



PAN GLOBAL
RESOURCES

MANAGEMENT DISCUSSION AND ANALYSIS

Year Ended January 31, 2015

Pan Global Resources Inc.

Management's Discussion & Analysis
Year Ended January 31, 2015

GENERAL

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the annual audited financial statements of Pan Global Resources Inc. (the "Company" or "Pan Global" or "PGZ") for the fiscal year ended January 31, 2015. The following information, prepared as of May 31, 2015 should be read in conjunction with the audited financial statements for the year ended January 31, 2015 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.

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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. On December 21, 2009 the Company changed its name from Mosam Capital Corp. to Pan Global Resources Inc.

Pan Global was primarily focused on the early stage exploration through to development of resources of borate (B) and associated lithium (Li) in the Balkans. Through a share purchase agreement ("Purchase Agreement") for the private company Lithium Li Holdings Inc. ("Lithium Li"), PGZ was directly targeting analogs of Rio Tinto's nearby Jadar Deposit which is undergoing a pre-feasibility study and has inferred resources of 114.6 Mt @ 1.8% Li₂O and 13.1% B₂O₃, and/or a borate only resource with similar in situ value. Via wholly-owned subsidiaries, Lithium Li was granted 15 exploration licenses in the Republic of Serbia totaling approximately 1300km², and one in the Republic of Bosnia and Herzegovina.

On February 14, 2011 the Company signed a definitive option agreement to earn an undivided 51% interest, with further options to earn an undivided 65% or 80% interest, in Lithium Li. This agreement was superseded on August 28, 2013 when the Company executed the Purchase Agreement to purchase a 100% interest in Lithium Li and all its current and future licences for consideration of cash payments totaling \$5,800,000, and the issuance of a total of 7,000,000 Pan Global shares to the current vendor of Lithium Li, Mr. Petr Palkovsky, over a period of four years and linked to the Company's ability to raise financing in the future. Subsequent to year end, the Company and Mr. Palkovsky amended the terms of the Purchase Agreement. Under the new amended agreement, all future cash and share considerations are replaced by the issue of additional Pan Global shares to Mr. Palkovsky. The terms of the agreement are detailed in the Company's news release dated February 16, 2015 (www.panglobalresources.com). The amended agreement was approved by the TSX Venture Exchange.

The Company proceeded to drill select licences selected as the better targets for both borates and lithium. Although results were encouraging and indicated that there is potential for a large basin of mineralization, drilling did not intersect intervals mineralization of the grades and widths that could prove economic. The Company could not attract partners to invest and advance the projects. Furthermore the Company could not attract any additional investment from the financial markets. Based on these factors the Company has relinquished all licences and will seek other opportunities in the mineral sector going forward.

OPERATIONS REVIEW

In Serbia, exploration was ongoing since early 2011 with emphasis on a program of geological mapping, geochemical sampling and gravity geophysics to help generate and prioritize drill targets in an original portfolio of 15 approved exploration licences. Work during 2012 primarily focused on reconnaissance drilling in 6 licences, and work during 2013 focused on target prioritization and drilling at Lopare in Bosnia, and Valjevo in Serbia. Due to a continuing inability to raise financing in a very difficult market, and consequent lack of funds to undertake exploration, work during 2014 was confined to a continued reduction in fixed costs and government relations focused on retention of the exploration licences. The field work program

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requirements of the Serbian Ministry of Mining and Energy for calendar 2014 were not completed. This continued into 2015 and the Company decided to relinquish all licences.

Initial reconnaissance diamond drilling: Drilling funded by PGZ commenced in August 2011, since which time a total of 20 holes have been drilled in Serbia. These include 3 holes into the Badanja licence and 2 holes into the adjoining Jadar West exploration licence that are immediately adjacent to Rio Tinto's Jadar deposit. Results showed evidence of mineralization in the vicinity in the form of pseudomorphs of calcite after borates. Drill holes in the Radusa (1 hole) and Kosjeric (1 hole) licences downgraded their prospectivity, while 2 holes in the Ljig licence indicated some mineral prospectivity. Most drilling had been focused in the Valjevo licence, where a total of 11 holes have been drilled by PGZ. This includes 7 holes which have intersected borate mineralization over an area calculated at between 9.7 and 14 km², with 3 others having intersected pseudomorphs of pre-existing borate mineralization. Where intersected the thickness of the preserved borate zone ranges from 1.3m to 24.1m in the 7 holes and the thickness of the total borate zone (including pseudomorphs) ranges from 31.7m to 67.0m. Highest borate grades (at an 8% cut off) were returned from holes VBN-4 and VBN-8 and included 1.6m @18.2%B₂O₃ and 1.0m @17.7% B₂O₃. Highest lithium grades have been 18.8m @0.26% Li₂O. The latest hole VBN-011, has intersected the shallowest and thickest zone of borate mineralization to date (24.1m at 9.12% B₂O₃ from 258.4m) with a best 3m assaying 14.13%B₂O₃ from 264.4m.

With lack of exploration funds, minimal field work has been undertaken in 2014 or 2015 and the Company decided to relinquish the licences due to lack of potential partners and sufficient funding.

OUTLOOK

In the coming year, Pan Global will focus on acquiring mineral properties in the exploration-development stage. The focus will be to acquire or joint venture projects that the Company believes can be advanced to pre- feasibility or feasibility stage. The Company is currently reviewing several target projects and we expect to advance discussions over the next few months. In the interim the Company's focus will be on preserving the treasury.

RESULTS OF OPERATIONS

For the Three Months Ended January 31, 2015

The net loss for the quarter was \$1,014,022 compared to a net loss of \$412,263 for the prior year's comparative quarter. The Company incurred an expense of \$998,750 due to the write-off of its exploration and evaluation assets in the current quarter.

For the 12 Months Ended January 31, 2015

The net loss for the year was \$1,638,054 compared to a net loss of \$2,066,777 for the prior year. Exploration expenditures were \$348,586 in the current year compared to \$1,460,431 in the prior year. The current year had the exploration projects on minimal activities as the Company tried to raise funds or find an alternate path

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forward for the projects. General and administrative expenses in the current year decreased from \$602,794 to \$401,044 mainly due to decreases in investor relations and travel activities as the Company tried to conserve its treasury during challenging market conditions. The Company received \$98,909 from the sale of vehicles in Serbia.

SUMMARY OF QUARTERLY RESULTS

Quarter ended	January 31, 2015	October 31, 2014	July 31, 2014	April 30, 2014
Exploration expenditures (recovery)	\$ (91,178)	\$ 121,333	\$ 147,144	\$ 171,287
Write-off of exploration and evaluation assets	\$ 998,750	\$ -	\$ -	\$ -
Net loss for the period	\$ (1,014,022)	\$ (165,042)	\$ (199,444)	\$ (259,546)
Loss per share - basic and diluted	\$ (0.02)	\$ (0.00)	\$ (0.01)	\$ (0.01)

Quarter ended	January 31, 2014	October 31, 2013	July 31, 2013	April 30, 2013
Exploration expenditures	\$ 275,183	\$ 309,664	\$ 449,796	\$ 425,788
Write-off of exploration and evaluation assets	\$ -	\$ -	\$ -	\$ -
Net loss for the period	\$ (412,263)	\$ (484,257)	\$ (583,871)	\$ (586,386)
Loss per share - basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)

The loss for the quarters varies primarily based on exploration expenditures incurred and other occurrences such as the write-off of exploration and evaluation assets and sale of vehicles.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

Due to the lack of funding operational activities were confined to care and maintenance. Subsequent to the year ended January 31, 2015, all of the Serbian licenses were relinquished.

Financing Activities

Despite continued efforts to raise funds from investment houses, no money was raised.

Investing Activities - none

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Requirement of Additional Equity Financing

The Company has relied entirely on equity financings for all funds raised to date for its operations. As noted above, the Company will need more funds to operate. 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.

SELECTED ANNUAL INFORMATION

	Year ended January 31, 2015	Year ended January 31, 2014	Year ended January 31, 2013
Financial Results			
Exploration expenditures	\$ 348,586	\$ 1,460,431	\$ 2,718,970
Net loss	(1,638,054)	(2,066,777)	(4,298,879)
Net loss per share - basic and diluted	(0.04)	(0.06)	(0.15)

	January 31, 2015	January 31, 2014	January 31, 2013
Financial positions			
Working capital (deficit)	\$ (454,200)	\$ 185,104	\$ 1,560,768
Total assets	68,389	1,406,538	2,291,618
Share capital	11,559,862	11,559,862	10,526,249
Deficit	(13,526,927)	(11,888,873)	(9,822,096)

RELATED PARTIES 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. The aggregate value of transactions and outstanding balances relating to key management personnel, including the CEO, CFO, and Corporate Secretary and entities over which they have control or significant influence were as follows:

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	Year Ended January 31,	
	2015	2014
Management, accounting and legal fees	\$ 314,500	\$ 326,430

Included in accounts payable and accrued liabilities	Items or Services	January 31, 2015	January 31, 2014
President & CEO	Management fees	\$ 291,666	\$ 41,666
Corporate Secretary	Legal fees	25,000	3,000
Chief Financial Officer	Accounting services	35,500	2,000

In October 2010, the Company signed a management services agreement with the President and CEO of the Company. Effective October 15, 2010, the Company is committed to pay annual management fees of \$250,000 to the officer for an indefinite term. The agreement can be terminated by both parties giving a notice of termination.

In August 2013, the Company signed a management services agreement with a company controlled by a director of the Company. Effective August 28, 2013, the Company is committed to pay annual management fees of \$240,000 for an indefinite term, subject to certain termination provisions. Subsequent to year end, the Company amended the terms of the agreement (see Company news release dated February 16, 2015 at www.panglobalresources.com) and do not have any further obligations under the August 28, 2013 agreement.

OFF BALANCE SHEET ARRANGEMENTS

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

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	Financial Instruments at FVTPL	Loans and Receivables	Other Financial Liabilities
As at January 31, 2015			
Cash	\$ 49,086	\$ -	\$ -
Receivables	-	19,303	-
Accounts payable and accrued liabilities	-	-	522,589
	\$ 49,086	\$ 19,303	\$ 522,589

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Fair value hierarchy

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:

- a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- 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. The carrying value of receivables and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

As at January 31, 2015, the Company's financial instruments measured at fair value are as follows:

Financial Assets	Level 1	Level 2	Level 3	Total
Cash	\$ 49,086	\$ -	\$ -	49,086

Financial Instrument Risk Exposure and Risk Management

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.

Credit Risk

Credit risk arises from cash and deposits with banks, as well as credit exposure to customers, including outstanding receivables and committed transactions. There is no significant concentration of credit risk other than cash deposits. 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 sales 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

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historically relied on issuance of shares and warrants to fund exploration programs and will require doing so again in the future.

Foreign Currency Risk

The Company has identified its functional currency as the Canadian dollar. Certain of the Company's exploration expenditures are denominated in Serbian Dinar (RSD) and United States dollars (USD). The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollar and those two currencies.

The Company has not entered into any derivative instruments to manage foreign exchange fluctuations. Management believes the foreign exchange risks related to currency conversions are minimal.

RISKS AND UNCERTAINTIES

In addition to the usual risks associated with an investment in an exploration-stage company, management and the directors of the Company believe that, in particular, the following risk factors should be considered. It should be noted that the list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

No Assurance of Titles or Borders

The acquisition of the right to exploit mineral properties is a very detailed and time consuming process. There can be no guarantee that the Company has acquired title to any such surface or mineral rights or that such rights will be obtained in the future. To the extent they are obtained, titles to the Company's surface or mineral properties may be challenged or impugned and title insurance is generally not available. The Company's surface or mineral properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by, among other things, undetected defects. Such third party claims could have a material adverse impact on the Company's operations.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company has relinquished its licenses and is looking for new opportunities in the mineral exploration arena. The main operating risks include: ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities.

The Company may earn an interest in certain properties through option agreements and acquisition of title to the properties is only completed when the option conditions have been met. These conditions generally include making property payments, incurring exploration expenditures on the properties and can include the satisfactory completion of pre-feasibility studies. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write-off the previously capitalized costs related to that property.

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The market prices for silver, gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects is dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

The securities markets can experience a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, may experience wide fluctuations in share prices which will not necessarily be related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Foreign Country and Political Risk

The Company is operating in countries that currently have varied political and economic environments. As such, the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mineral concessions or other mineral rights, opposition from environmental or other non-governmental organizations, and mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. Exploration and development may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine and/or site safety.

Notwithstanding any progress in restructuring political institutions or economic conditions, the present administration, or successor governments may not be able to sustain any progress. If any negative changes occur in the political or economic environment of these countries, it may have an adverse effect on the Company's operations in those countries. The Company does not carry political risk insurance.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in the damage to the Company's property or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal

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liability. Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company. Some work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities as a result of their work on a project.

Environmental Risks and Hazards

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Outstanding Share Data

As of May 31, 2015 there were 42,636,515 common shares issued and outstanding. There were also 2,972,000 stock options outstanding with exercise prices ranging between \$0.20 and \$1.03 per option and 6,694,666 share purchase warrants outstanding with an exercise price of \$0.20 per warrant.