settlement through the issuance of shares in Q1.

RESULTS OF OPERATIONS

The net loss for fiscal 2017 was $1,005,542 versus a net loss of $1,627,486 for fiscal 2016, representing a decrease of $621,944. The decrease was primarily influenced by: (1) a significant reduction in the number of stock options granted in the year; and, (2) the absence of acquisition costs in combination with lower property payments for the Jefferson Project. The decline in royalty revenue is attributable to the 41% reduction in the size of Australian JV Properties. The overall decrease in the net loss was partially mitigated by higher corporate and administrative expenses primarily attributable to management changes. The foreign exchange gain resulted primarily from favourable fluctuations in the United States dollar.

Corporate and administrative expenditures increased through higher:

- insurance premiums, attributable to coverage of operations in the Carolinas;
- management fees, due to the inclusion of two new Company officers;
- office and general costs, attributable to supporting activity in the Carolinas;
- rent, due to the Company maintaining an office in Chapel Hill, North Carolina;
- salaries and benefits for personnel costs to support administration activities in the Carolinas;
- shareholder relations and promotion costs, attributable to the revamping of the Company's web site and development of marketing materials; and,
- travel costs, for management meetings and industry trade shows/conferences.

The increase in corporate and administrative expenses was partially mitigated by decreases in:

- consulting, as administrative and corporate development functions were handled internally;
- filing and transfer agent fees, as a result of a reduction in share issuance activity, which decrease was partially offset by higher TSX Venture Exchange filing fees;
- professional fees, as the need for legal services significantly declined. The decrease in legal fees was partially offset by higher fees for audit and tax services.

Share-based payment activity declined in 2017, as only 500,000 stock options were granted in the year.

Exploration and evaluation expenditures decreased, due to the absence of Jefferson Project acquisition costs and lower property lease payments. Exploration activity in fiscal 2017 revolved around the inaugural 6 hole drill program (912 metres) at the Jefferson Project.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

Operating activity cash flows for fiscal 2017 were impacted by the receipt of the 2016 royalty revenue receivable and the movement in prepaid expenses is attributable to the reduction in insurance premiums for the Jefferson Project. The growth in accounts payable and accrued liabilities was primarily attributable to the Company's financial liquidity constraints.

Working capital
As at December 31, 2017, Pancontinental had a working capital deficiency of $369,589, which includes $340,603 payable to related parties. Pancontinental'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.

For 2017, the Company enhanced its working capital by closing a $191,500 private placement in two tranches ($150,000 – December 5, 2017 and $41,500 – December 15, 2017). In addition, working capital was augmented by loans provided by Company directors/officers. Subsequent to December 31, 2017, the Company received cash advances of $5,200 and US $6,000 from Company directors. These loans were made to enable the Company to meet its immediate financial obligations and are non-interest bearing, unsecured and payable on demand.

To recapitalize the Company, gross proceeds of $1,976,490 were raised through a private placement, which closed on April 4, 2018. These funds include $975,990 of flow-through funds, which are designated for Canadian exploration activities, currently consisting of the Montcalm West Project.

Annual aggregate Jefferson Project property payments for 2018 amount to US $152,225. The Company is current with its property payments. The Company can relinquish any Jefferson Project lease at any time

For 2018, the likelihood exists that Pancontinental may need to raise additional working capital to settle its liabilities and fund its current level of operating expenditures and exploration activity. Further capital will be required to fund property acquisitions and expand Jefferson Project exploration activities. A significant portion of expenditures for the Jefferson Project are denominated in United States dollars, giving rise to market risk from changes in foreign exchange rates, which may negatively impact the Company's working capital.

The Company prefers to obtain funds through private placements, though it may consider raising funds through the divesture of non-core assets. The Company's ability to continue is highly dependent on its working capital and its ability to obtain additional funds in the capital/equity markets to: finance its activities; and, meet its obligations and pay its liabilities. There is a risk that the Company will be unable to raise sufficient funds, thus jeopardizing the Company's ability to achieve its objectives and continue as a going-concern.

Given the nature of the Company's operations, which consist of exploration, development, evaluation and acquisition of resource properties or projects, the Company believes that the most meaningful financial information relates primarily to current liquidity and solvency.

SHARE CAPITAL

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

Security	**Number**
Common shares	139,916,854
Warrants	13,835,000
Options	9,450,000

On April 4, 2018 the Company closed a $1,976,490 private placement consisting of 20,010,000 units for gross proceeds of $1,000,500 and 16,266,500 for gross proceeds of $975,990. Each unit was issued at $0.05, and consisted of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at a price of $0.08 for a period of eighteen months, expiring on October 4, 2019. The warrant expiry can be accelerated in the event the common shares trade at a volume weighted average trading price of $0.15 or greater for a period of 20 consecutive days following the expiry of the statutory trading restriction on August 5, 2018. The Company paid cash commissions of $4,620.

Subsequent to December 31, 2017, the Company granted 800,000 options to a director/officer and granted 400,000 options to a consultant. The options vested immediately and have an exercise price of $0.05 and a five year term, expiring January 10, 2023.

RELATED PARTY TRANSACTIONS

Management fees of $236,625 (2016 - $120,676) for the year were paid or accrued. These fees are payable to Company officers or companies controlled by or associated with Company officers as follows:

- President and Chief Executive Officer ("CEO"), Mr. Layton Croft - $87,068 (2016 - $nil). Mr. Croft was appointed Pancontinental's President/CEO on April 7, 2017 and was appointed President and CEO of Palmetto Mining Corporation on February 8, 2017. These amounts include Mr. Croft's compensation while he was acting as Pancontinental's Vice President of Corporate Development from January 26, 2017 to April 6, 2017. Mr. Croft's fees are payable in USD.
- former President and CEO, Mr. Richard Mark - $6,300 (2016 - $18,000). Mr. Mark ceased acting as the Company's President and CEO on April 7, 2017 and received a termination payment of $1,500;
- Chief Financial Officer, Mr. Mark McMurdie - $84,000 (2016 - $84,000); and,
- Vice President of Exploration, Mr. Dennis Lapoint - $59,258 (2016 - $18,686). Mr. Lapoint's fees are payable in USD.

Rent of $4,674 (2016 - $800) for the year was paid or became payable to a company controlled by a Company officer for an office in Chapel Hill, NC. The rent is payable in USD.

Share-based compensation (non-cash) of $19,650 (2016 - $462,697) for the year represents the fair value of 400,000 stock options granted to a director/officer. These options vested immediately and each option has an exercise price of $0.12 and a five year term.

Loans from related parties of $165,000 (December 31, 2016 - $100,000) represent cash advances provided by Company directors. Subsequent to December 31, 2017, Company directors/officers provided additional cash advances of $5,200 and US $6,000. Cash advances were provided for working capital purposes. These loans are non-interest bearing, unsecured and payable on demand.

FOURTH QUARTER

The net loss for the fourth quarter of fiscal 2017 was $145,965 versus a net loss of $461,860 for the comparable quarter of 2016, representing a decrease of $315,895. The decrease in the loss was primarily attributable to reductions in: (1) exploration and evaluation expenditures (2017 - $62,006 vs 2016 - $257,316), as Jefferson Project activity was primarily limited to maintaining property leases; (2) and, share-based payments (2017 - $nil vs 2016 - $118,457), due to the absence of share option grants. The decline in royalty revenue (2017 - $21,777 vs 2016 - $50,000) is attributable to the reduction in the size of Australian JV Properties. Corporate and administrative expenses experienced a decrease of $30,293, which reflects the contraction in Jefferson Project activities and a reduction in the need for legal services.

	Three months ended December 31	
Corporate and administrative	**2017**	2016
Consulting	**$ -**	$ 11,526
Filing and transfer agent fees	**2,829**	2,751
Insurance	**4,644**	5,061
Management fees	**46,166**	44,176
Office	**1,421**	2,330
Professional fees	**37,040**	42,681
Rent	**2,644**	2,701
Salaries and benefits	**3,628**	8,875
Shareholder relations and promotion	**1,236**	1,899
Travel	**4,034**	11,935
	$ 103,642	$ 133,935

Cash flows used in operating activities were $158,649. Cash flows consumed by operations before changes in non-cash working capital items were $152,484. Cash used in non-cash working capital items was $6,165.

Cash flows provided from financing activities were $211,037. These cash flows resulted from: the closing of a 3,830,000 unit private placement for net proceeds of $184,537; and, cash loans from Company directors, net of repayments, of $26,500.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Disclosure on the Company's financial instruments and related risks may be found in Note 16 of Pancontinental's audited consolidated financial statements for the year ended December 31, 2017.

The Company's exposure to liquidity risk has increased significantly with the acquisition of the Jefferson Project and the Montcalm West Project, as the Company needs to obtain financing to fund option and property payments, operating expenditures and future exploration activities. In addition, Jefferson Project expenditures are primarily denominated in United States dollars, giving rise to market risk from changes in foreign exchange rates.

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

CAUTIONARY NOTES

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

- potential to earn an interest in mineral properties;
- ability to acquire properties and conduct exploration work;
- outlook for metals and/or mining sector;
- potential of exploration properties;
- establishing economic deposits or resources;
- potential for future benefits from its Joint Venture gross overriding royalty or investment in Tortuga;
- possibility to dispose non-core assets;
- ability to continue as a going concern;
- capital requirements and ability to obtain funding;
- condition of financial or capital markets.

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

- condition of underlying commodity markets and prices;
- ability to raise necessary capital;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- receipt or retention of necessary permits or approvals;
- access to properties and contests over title to properties;
- timing of commencement of exploration or development activities;
- geological and exploration results and conditions;
- geological, technical, drilling and operating difficulties;
- establishment of sufficient and economic resources or reserves;
- obtaining environmental and mining approvals;
- availability and cost of contractors, equipment, supplies, labour and insurance;
- the speculative nature of exploration and development and investor sentiment;
- competition for, among other things, capital, acquisitions of resources and/or reserves, undeveloped lands and skilled personnel;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in which the Company conducts or may conduct business;
- business opportunities that may be presented to or pursued by the Company;
- our ability to correctly value and successfully complete acquisitions;
- effectiveness of corporate relations;

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

RISKS AND UNCERTAINTIES

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

Acquisition risk
Pancontinental uses its best judgment in the acquisition of mineral properties or an alternative business venture 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 or business venture. The Company cannot provide assurance that it can complete any acquisition that it pursues, on favourable terms, or that any acquisition will ultimately benefit the Company.

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

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

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

Counterparty risk
Counterparty risk is the risk that each party to a contract will not fulfill its contractual obligations. The Company's Jefferson Gold Project's property leases, Montcalm West Project Option Agreement and the Australian Joint Venture gross overriding royalty are exposed to this risk.

Third party performance risk
For the Company to realize benefits from its Australian Joint Venture gross overriding royalty or its investment in Tortuga, the Company is dependent upon the evolution and success of the underlying project's exploration and development, which could be impacted by: the management of the particular project and execution of planned objectives; the participants ability to raise necessary capital and remain solvent; environmental approvals and regulations; government and mining policies and regulations; establishment of sufficient and economic resources or reserves; condition of underlying commodity markets and prices; access to properties; receipt or retention of necessary permits or approvals; timing of commencement of exploration or development activities; geological and exploration results; exploration and development conditions; and, the disclosure of technical reports and other information. As the Company is not involved in the management of either entity or participates in the oversight of either entity's projects, there is a risk that significant or material information may not be disclosed to the Company, on a timely basis, or at all.

Environmental risk
The exploration and development activities conducted on Pancontinental's mineral properties are subject to the environmental laws and regulations of the country in which the activities take place. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties, more stringent environmental assessments and a heightened degree of responsibility for companies and their officers, directors and employees. Although the Company undertakes to comply with current environmental laws and regulations, there is no assurance that future changes in environmental laws or regulations will not adversely affect the Company's operations.

Exploration risk

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

Financing and liquidity risk

Pancontinental's future profitability and ability to finance its exploration and development activities and make acquisitions is highly dependent upon its ability to raise capital in the financial markets, which is strongly related to: the market price of the primary minerals identified in its mineral properties; market price of the Company's equities; and, general commodity and investor sentiment. The Company does not have production income or a regular source of cash flow to fund its operating activities. Pancontinental will require significant capital to finance its overall objectives and there is no assurance that the Company will be able to raise the capital required and continue as a going concern. In addition, Pancontinental's financial success is dependent on the extent to which it can discover mineralization in economic quantities and the economic viability of developing its properties or projects.

Property title risk

Although Pancontinental takes reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged, impugned or renounced.