

EXPLORING FOR CLEAN ENERGY

PUC Battery Metals Report

November 2018

INCLUDED IN THIS REPORT

Battery metals stock performance

- MoM and YTD exploration, developer and producer charts

Exploration News

- Pancon partners with Flying Post First Nation on Montcalm, Gambler & Nova Projects
- Pancon prepares for drilling at Montcalm, strengthens technical team
- Pancon's CEO Video Interview

Battery Metals

Supply & Demand News

- Batteries juicing the nickel market
- EDF forecasts that EV will represent ~30% of new car sales in France, UK, Italy and Belgium by 2030
- Despite price falls in many metals, YTD for nickel up 36%, copper 12% and cobalt to enter deficit as soon as 2023
- More than \$70 billion investment in nickel needed to meet future EV demand
- NMC batteries dominating EV
- Boom in EV batteries helps suppliers
- BASK and Norilsk Nickel sign nickel and cobalt supply agreement
- Investment needed in nickel to keep up with electrical car demand
- Battery market will be dominated by lithium ion batteries for cars

Electric Vehicle News

- Volkswagen subsidiary to send \$200 million deploying vehicle charging stations and educating the public around EV options
- Electrics, SUVs and supercars mingle in Paris
- Tesla accounts for about 2/3 of all EVs sold in the US in September
- Dyson to build electric cars in Singapore
- US electric car range will average 275 miles by 2022, 400 miles by 2028

COMMODITY PRICES (in US\$ per tonne)

	Nickel (Ni)	Cobalt (Co)	Copper (Cu)	Gold* (Au)
September 30, 2018	\$12,615.00	\$61,500.00	\$6,221.50	\$1,184.00
October 31, 2018	\$11,620.00	\$54,500.00	\$6,072.00	\$1,213.60
Change (+ -)	\$995.00 ↓	\$7,000.00 ↓	\$149.50 ↓	\$29.60 ↑

Source: The London Metal Exchange

* Gold price per ounce

MEETING FUTURE METAL DEMANDS OF EVs STILL A CHALLENGE TO MINERS

Source: [S&P Global](#)
October 16, 2018

Meeting the future metals needs of electronic vehicles remains a challenge for the mining industry and will require significant levels of investment, an official from one of the world's largest producers of nickel said Tuesday.

Paul Casbar, regional sales manager for the US for Vale, told delegates of the inaugural S&P Global Battery Metals Conference in Brooklyn, New York, the downstream industry had already committed to \$150 billion of investments worldwide in the EV sector over the next five to seven years, including major automotive manufacturers and the battery and components industries. "So there's plenty of money being spent," he said.

But he said more than \$70 billion of investment in nickel mining was needed to bring new production to the market and more than \$40 billion was needed in copper mining to meet future EV demand.

Casbar also said new investment was needed in cobalt, but it remained constrained because of the lack of new investment in nickel and copper. Cobalt is predominantly a byproduct of nickel and copper mining, with very few primary cobalt resources in the world.

However, he said that investment in bringing new nickel production to the market would also deliver new cobalt as byproduct, "which will reduce the reliance on the Democratic Republic of Congo [for new cobalt supply]."

Several forecasts in the past have said future EV demand for cobalt was dependent on the DRC producing as much as 300,000 mt/year of cobalt by 2030, but the country is widely seen as a controversial source of cobalt.

PANCONTINENTAL RESOURCES CORPORATION (TSXV: PUC)

Pancontinental Resources Corporation ("Pancon" or the "Company") (TSXV: PUC) is a Canadian-based mining company focused on exploring and developing 4 nickel-cobalt-copper projects in Ontario :

- Three early stage projects near Timmins: Montcalm, Nova and Gambler Projects, and
- The advanced stage McBride Project near Bancroft

Pancon's purpose is generating value through responsible exploration. Our strategy is to create value from prospective assets in areas with existing resources and/or in proximity to producing or former mines.

The Company also holds a 100% interest in the Jefferson Gold Project in South Carolina, USA. In 2015, Pancon sold its interest in its Australian rare earth element (REE) and uranium properties, formerly held through a joint venture, and retains a 1% gross overriding royalty on 100% of future REE production.

MONTHLY PUC BATTERY MINERALS REPORT

Presented by Pancon, the monthly Battery Metals Report highlights the latest news on the Battery Metals space.

It includes news that affects the market as well as companies that are exploring, developing and producing essential minerals and materials that will lead a clean energy revolution.

BE IN THE KNOW

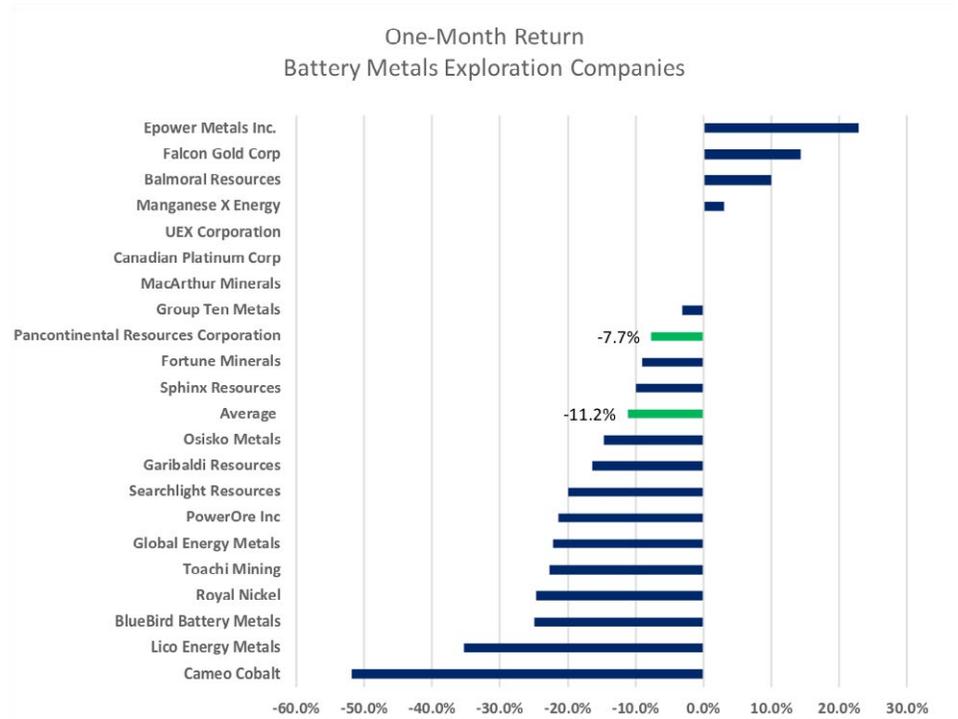
[Click here to sign-up to get the monthly PUC Battery Metals Report and Pancon updates right on your inbox](#)

FOLLOW US ON TWITTER

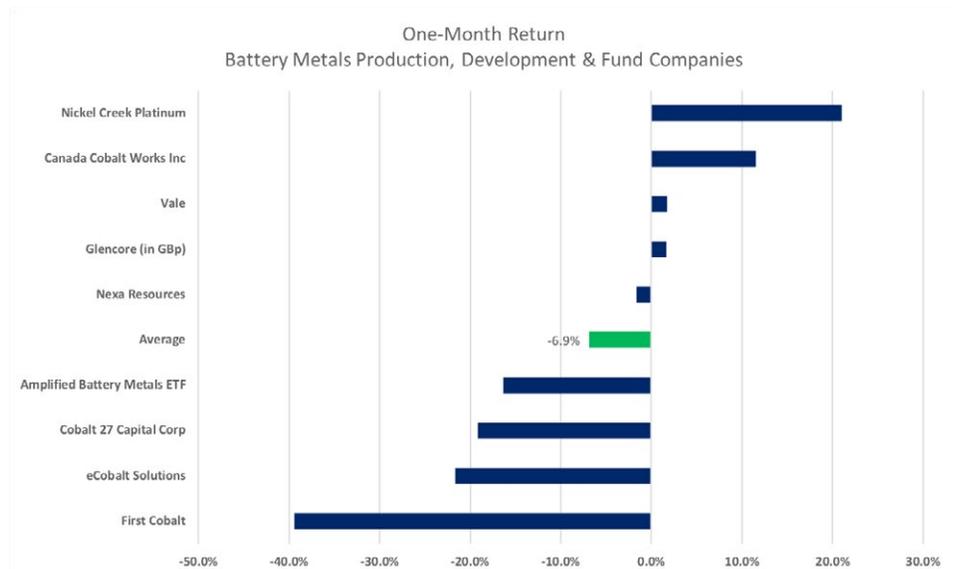
[@PanconResources](#)

BATTERY METALS MONTH-OVER-MONTH STOCK PERFORMANCE

Battery Metals Explorers

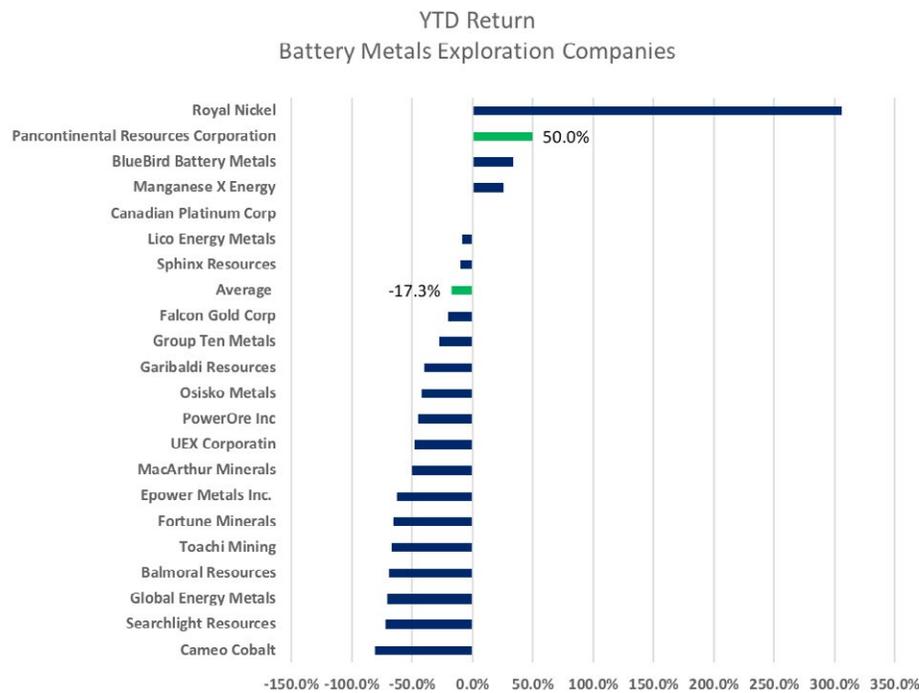


Battery Metals Producer/Developers and Funds

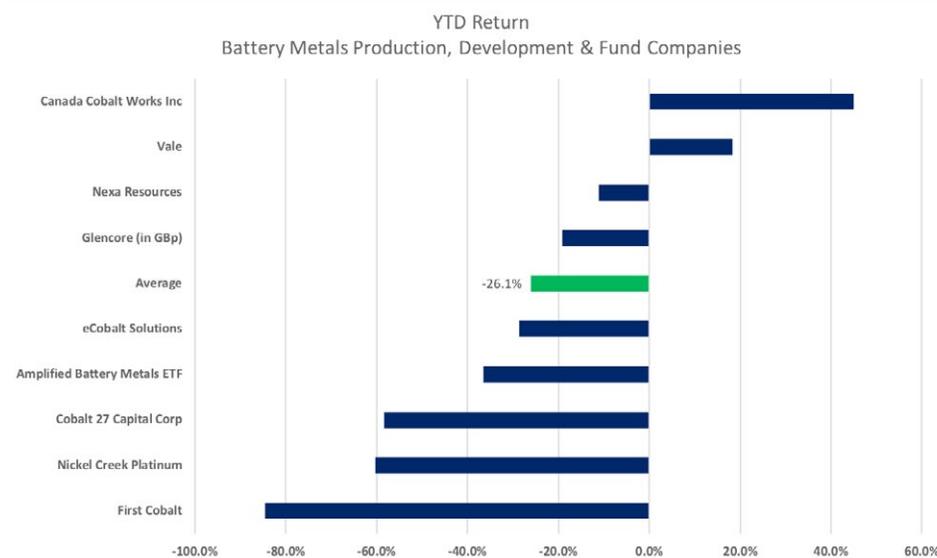


BATTERY METALS YEAR-TO-DATE STOCK PERFORMANCE

Battery Metals Explorers



Battery Metals Producer/Developers and Funds



MONTCALM PROJECT

The Montcalm Project (3,780 hectares, 37.8 square kilometres) is located within the prospective Montcalm Gabbro Complex in the Montcalm Greenstone Belt, 65 kilometres northwest of Timmins, Ontario. The Project is contiguous to and surrounds the western, northwestern and southwestern portion of the former Montcalm Mine, which was discovered and developed based on a single airborne electromagnetic anomaly identified in the 1970s and previously mined 3,931,610 tonnes of ore grading 1.25% nickel (Ni), 0.67% copper (Cu), and 0.051% cobalt (Co), producing in excess of 4 million pounds of Co (Ontario Geological Survey, Atkinson, 2011).

NOVA PROJECT

Also located in the Montcalm Greenstone Belt, the Nova Project (2,080 hectares) is located 19 kilometres southwest of Glencore's former Montcalm Mine.

Regionally, the Nova Project covers a portion of the eastern boundary of a major regional structure known as the Kapuskasing High (also known as the Kap High).

Very little exploration has been conducted on this structure until recently, leading up to Goldcorp's recent announcement of plans to develop its Borden Lake Gold Mine, located in the Kap High.

GAMBLER PROJECT

The Gambler Project is adjacent to the Montcalm Project and covers 7,620 hectares (76.2 square kilometres) of the Montcalm Gabbro Complex in the Montcalm Greenstone Belt.

MCBRIDE PROJECT

The McBride Project is an advanced-stage nickel-cobalt-copper project, covering 880 hectares of patented mining land located in Limerick Township, 25 km south of Bancroft, Ontario. The project contains Historical Resources of an estimated 5.1 million tons of near-surface nickel-cobalt-copper mineralization that includes the North Zone deposit, the South Zone deposit, and the South Extension prospect [Reno Pressacco, Micon International Limited ("Micon"), 2004, NI 43-101 Technical Report].

Pancon Partners with Flying Post First Nation on Montcalm, Gambler and Nova Projects

October 11, 2018



Left to Right: Pancon's President & CEO Layton Croft, Chief Murray Ray from Flying Post First Nation; Kevin Filo, Project Manager for Montcalm, Gambler & Nova Projects & Stephanie LaBelle, Mineral Development Advisor for Wabun Tribal Council

Pancontinental Resources Corporation (TSXV: PUC) ("Pancon" or the "Company") is pleased to announce its signing of a Memorandum of Understanding (MOU), effective October 1, 2018, with the Flying Post First Nation (FPFN) in northern Ontario. The FPFN-Pancon MOU provides a mutually beneficial framework for cooperation on the Company's three battery metals exploration projects, located 65 kilometres northwest of Timmins: the Montcalm Project, the Gambler Project, and the Nova Project.

Murray Ray, Chief of Flying Post First Nation stated: "Flying Post is pleased with the signing of the MOU. The agreement outlines a process for mutual engagement throughout the exploration phase. Flying Post believes that exploration activities should be done in a manner that is respectful of traditional and treaty rights and the environment, and provide employment and business opportunities. The signing of this MOU is a promising first step in establishing a meaningful relationship with Pancon."

Layton Croft, Pancon President and CEO, stated: "We look forward to a productive, long-term relationship with the Flying Post First Nation as we advance our Montcalm, Gambler and Nova projects near Timmins. This MOU is a tangible example of Pancon's Community Relations Policy, which affirms our Company's belief that minerals exploration and mining – in addition to creating value for shareholders – can and should be a positive catalyst for environmental stewardship, economic development, and social responsibility. We conduct our business activities in pursuit of these outcomes, and to create shared value with First Nations, host communities and other stakeholder groups."

The objectives of the FPFN-Pancon MOU are:

- to establish a mutually beneficial, cooperative and productive relationship through which Pancon recognizes and agrees to respect the aboriginal rights and treaty rights of FPFN while engaged in the exploration activities and operation of the Project;
- to provide a process through which Pancon can consult with and accommodate the interests of the FPFN as outlined herein with a view to reconciling any competing interests at stake;
- to establish a relationship through which the FPFN can identify opportunities for its

businesses and citizens to participate in Pancon's exploration activities and operations;

- to provide Pancon with evidence for its stakeholders and the Ontario Ministry of Energy, Northern Development and Mines that FPFN and Pancon intend to work together in a spirit of cooperation for mutual benefit as well as social, ecological, cultural and economic well-being;
- to set out the objectives, process and topics for negotiations of an Impact Benefit Agreement between FPFN and Pancon; and
- to come to a negotiated settlement of financial compensation for exploration activities.

The MOU emphasizes the prioritization of business opportunities, employment and training opportunities for FPFN businesses and individuals. Pancon will provide capacity funding to compensate for impacts caused by on-the-ground exploration activities. Pancon will grant 50,000 option to FPFN at an exercise price of \$0.06, subject to approval of the TSX Venture Exchange, with all of the options to vest on the approval of the TSX Venture Exchange. Pancon will also grant 50,000 shares to FPFN, subject to approval of the TSX Venture Exchange. The MOU also describes the process of negotiating and implementing a subsequent Impact Benefits Agreement (IBA), which would take effect once any of the three Projects has completed a Feasibility Study.

ABOUT FLYING POST FIRST NATION

Flying Post First Nation is signatory to Treaty 9. Flying Post's reserve lands are located northwest of Timmins, along the Ground Hog River, about an hour north of Malette Road just outside the city. Flying Post was formerly an independent First Nation in the Nishnawbe-Aski Nation (NAN) and joined the Wabun Tribal Council in 2007. Flying Post is an Ojibwe community whose priorities include encouraging its members to pursue educational and professional ambitions and to create a sustainable economy that will create prosperity for future generations.▪

BATTERY METALS SUPPLY & DEMAND TOP NEWS

[Batteries juicing the Nickel Market: LME Nickel Sulfate Contracts in 2019?](#)
October 8, 2018

[EDF forecasts that EV will represent about 30% of new car sales in France, the UK, Italy and Belgium by 2030](#)
October 10, 2018

[Timmins metals explorer signs MOU with First Nation](#)
October 12, 2018

[Despite precipitous price falls in many base and battery metals, YTD price for nickel up 36%, copper up 12% and cobalt market to enter deficit as soon as 2023](#)
October 16, 2018

[More than \\$70 billion of investment in nickel mining needed to bring new production to the market and more than \\$40 billion needed in copper mining to meet future EV demand](#)
October 16, 2018

[NMC batteries dominating EV – sales to reach 63% of global market](#)
October 19, 2018

[Boom in EV batteries helps suppliers older than Ford's Model T](#)
October 21, 2018

[BASF and Norilsk Nickel sign nickel and cobalt supply agreement](#)
October 22, 2018

[Investment needed in Nickel to keep up with electric car demand](#)
October 22, 2018

[Over the next 7-10 years, the battery market will be dominated by lithium ion batteries for cars, with batteries comprising about 40 kg of nickel per standard EV produced](#)
October 24, 2018

CLICK IMAGE TO VIEW

Layton Croft's short 6-minute interview with InvestorIntel



Pancon Prepares for Drilling at Montcalm, Strengthens Technical Team

October 30, 2018

Pancontinental Resources Corporation (TSXV: PUC) ("Pancon" or the "Company") is finalizing plans for the maiden drill program at its early stage nickel-cobalt-copper Montcalm Project, 65 kilometres northwest of Timmins, Ontario. The Project covers 3,780 hectares (37.8 square kilometres) and surrounds Glencore's former Montcalm Mine. Pancon's boundary is about 1 kilometre from the actual mine.

Pancon President and CEO, Layton Croft, stated: "We have taken a methodical, scientific approach to crafting our initial drill program for the Montcalm Project. Our team has compiled a wealth of historic and modern geophysical and drilling data, regarding both our Project and the adjacent former Mine. We prefer to explore in the shadow of a headframe, a key comparative advantage of the Montcalm Project. Our seasoned geologists have been prudent in taking all necessary time prior to the first drill bit breaking ground to ensure optimum potential for success. We have spent months carefully integrating past and present technical analyses, and modeling assumptions. The stage is now set for program commencement, once winter sets in and drilling conditions are optimal."

Highlights

- Approximately 25 drill targets have been identified from extensive analysis of historic works and recent, state-of-the-art VTEM and gravity airborne geophysical surveys;
- An additional ground pulse electromagnetic (PEM) survey in December will test historic UTEM targets in order to further strengthen our drilling strategy and plan;
- Drilling is expected to commence the first week in January 2019;
- The maiden diamond drill program estimates producing approximately 5,000 metres of core;
- Induced polarization (IP) may also be utilized during the maiden program to further refine target knowledge and drill planning; and
- All necessary drilling permits have been secured and Flying Post First Nation has demonstrated its support.

In addition, Pancon has recently strengthened its technical team. Mr. Todd Keast, P.Geol., is a project geologist with more than 30 years of experience, including expertise in discovering, drilling, delineating and

developing nickel-hosted massive sulphide deposits across Canada. Todd will work with Pancon Project Manager Kevin Filo, P.Geol., to oversee Montcalm's maiden drill program. He will also provide technical leadership on Pancon's McBride, Nova and Gambler nickel-cobalt-copper projects. Based in Sudbury, Todd has also joined Pancon's Technical Advisory Committee, which is chaired by Dr. Laurie Curtis. ■

MEETING FUTURE METAL DEMANDS OF EVs STILL A CHALLENGE (CONT'D)

But Casbar said the required levels of investment in bringing new nickel production to the market would only come from higher nickel prices. Speaking on the sidelines of the conference, he said it would take "prices above \$20,000/mt sustained to incentivize such investment."

On Tuesday, three-months nickel closed on the London Metal Exchange at \$12,600/mt.

Casbar said there was about 250,000 mt of nickel sitting in LME warehouses and as much again in on-warrant stocks, meaning it was not visible, but expected that overhang to disappear. He said the market had a structural global deficit of 140,000 mt this year and was likely to maintain that deficit next year.

Asked why a company as large as Vale had not already begun such investments, given the projections for future deficits, Casbar said the whole of the nickel industry was still "shell-shocked after two awful years. Nickel prices remained well below \$9,000/mt in 2016 and even dipped to below \$8,000 at one point, according to LME data.

He also said the company had worked hard over the last few years to reduce its debt level down to a target level of around \$10 billion, which it had recently achieved.

Casbar said there was enough nickel resources in the world to meet future demand. Most of the world's untapped nickel reserves were within the tropics, including Indonesia and the Philippines, with the majority of those deposits being laterite. "Most of those resources have already been identified," Casbar said. ■

ELECTRIC VEHICLE TOP NEWS

[Volkswagen subsidiary released details of its plans to spend \\$200 million deploying electric vehicle charging stations and educating the public around EV options](#)

October 3, 2018

[Electrics, SUVs and supercars mingle in Paris](#)

October 3, 2018

[Tesla delivered an estimated 29,975 vehicles last month, which accounts for about 2/3 of all EVs sold in the US in September](#)

October 5, 2018

[Dyson to build electric cars in Singapore, with launch planned for 2021](#)

October 23, 2018

[US Electric car range will average 275 miles by 2022, 400 miles by 2028](#)

October 27, 2018

[Continues EV Range increases will drive US shifts to leasing/subscriptions](#)

October 29, 2018

CANADA & THE GREEN ECONOMY REVOLUTION

How Canada's mining sector impacts the economy

Canada is primed to respond to growing global demand for commodities required in clean energy technologies.

Canada is a key global producer of copper, nickel and cobalt, and hosts advanced mineral projects for rare earth elements, lithium and graphite. These commodities are crucial in the production of solar cells, high-density batteries and wind turbines.

In 2017, the minerals sector directly and indirectly contributed \$97 billion or 5% to Canada's total nominal GDP.

The minerals sector directly and indirectly accounted for 634,000 jobs throughout the country in urban, rural and remote regions in 2017.

The minerals industry is an important employer of Indigenous peoples, providing jobs to over 16,500 individuals in 2017.

Source: [Natural Resources Canada](#)

MANAGEMENT TEAM

Layton Croft, President & CEO: More than 25 years of leadership and management experience in North America, Asia, Europe, Africa and Latin America, including executive and strategic advisory roles with with Ivanhoe Mines, Rio Tinto, Peabody Energy and Duke Energy. Director of Erdene Resource Development (TSX: ERD) since 2015.

Kevin Filo, P.Geo., Montcalm, Nova & Gambler Project Manager: Exploration geologist, mining geologist and project generator with nearly 40 years of experience, including 30 years in the Abitibi Greenstone Belt region, Ontario. Former VP Exploration for acquisition team which acquired the Detour Gold Mine from Placer Dome, now one of the largest gold mines in Canada.

Todd Keast, P.Geo., Consultanting Geologist: Exploration and project geologist with nearly 30 years of experience in a diverse field of commodities. With an active approach to exploration, has advanced projects from grassroots target generation and evaluation through to deposit discovery, delineation, environmental permitting and PEA.

Mark McMurdie, CFO: Chartered Professional Accountant with more than 30 years of senior leadership experience in public and private companies. Currently serving as CFO for Roscan Minerals (TSX-V: ROS), as well as Director of Finance for franchisor H&S Massage Spa Canada.

Jeanny So, Manager, External Relations: More than 15 years of investor relations, public relations, corporate affairs, corporate development and communications experience in the natural resource sector. She also serves as a consultant to Purepoint Uranium Group (TSXV: PTU) and is a member of Prospector and Developers Association of Canada (PDAC) and Women In Mining.

Disclaimer: All information provided in this newsletter is based upon sources that Pancontinental Resources Corporation ("Pancon") believes to be reliable. Pancon does not guarantee their accuracy or completeness. Any and all statements as of the date of this newsletter are subject to change without notice. All information provided on this newsletter must be understood as information presented for discussion only and not investment advice. Pancon advises all readers and subscribers to seek advice from a registered professional securities representative before deciding to trade in stocks featured on this newsletter or any stocks for that matter. All statements and expressions of the companies featured are not meant to be a solicitation or recommendation to buy, sell, or hold securities. Pancon expressly disclaims any obligation to update or revise any such forward-looking statements.

Qualified Person: The technical information in this newsletter has been prepared in accordance with Canadian regulatory requirements as set out in NI 43-101 and reviewed and approved by J. Kevin Filo, P.Geo., a Qualified Person as defined by NI 43-101, a member of Pancon's Technical Advisory Committee, and Pancon's Project Manager for the Montcalm, Nova and Gambler Projects. Certain technical information within this newsletter is historical in nature and pre-dates NI 43-101 standards, this information is believed to be reliable however the Company has not verified this material.

CAPITAL STRUCTURE

Shares Outstanding	141,542,854
Share Price (10-31-18)	\$0.06
52 Week Range	\$0.09 / \$0.02
Average Daily Volume	45,000
Options	12,000,000
Warrants	13,835,000
Fully Diluted	167,377,854
Insider Ownership	10%
Institutional Ownership (CMP, Dundee, Ninepoint)	22%
Cash on Hand (10-01-18)	\$300,000

BOARD OF DIRECTORS

Donald Whalen (Chairman)
Layton Croft
Rick Mark
David Mosher
David Petroff

TECHNICAL ADVISORY COMMITTEE

Dr. Laurie Curtis (Chairman)
David Mosher
Kevin Filo, P.Geo.
Todd Keast, P. Geo.

CONTACT INFORMATION

Twitter:
@PanconResources

Website:
www.panconresources.com

Email:
info@panconresources.com

Mailing Address:
365 Bay Street, Suite 400
Toronto, ON, M5H 2V1

Telephone:
+1.416.293.8437