

Pan Global Resources Inc.

30 Assays Pending at La Romana — Al Andaluz Potential to Emerge During a Busy 2022

PGZ-TSXV: \$0.76
Speculative Buy
\$1.30 Target

Event: We reiterate our **Top Pick** status on **Pan Global Resources** for Q122. PGZ shares gained **33%** during Q421, compared with the Global X Copper Miners ETF (COPX) which was up 8%. PGZ shares benefitted from the significant milestone represented by the recent granting of an Investigation Permit for ~2,365ha on the Al Andaluz area adjacent to the flagship Escacena Project area in the Iberian Pyrite Belt (IPB) in southern Spain (see our note dated **Nov. 22/21**). The three-year Al Andaluz permit (renewable for additional periods) allows for exploration to begin immediately on several large high priority targets and extensions to the La Romana Cu-Sn discovery at Escacena (Exhibits 1 & 3). Al Andaluz has been mostly unexplored since the mid-1980s. In 1985, an Exxon drill hole on the edge of the La Jarosa anomaly cut **9.5m at 1.42% Cu and was not followed up on**.

Projected Return: 71%
C\$, unless otherwise stated

Looking Ahead: Armed with ~\$17M in cash, PGZ plans aggressive exploration at Al Andaluz. Plans call for follow-up geophysics on **several large gravity anomalies** defined via reprocessing of regional gravity to better define drilling targets. PGZ will also complete a gravity survey over the entire area with follow-up detailed airborne electromagnetic and magnetic surveying in January. An IP and detailed gravity survey will also immediately focus on the La Jarosa target where a mid-1980s Exxon hole cut **9.5m at 1.42% Cu on the edge of a large gravity anomaly — follow-up drilling is planned for Q122**. Other priority targets include the El Pozo and Zarcita areas which exhibit surface indications of Cu, Pb, Zn, Ag and Au mineralization, extensive alteration, and historical mine workings. A significant follow-up drill program is planned to test targets generated via the ongoing exploration work in 2022.

Market Data

Market Capitalization (\$M)	133.7
Net Debt (\$M)	na
Cash & Equivalents (\$M)	17.0
Debt (\$M)	0.0
Enterprise Value (\$M)	116.7
Basic Shares O/S (M)	191.0
Fully Diluted Shares O/S (M)	221.7
Avg. Daily Volume (K)	110.4
52 Week Range	\$0.38 - \$0.84

Management

CEO	Tim Moody
Chairman	Patrick Evans
CFO	Christina Cepeliauskas
VP Exploration	Jim Royall
Corporate Secretary	Max Pinsky

Risks

Exploration Risk
Commodity Price Risk
Jurisdictional Risk

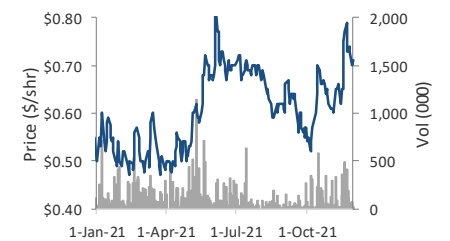
Events/Catalysts

Exploration Drilling - 2022
Maiden Res. Est. - E2022

Company Description

Pan Global Resources Inc. is actively engaged in base and precious metal exploration in southern Spain. The Company's flagship Escacena project has potential for volcanic hosted massive sulphide (VMS) and stockwork Cu, Zn, and precious metal mineralization in the Iberian Pyrite Belt, which is considered the most prolific VMS mining district in the world. Escacena includes the La Romana gravity anomaly where ongoing drilling is demonstrating shallow high-grade Cu-Sn mineralization and several other large neighbouring untested gravity anomalies along strike of the giant Aznalcollar and Los Frailes massive sulphide deposits and the Las Cruces mine which is one of the highest-grade open pit copper mines in the world.

The Gravity of the Situation: We note here that gravity anomalies have been a very significant discovery tool at numerous other major deposits in the IPB, including the nearby Las Cruces (+40M t) and Los Frailes (+70M t) deposits and PGZ's emerging La Romana deposit. Indeed, La Romana centres on a 1.5km-long E-W-oriented gravity anomaly. Most of the outcropping massive sulphide deposits in the IPB were discovered and mined during the pre-Roman and Roman eras. In more modern times, exploration focused on the depth continuation of orebodies, and to new prospect areas, with gravimetry (and EM) proving as one of the most important exploration tools owing to the marked density contrast between minerals formed in association with VMS mineralization and their host rocks.

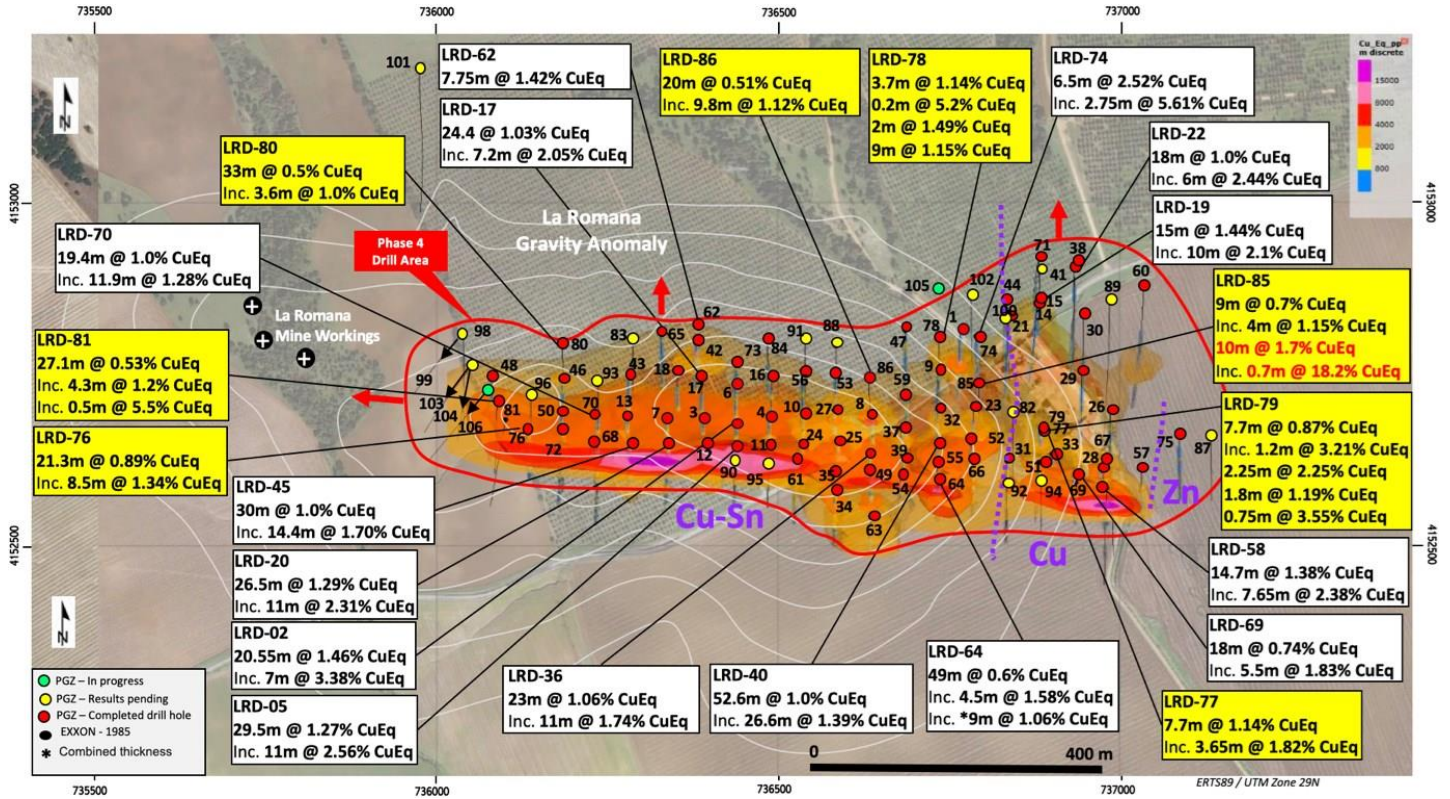


Source: CapitalIQ Company Reports

La Romana: Drilling by PGZ has so far focused on the La Romana target where the Company maintains a **100% hit rate**. Ongoing drilling there continues to expand mineralization, with the most recent batch of holes extending mineralization laterally and both up-dip (25m) and down-dip (30-50m) on various sections (including some wide intervals of supergene enrichment-style Cu mineralization). To date, drilling demonstrates the continuity of shallow Cu-Sn mineralization over **+1km of strike**; the zone remains open in several directions. With the edges of the target yet defined, drilling continues with two rigs and **assays pending for 30 holes — several containing strong visible mineralization**. Drilling has also tested several Induced polarity chargeability anomalies north of La Romana (Exhibit 2). PGZ also plans preliminary metallurgical test work at La Romana in Q122.

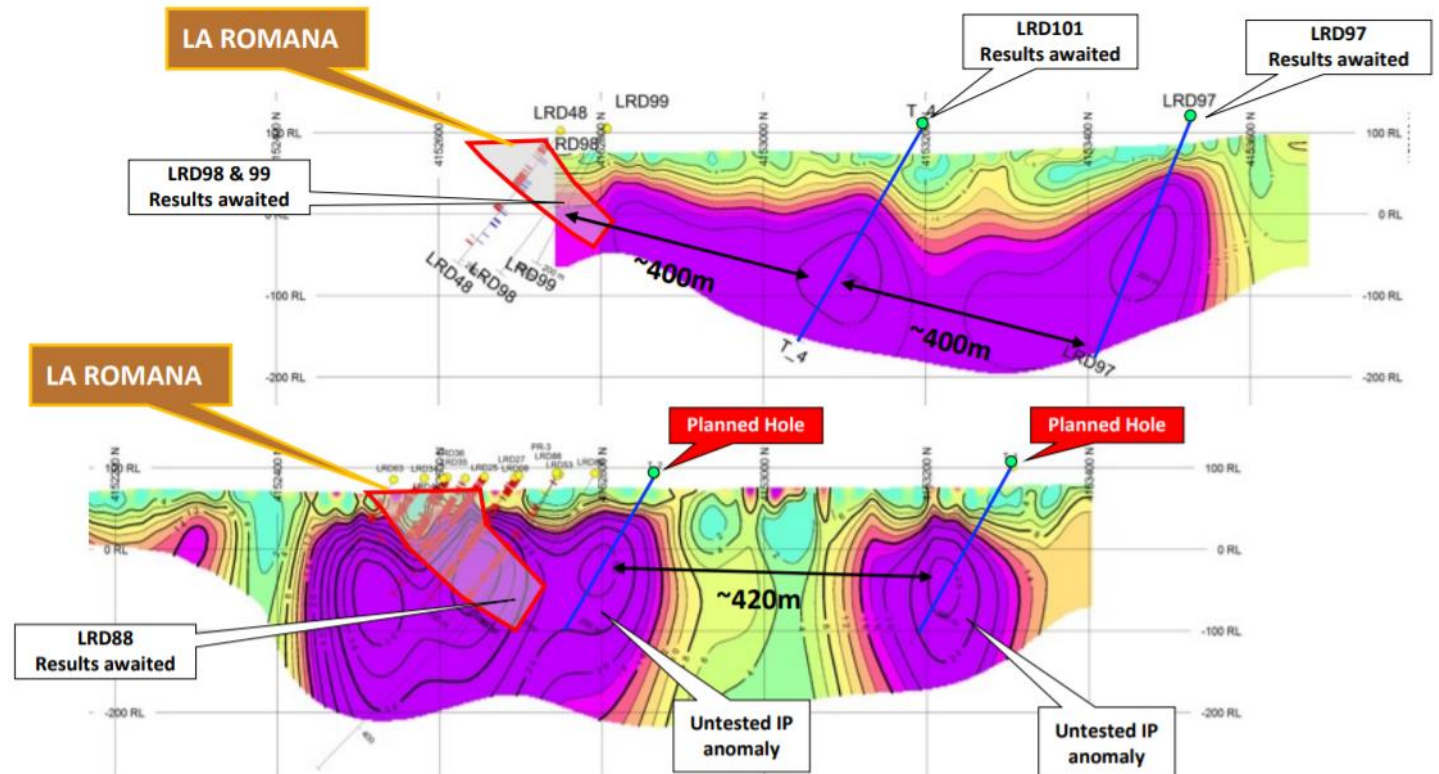
Valuation: We reiterate our **Speculative Buy (Top Pick)** rating and **\$1.30/shr PT**. We view the recent award of the Al Andaluz Investigation Permit as a potentially transformational milestone for PGZ as it opens up the potential for the discovery of multiple La Romana-like targets on numerous large gravity anomalies on the neighbouring land package (Exhibit 3).

Exhibit 1 – La Romana Continues to Grow (100% Hit Rate Intact)



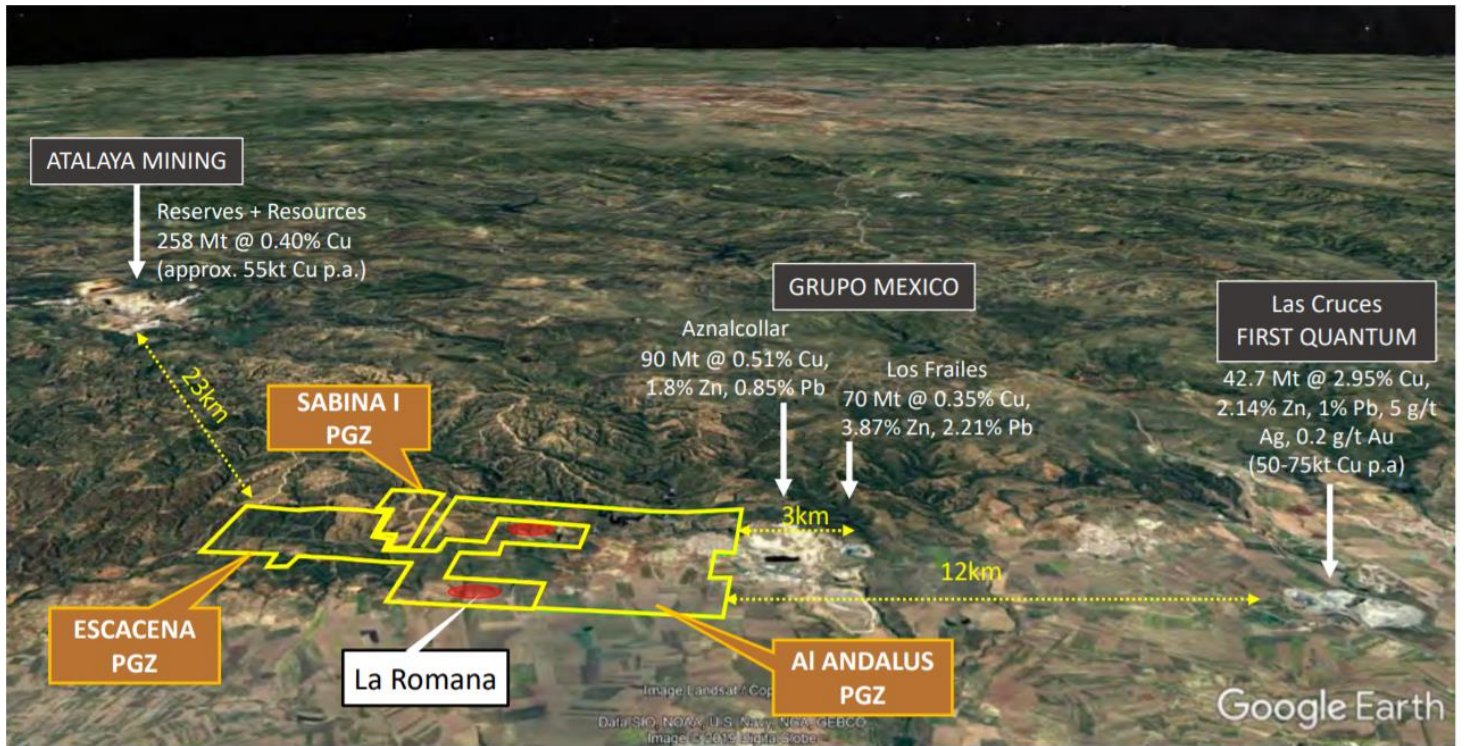
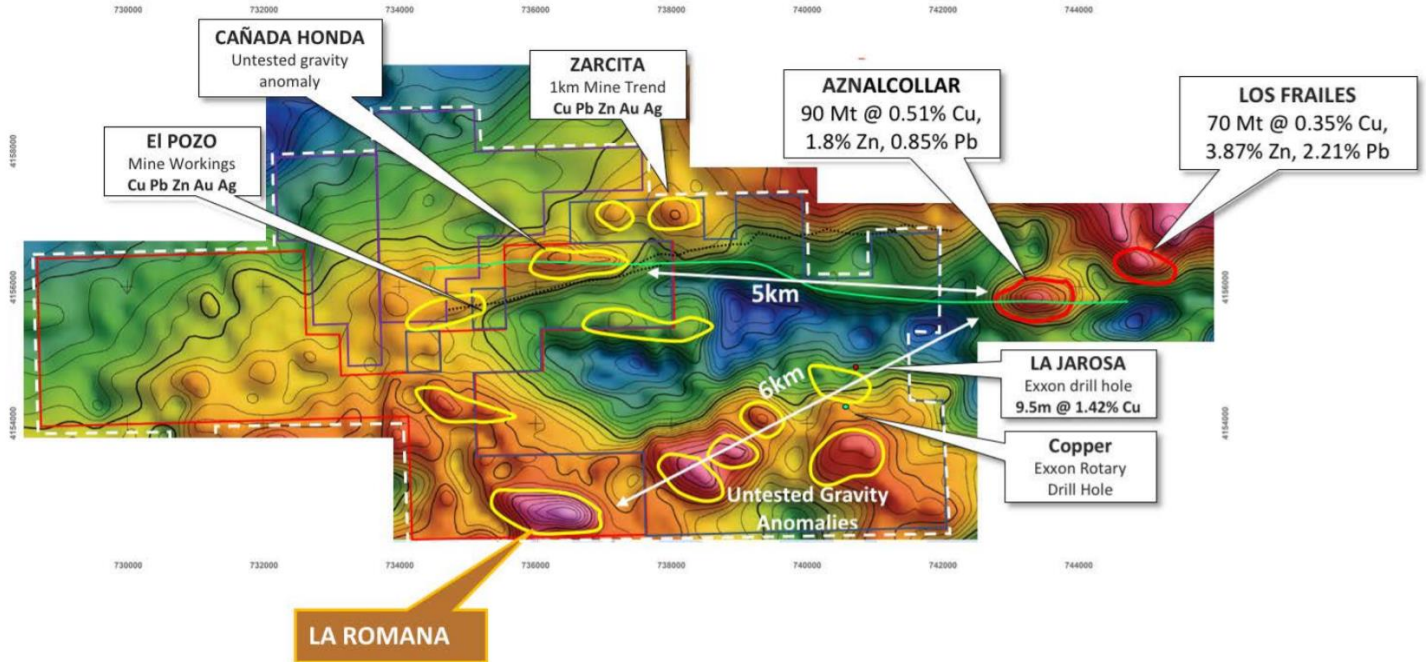
Source: Pan Global Resources Inc.

Exhibit 2 – La Romana Northern IP Targets



Source: Pan Global Resources Inc.

Exhibit 3 — The Gravity of the Situation — Untested Gravity Anomalies Bracketed by Lookalike Cu Mineralization and Copper Mines — Gravimetry an Indispensable Tool in the Iberian Pyrite Belt



Source: Pan Global Resources

Important Information and Legal Disclaimers

Echelon Wealth Partners Inc. is a member of IIROC and CIPF. The documents on this website have been prepared for the viewer only as an example of strategy consistent with our recommendations; it is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular investing strategy. Any opinions or recommendations expressed herein do not necessarily reflect those of Echelon Wealth Partners Inc. Echelon Wealth Partners Inc. cannot accept any trading instructions via e-mail as the timely receipt of e-mail messages, or their integrity over the Internet, cannot be guaranteed. Dividend yields change as stock prices change, and companies may change or cancel dividend payments in the future. All securities involve varying amounts of risk, and their values will fluctuate, and the fluctuation of foreign currency exchange rates will also impact your investment returns if measured in Canadian Dollars. Past performance does not guarantee future returns, investments may increase or decrease in value and you may lose money. Data from various sources were used in the preparation of these documents; the information is believed but in no way warranted to be reliable, accurate and appropriate. Echelon Wealth Partners Inc. employees may buy and sell shares of the companies that are recommended for their own accounts and for the accounts of other clients.

Echelon Wealth Partners compensates its Research Analysts from a variety of sources. The Research Department is a cost centre and is funded by the business activities of Echelon Wealth Partners including, Institutional Equity Sales and Trading, Retail Sales and Corporate and Investment Banking.

Research Dissemination Policy: All final research reports are disseminated to existing and potential clients of Echelon Wealth Partners Inc. simultaneously in electronic form. Hard copies will be disseminated to any client that has requested to be on the distribution list of Echelon Wealth Partners Inc. Clients may also receive Echelon Wealth Partners Inc. research via third party vendors. To receive Echelon Wealth Partners Inc. research reports, please contact your Registered Representative. Reproduction of any research report in whole or in part without permission is prohibited.

Canadian Disclosures: To make further inquiry related to this report, Canadian residents should contact their Echelon Wealth Partners professional representative. To effect any transaction, Canadian residents should contact their Echelon Wealth Partners investment advisor.

U.S. Disclosures: This research report was prepared by Echelon Wealth Partners Inc., a member of the Investment Industry Regulatory Organization of Canada and the Canadian Investor Protection Fund. This report does not constitute an offer to sell or the solicitation of an offer to buy any of the securities discussed herein. Echelon Wealth Partners Inc. is not registered as a broker-dealer in the United States and is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. Any resulting transactions should be effected through a U.S. broker-dealer.

U.K. Disclosures: This research report was prepared by Echelon Wealth Partners Inc., a member of the Investment Industry Regulatory Organization of Canada and the Canadian Investor Protection Fund. ECHELON WEALTH PARTNERS INC. IS NOT SUBJECT TO U.K. RULES WITH REGARD TO THE PREPARATION OF RESEARCH REPORTS AND THE INDEPENDENCE OF ANALYSTS. The contents hereof are intended solely for the use of, and may only be issued or passed onto persons described in part VI of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001. This report does not constitute an offer to sell or the solicitation of an offer to buy any of the securities discussed herein.

Copyright: This report may not be reproduced in whole or in part, or further distributed or published or referred to in any manner whatsoever, nor may the information, opinions or conclusions contained in it be referred to without in each case the prior express written consent of Echelon Wealth Partners.

ANALYST CERTIFICATION

Company: Pan Global Resources Inc. | PGZ-TSXV

I, Ryan Walker, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that I have not, am not, and will not receive, directly or indirectly, compensation in exchange for expressing the specific recommendations or views in this report.

IMPORTANT DISCLOSURES

Is this an issuer related or industry related publication?	Issuer
Does the Analyst or any member of the Analyst's household have a financial interest in the securities of the subject issuer? If Yes: 1) Is it a long or short position? No position; and, 2) What type of security is it? None	No
The name of any partner, director, officer, employee or agent of the Dealer Member who is an officer, director or employee of the issuer, or who serves in any advisory capacity to the issuer.	No
Does Echelon Wealth Partners Inc. or the Analyst have any actual material conflicts of interest with the issuer?	No
Does Echelon Wealth Partners Inc. and/or one or more entities affiliated with Echelon Wealth Partners Inc. beneficially own common shares (or any other class of common equity securities) of this issuer which constitutes more than 1% of the presently issued and outstanding shares of the issuer?	No
During the last 12 months, has Echelon Wealth Partners Inc. provided financial advice to and/or, either on its own or as a syndicate member, participated in a public offering, or private placement of securities of this issuer?	Yes
During the last 12 months, has Echelon Wealth Partners Inc. received compensation for having provided investment banking or related services to this Issuer?	Yes
Has the Analyst had an onsite visit with the Issuer within the last 12 months?	No
Has the Analyst or any Partner, Director or Officer been compensated for travel expenses incurred as a result of an onsite visit with the Issuer within the last 12 months?	No
Has the Analyst received any compensation from the subject company in the past 12 months?	No
Is Echelon Wealth Partners Inc. a market maker in the issuer's securities at the date of this report?	No

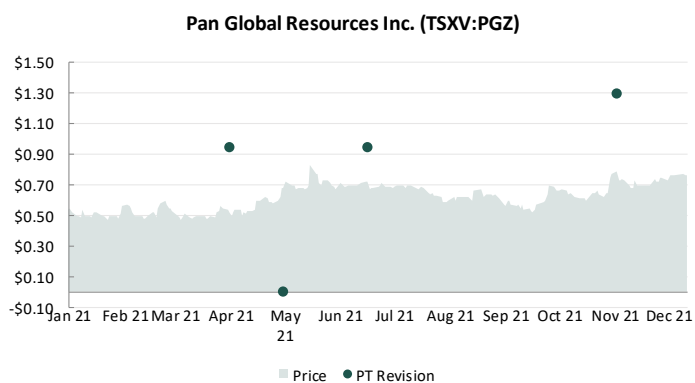
RATING DEFINITIONS

Buy	The security represents attractive relative value and is expected to appreciate significantly from the current price over the next 12 month time horizon.
Speculative Buy	The security is considered a BUY but in the analyst’s opinion possesses certain operational and/or financial risks that are higher than average.
Hold	The security represents fair value and no material appreciation is expected over the next 12-18 month time horizon.
Sell	The security represents poor value and is expected to depreciate over the next 12 month time horizon.
Under Review	While not a rating, this designates the existing rating and/or forecasts are subject to specific review usually due to a material event or share price move.
Tender	Echelon Wealth Partners recommends that investors tender to an existing public offer for the securities in the absence of a superior competing offer.
Dropped Coverage	Applies to former coverage names where a current analyst has dropped coverage. Echelon Wealth Partners will provide notice to investors whenever coverage of an issuer is dropped.

RATINGS DISTRIBUTION

Recommendation Hierarchy	Buy	Speculative Buy	Hold	Sell	Under Review	Restricted	Tender
Number of recommendations	32	39	1	0	4	0	0
% of Total (excluding Restricted)	42%	51%	1%	0%	5%		
Number of investment banking relationships	19	34	0	0	1	0	0
% of Total (excluding Restricted)	35%	63%	0%	0%	2%		

PRICE CHART, RATING & PRICE TARGET HISTORY



Date	Target (C\$)	Rating
20 Apr 2021	\$0.95	Spec Buy
20 May 2021	NA	Restricted
6 Jul 2021	\$0.95	Spec Buy
22 Nov 2021	\$1.30	Spec Buy

Coverage Initiated: Apr 20, 2021
 Data sourced from: Capital IQ

Toronto Wealth Management

1 Adelaide St East, Suite 2000
Toronto, ON M5C 2V9
416-572-5523

Toronto Capital Markets

1 Adelaide St East, Suite 2100
Toronto, Ontario M5C 2V9
416-572-5523

Montreal Wealth Management and Capital Markets

1000 De La Gauchetière St W., Suite 1130
Montréal, QC H3B 4W5
514-396-0333

Calgary Wealth Management

525 8th Ave SW, Suite 400
Calgary, AB T2P 1G1
403-218-3144

Calgary Wealth Management

123 9A St NE
Calgary, AB T2E 9C5
1-866-880-0818

Oakville Wealth Management

1275 North Service Road, Suite 612
Oakville, ON L6M 3G4
289-348-5936

Edmonton Wealth Management

8603 104 St NW
Edmonton, AB T6E 4G6
1-800-231-5087

London Wealth Management

235 North Centre Rd, Suite 302
London, ON N5X 4E7
519-858-2112

Ottawa Wealth Management

360 Albert St, Suite 800
Ottawa, ON K1R 7X7
613-907-0700

Vancouver Wealth Management and Capital Markets

1055 Dunsmuir St, Suite 3424, P.O. Box 49207
Vancouver, BC V7X 1K8
604-647-2888

Victoria Wealth Management

730 View St, Suite 210
Victoria, BC V8W 3Y7
250-412-4320

Saskatoon Wealth Management

220 – 728 Spadina Crescent East
Saskatoon, SK S7K 1X2
306-667-2282