



MANAGEMENT DISCUSSION AND ANALYSIS

SIX MONTHS ENDED JULY 31, 2017

GENERAL

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the condensed interim financial statements of Pan Global Resources Inc. (the "Company" or "Pan Global" or "PGZ") for the six months ended July 31, 2017. The following information, prepared as of September 29, 2017 should be read in conjunction with the condensed interim financial statements for the six months ended July 31, 2017 and the related notes therein. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in Canadian dollars unless otherwise indicated. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and on the Company's web site at www.panglobalresources.com.

FORWARD LOOKING STATEMENTS

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. Forward-looking statements are statements that are not historical facts, and include but are not limited to:

- estimates and their underlying assumptions;
- statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model, future operations, the impact of regulatory initiatives on the Company's operations, and market opportunities;
- general industry and macroeconomic growth rates;
- expectations related to possible joint or strategic ventures; and
- statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and are generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to: unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project, and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities law.

HIGHLIGHTS FOR THE PERIOD AND SUBSEQUENT:

The Company:

- Appointed Mr. Tim Moody, a highly experienced mining executive, as President and Chief Executive Officer.
- Announced a new focus and direction for the Company including a restructuring of the Board and an agreement to acquire Minera Aguila S.L.U, providing access to several highly prospective exploration licenses in Spain.
- Announced the completion of a Private Placement of 21,236,000 units for gross proceeds of \$1,061,500. Each unit consists of one common share and one share purchase warrant entitling the holder of each full warrant to purchase one common share of the Company at a price of \$0.10, with an expiry date of March 6, 2020.

- Announced on September 8, 2017, successful completion of acceleration of its share purchase warrants issued on March 6, 2017. Of the 21,230,000 Warrants, 19,270,000 (approximately 90%) were exercised at a price of \$0.10 per Warrant, for gross proceeds of \$1,927,000.00. All remaining 1,960,000 Warrants are cancelled.
- Announced on May 23, 2017 the signing of a Letter of Intent (LOI) with Evalam 2003 S.L., a private Spanish company, to purchase rights to 100% of the highly prospective Escacena Investigation permit in Spain. Consideration includes \$350,000 cash and \$1,000,000 in exploration work commitments over a 3-year period. The Vendor will retain a NSR of 0.5% on the first 12,500 tonnes of copper equivalent and 0.75% on any amount in excess of 12,500 tonnes of copper equivalent. The NSR has a lifetime cap of \$5,000,000. Historical wide-space drilling has confirmed massive sulphide mineralisation associated with a large gravity anomaly and the property includes a second un-tested gravity target along-strike from the giant Aznalcollar and Los Frailes massive sulphide ore bodies. Evalam 2003 S.L. are continuing to progress the granting of the mineral rights.
- Announced on-going exploration results in the Aguilas project, including discovery of copper mineralisation over 3.1 km strike in two sections along the Torrubia Copper structure. Further indications of copper are also present elsewhere along the structure over a total strike-length of approximately 8 kilometres. Similar style copper mineralisation was identified along approximately 0.5 km of a separate structure at Los Lazos. Results for 106 rock samples collected in the properties, include 28 rock grab samples with values ranging from 1% to 28% copper and up to 33% iron, 1.7g/t gold, 17.5g/t silver, 0.13% cobalt, along with anomalous levels of several other metals including uranium, light rare earth metals (lanthanum and cerium) and nickel. The metal association, style of mineralization and alteration are typical of hematite dominant iron oxide copper gold (IOCG) type ore deposits.
- Soil sampling commenced in the Aguilas project area and review of the Zumajo Pb-Ag is underway along with commissioning of a multispectral/multi-data interpretation of the entire Aguilas property area.

COMPANY OVERVIEW

The Company was incorporated under the provisions of the Business Corporations Act (British Columbia) on February 1, 2006 and is classified as a Tier II mining company, effective June 8, 2009 and trades on the TSX Venture Exchange ("TSX-V"). On December 21, 2009, the Company changed its name from Mosam Capital Corp. to Pan Global Resources Inc.

The Company's principal business activities are the acquisition of rights to explore for minerals and the exploration of acquired rights. Pan Global is primarily focused on early stage exploration through to development of resources of copper and other metals in Spain. The Company has a Purchase Option Agreement to acquire Minera Aguila S.L.U. ("Minera Aguila") and its mineral rights. The Company also has a LOI with Evalam 2003 S.L. to acquire the Escacena Investigation Permit.

On September 13, 2016, the Company announced a shift in focus from lithium and borate exploration in Serbia to copper exploration in Spain and restructuring of its Board of Directors, including resignation of Mr. Julian Bavin, Mr. Petr Palkovsky and Mr. Bill Pennell as directors of the Company, appointment of Mr. Brian Kerzner as President and CEO of the Company and the appointment of Mr. Bob Parsons as a director of PGZ.

On November 18, 2016, the Company entered into a share option agreement with Mr. Tim Moody (the "Vendor") to acquire 100% of the Vendor's Spanish exploration company Minera Águila S.L.U., which has applied for three exploration licenses in Central-Southern Spain comprising a total area of approximately 11,302 hectares, reduced from an initial application area of approximately 21,580 hectares. On March 6, 2017, the Company announced that final approval of the agreement had been granted by the TSX-V.

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The Company agreed to the aggregate consideration of 4,700,000 common shares of the Company, cash payment of \$450,000, and exploration expenditure commitments as follows:

	Cash payments	Common shares	Exploration expenditures ⁽¹⁾
Six (6) month anniversary of final TSX-V approval	\$ 50,000	2,200,000	\$ -
Eighteen (18) month anniversary of final TSX-V approval	150,000	2,500,000	-
Thirty-six (36) month anniversary of final TSX-V approval	250,000	-	-
Thirty-six (36) month anniversary of agreement closing date	-	-	1,000,000
	\$ 450,000	4,700,000	\$ 1,000,000

⁽¹⁾ No less than \$250,000 shall be completed notwithstanding any decision by the Company not to proceed with further exploration.

Corporate Update

In April 2017, the Company appointed Mr. Tim Moody as President and Chief Executive Officer. Mr. Moody has over 30 years of international experience in the mining industry, gaining expertise in mineral exploration worldwide, resource assessment, business development and strategy. He spent 24 years with Rio Tinto, including Exploration Director from 2005 to 2010, and Vice President and Director for Business Development from 2010 to 2015. As Director of Business Development at Rio Tinto, his responsibilities included corporate strategy, M&A and public market transactions. He was also Rio Tinto's Exploration Manager for Spain and Portugal from 1997 to 2000.

Mr. Moody has an impressive track record of discovery of mineral resources as well as commercial transactions globally. This includes leading the teams in identification and exploration of several projects now in feasibility and/or production, such as Mina Justa, Constancia, La Granja, Corani and Ollachea in Peru and Castillejito in Spain.

Mr. Moody has a Bachelor of Science with Honours in Geology and Geophysics from the University of New England. He is also a graduate of the Senior Leadership Program from the London Business School and Business Leadership Development Program from the Australian Graduate School of Management, and a Fellow of the Society of Economic Geologists.

OUTLOOK

The primary goal of the Company's exploration program is to discover and develop new Mineral Resources and to establish a pipeline of opportunities. The company manages the Aguilas Project through its agreement to acquire Spanish company, Minera Aguila S.L.U. ("Minera Aguila"). Minera Aguila holds the Las Aguilas I, II and III Investigation Permit applications, together referred to as the "Aguilas Project". The Company entered a Letter of Intent with Evalam 2003 S.L., providing the Company an Option to Acquire 100% of the Escacena Investigation Permit.

EXPLORATION OVERVIEW

The company has commenced work in the Aguilas Project. Due diligence was completed during the period and compilation of historical exploration data on the Escacena project is continuing, whilst also progressing the Investigation Permits on both properties to full granting. Definitive admission of the Las Aguilas I and II Investigation Permits was achieved and full granting anticipated shortly with granting of Las Aguilas III also expected before year-end.

The initial prospecting on the Aguilas Project is aimed at identifying the extent and nature of the copper and lead silver mineralization. Results to-date have confirmed high grade copper mineralisation with associated gold, silver, cobalt and uranium in grab samples on the Torrubia Copper Structure and more recently, on the Los Lazos structure. The

style of mineralisation and metal association are typical of hematite-dominant iron-oxide associated copper gold deposits (IOCG), such as occur in the Olympic Dam and Cloncurry districts in Australia. There is no historical exploration drilling on the copper structures in the property and almost no modern exploration in the area. Detailed soil sampling and geophysics will be used to help define drill targets, along with remote sensed image interpretation and tprioritize exploration targets. Prospecting and re-evaluation of the historic Zumajo lead-silver mine trend within the Aguilas project area has commenced. Several mine shafts, small pits and diggings occur over an estimated 20 kilometre strike-length of the lead-silver structure with negligible exploration since mining ended in the early 1900's to 1950's.

Following signing of the Letter of Intent with Evalam 2003 SL, permitting of the Escacena Mineral Rights is being advanced. The Escacena project targets volcanic-hosted massive sulphide (VMS) and stockwork copper, zinc and precious metal mineralisation in the Iberian Pyrite Belt, considered the most prolific VMS district in the world. Compilation of the historical exploration data and reprocessing of geophysical data has also commenced. The project includes a large untested gravity anomaly at La Cañada and stockwork plus massive sulphide copper mineralisation that appears open in several directions associated with the La Romana gravity anomaly. The historical exploration data will be reviewed to identify areas for follow-up sampling, geophysics and drill testing as soon as permitted.

The company is continuing to review other exploration opportunities.

RESULTS OF OPERATIONS

For the three months ended July 31, 2017

The net loss for the three months ended July 31, 2017 was \$209,841 compared to a net income of \$58,443 in the comparative period in the prior year. In the comparative period, the net income was due to the reversals of amounts owed, including from certain officers and directors. Expenses were primarily \$129,623 of exploration expenditures related to the Aguilas Project and \$79,378 for general and administrative expenses.

For the six months ended July 31, 2017

The net loss for the six months ended July 31, 2017 was \$583,897 compared to a net income of \$416,345 in the comparative period in the prior year. In the comparative period, the net income was due to the gain from forgiveness of accounts payable and accrued liabilities and the reversal of amounts owed, including from certain officers and directors. Expenses were primarily \$225,869 of stock based compensation from the grant of 2,625,000 stock options to directors, management, employees, and consultants, \$126,1103 in general and administrative expenses, and \$234,287 of exploration expenditures related to the Aguilas Project.

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SUMMARY OF QUARTERLY RESULTS

	July 31, 2017	April 30, 2017	January 31, 2017	October 31, 2016
Exploration expenditures (recovery)	\$ 129,623	\$ 104,664	\$ 18,118	\$ -
Net income (loss) for the period	\$ (209,841)	\$ (374,056)	\$ 32,378	\$ (16,689)
Earnings (loss) per share - basic and diluted	\$ (0.00)	\$ (0.01)	\$ 0.00	\$ (0.00)

	July 31, 2016	April 30, 2016	January 31, 2016	October 31, 2015
Exploration expenditures (recovery)	\$ -	\$ -	\$ 8,648	\$ -
Net income (loss) for the period	\$ 58,443	\$ 357,902	\$ (85,480)	\$ (12,115)
Earnings (loss) per share - basic and diluted	\$ 0.00	\$ 0.01	\$ (0.01)	\$ (0.00)

The losses in the past quarters have been consistent with minimal exploration activities as the Company sought a new project. Regulatory, legal, accounting and audit expenses were kept to a minimum. The net income in the quarters ended January 31, 2017, July 31, 2016 and April 30, 2016 were due to reversals of amounts owed, including forgiveness from certain officers and directors.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

For the six months ended July 31, 2017, the Company used \$491,144 in its operating activities, primarily related to its exploration expenditures on its Aguilas Project, net advance to the operator of the Aguilas Project, and reduction of its accounts payable and accrued liabilities.

Financing Activities

For the six months ended July 31, 2017, the Company received \$1,043,500 in gross proceeds from the completed non-brokered private placement. Share issue costs of \$73,564 were paid on the financing, resulting in net proceeds to the Company of \$969,936.

Requirement of Additional Equity Financing

The Company has relied entirely on equity financings for all funds raised to date for its operations. Additional funds will be needed in the future to facilitate the Company's business plans and any future potential property acquisitions. Capital markets may not be receptive to offerings of new equity, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's growth and success is dependent on external sources of financing which may not be available on acceptable terms.

RELATED PARTY TRANSACTIONS

Key management positions are filled by directors and officers of the Company. The terms of conditions of the transactions with key management personnel were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions with non-related entities on an arm's length basis.

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The aggregate value of transactions and outstanding balances relating to directors and key management personnel, including the President & Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and Corporate Secretary and entities over which they have control or significant influence were as follows:

For the six months ended July 31, 2017	Fees or salaries	Stock based compensation	Total
President & CEO	\$ 68,667	\$ -	\$ 68,667
Corporate Secretary	24,247	4,472	28,719
CFO	12,000	4,472	16,472
Directors	-	205,731	205,731
	\$ 104,914	\$ 214,676	\$ 319,590

For the six months ended July 31, 2016	Fees or salaries	Stock based compensation	Total
President & CEO	\$ -	\$ -	\$ -
Corporate Secretary	8,000	-	8,000
CFO	12,000	-	12,000
	\$ 20,000	\$ -	\$ 20,000

As at July 31, 2017, included in accounts payable and accrued liabilities is \$108,775 (January 31, 2017 - \$164,000) owing to the related parties as follows: \$96,775 (January 31, 2017 - \$Nil) to the President & CEO, \$Nil (January 31, 2017 - \$100,000) to the Corporate Secretary, and \$12,000 (January 31, 2017 - \$64,000) to the CFO.

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements or obligations that are not disclosed in the condensed interim financial statements.

FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT

The Company classified its financial instruments as follows:

As at July 31, 2017	Financial instruments at FVTPL	Other financial liabilities
Cash	\$ 510,879	\$ -
Accounts payable and accrued liabilities	-	141,530
	\$ 510,879	\$ 141,530

Fair Value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and

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c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

As at July 31, 2017, the Company's financial instruments measured at fair value are as follows:

Financial Instruments		Level 1		Level 2		Level 3		Total
Cash	\$	510,879	\$	-	\$	-	\$	510,879

The carrying value of accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

Financial Instrument Risk Exposure and Risk Management

The Company's capital includes share capital and the cumulative deficit. The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may issue new shares in order to meet its financial obligations. There was no change in the Company's approach to managing capital during the six months ended July 31, 2017. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's activities expose it to a variety of financial risks, market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. This note presents information about the Company's exposure to each of these risks, the Company's objectives and processes for measuring and managing risk, and the Company's management of capital.

Credit Risk

Credit risk arises from cash and deposits with banks, as well as credit exposure on outstanding receivables and committed transactions. There is no significant concentration of credit risk. The Company's cash deposits are primarily held with a Canadian chartered bank. The Company has minimal accounts receivable exposure as it relates to amounts due from the Government of Canada pursuant to goods and services tax credits.

Interest Rate Risk

As the Company does not have significant interest-bearing assets, the Company's income and operating cash flows are not significantly affected by changes in market interest rates.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on the issuance of shares and warrants to fund exploration programs and will require doing so again in the future.

Currency Risk

The Company has identified its functional currency as the Canadian dollar. Certain of the Company's exploration expenditures have been denominated in Euros and United States dollars ("USD"). The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollar and those currencies. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations. Management believes the foreign exchange risk related to currency conversions is minimal.

RISKS AND UNCERTAINTIES

For further information regarding the Company's operational risks, please refer to the detailed disclosure concerning the material risks and uncertainties associated with the Company's business set out in its annual MD&A, dated May 26, 2017, which is available on SEDAR under the Company's filer profile.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 79,355,387 common shares issued and outstanding. There were also 2,725,000 options and 1,000,200 share purchase warrants outstanding with expiry dates ranging from September 12, 2017 to April 18, 2027.