FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Pancontinental Gold Corporation (the "**Company**")
365 Bay Street, Suite 400
Toronto, Ontario M5H 2V1

2. **Date of Material Change**

December 5, 2017

3. **News Release**

A press release disclosing the material change was released on December 5, 2017, through the facilities of Newsfile.

4. **Summary of Material Change**

The Company announced that it has closed the first tranche of its previously announced non-brokered private placement through the issuance of 3,000,000 units ("**Units**") at a price of $0.05 per Unit for gross proceeds of $150,000 (the "**Offering**"). Each Unit is comprised of one common share ("**Common Share**") of the Company and one Common Share purchase warrant ("**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of $0.07 for twenty-four (24) months from the date of issuance, provided that the expiry date can be accelerated in the event the Common Shares trade at $0.15 or more for at least twenty (20) consecutive trading days following the expiry of the statutory four month and one day resale restriction.

5. **Full Description of Material Change**

The material change is fully described in the Company's press release which is attached as Schedule "A" and is incorporated herein.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**").

(a) a description of the transaction and its material terms:

In connection with the first tranche of the Offering, certain 'related parties' (as such term is defined in MI 61-101) acquired an aggregate of 1,540,000 Units pursuant to the Offering.

(b) the purpose and business reasons for the transaction:

The proceeds of the Offering will be used to explore and advance the Company's 100% owned Jefferson Gold Project and for working capital purposes.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

The completion of the Offering provided the Company with funds to explore and advance its 100% owned Jefferson Gold Project and for working capital purposes.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Donald Whalen, a director of the Company, acquired 600,000 Units in connection with the first tranche of the Offering.

Layton Croft, a director and officer of the Company, acquired 200,000 Units in connection with the first tranche of the Offering.

David Mosher, a director of the Company, acquired 540,000 Units in connection with the first tranche of the Offering.

Irwin Professional Corporation, a company controlled by Chris Irwin, an officer of the Company, acquired 200,000 Units in connection with the first tranche of the Offering.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

Following completion of the first tranche of the Offering, Mr. Whalen owns an aggregate of 4,746,000 Common Shares, representing approximately 4.63% of the issued and outstanding Common Shares. If Mr. Whalen were to exercise all of his convertible securities he would own an aggregate of 6,308,500 Common Shares or approximately 6.06% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Following completion of the first tranche of the Offering, Mr. Croft owns an aggregate of 1,330,000 Common Shares, representing approximately 1.3% of the issued and outstanding Common Shares. If Mr. Croft were to exercise all of his convertible securities he would own an aggregate of 2,330,000 Common Shares or approximately 2.25% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Following completion of the first tranche of the Offering, Mr. Mosher owns an aggregate of 5,134,555 Common Shares, representing approximately 5.01% of the issued and outstanding Common Shares. If Mr. Mosher were to exercise all of his convertible securities he would own an aggregate of 6,967,055 Common Shares or approximately 6.68% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Following completion of the first tranche of the Offering, Mr. Irwin owns, directly and indirectly, an aggregate of 200,000 Common Shares, representing approximately 0.20% of the issued and outstanding Common Shares. If Mr. Irwin were to exercise all of his convertible securities he would own an aggregate of 400,000 Common Shares or approximately 0.39% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

A resolution of the board of directors was passed in accordance with the *Business Corporations Act* (Ontario) at a meeting of the board of directors approving the Offering. No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

(f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

(ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

Other than a subscription agreement to purchase the Units pursuant to the Offering, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

The participation in the first tranche of the Offering by insiders of the Company constituted a related party transaction within the meaning of MI 61-101. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the insiders' participation in the Offering does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances in order to avail itself of the proceeds of the private placement and complete the Offering in an expeditious manner.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer.**

For further information, contact Layton Croft, President and Chief Executive Officer of the Company at (1-416) 293-8437.

9. **Date of Report.**

This report is dated at Toronto, this 15th day of December, 2017.

SCHEDULE "A"

Pancon Gold

365 Bay St, Suite 400
Toronto, Ontario
M5H 2V1

December 5, 2017

PANCONTINENTAL GOLD ANNOUNCES CLOSING OF FIRST TRANCHE OF PRIVATE PLACEMENT OF UNITS

Pancontinental Gold Corporation (TSX-V:PUC) ("**Pancon Gold**" or the "**Company**") announces that it has closed the first tranche of its previously announced non-brokered private placement through the issuance of 3,000,000 units ("**Units**") at a price of $0.05 per Unit for gross proceeds of $150,000 (the "**Offering**"). Each Unit is comprised of one common share ("**Common Share**") of the Company and one Common Share purchase warrant ("**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of $0.07 for twenty-four (24) months from the date of issuance, provided that the expiry date can be accelerated in the event the Common Shares trade at $0.15 or more for at least twenty (20) consecutive trading days following the expiry of the statutory four month and one day resale restriction. Proceeds of the Offering will be used to explore and advance its 100% owned Jefferson Gold Project and for working capital purposes.

Closing of the Offering is subject to receipt of all necessary corporate and regulatory approvals, including the approval of TSX Venture Exchange. All securities issued in connection with the Offering will be subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation.

This press release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

About Pancontinental Gold Corporation

Pancontinental Gold Corporation (www.pancongold.com) is a Canadian-based mining company focused on the exploration and development of the Jefferson Gold Project, located in Chesterfield County, South Carolina, USA, and on acquiring additional prospective properties. The Company's shares are listed on the TSX Venture Exchange, trading under the symbol PUC.

The Company also retains a 1% gross overriding royalty on future production from a rare earth element property in Australia.

ON BEHALF OF THE BOARD OF DIRECTORS

Layton Croft

For further information, please contact:

Layton Croft
President and CEO

Tel: 1-416-293-8437 or 1-980-498-7688
Email: laytoncroft@pancongold.com

For additional information please visit our web site: www.pancongold.com, and our Twitter feed: @PanconGold.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Language and Forward Looking Statements

This news release contains forward-looking information which is not comprised of historical facts. Forward-looking information is characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, and opportunities to differ materially from those expressed or implied by such forward-looking information. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, changes in the state of equity and debt markets, fluctuations in commodity prices, delays in obtaining required regulatory or governmental approvals, and other risks involved in the mineral exploration and development industry, including those risks set out in the Company's management's discussion and analysis as filed under the Company's profile at www.sedar.com. Forward-looking information in this news release is based on the opinions and assumptions of management considered reasonable as of the date hereof, including that all necessary governmental and regulatory approvals will be received as and when expected. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information. The Company disclaims any intention or obligation to update or revise any forward-looking information, other than as required by applicable securities laws.