PAN GLOBAL

RESOURCES

MANAGEMENT DISCUSSION AND ANALYSIS

Nine Months Ended October 31, 2011

GENERAL

This discussion and analysis of the financial position and results of operations is intended to supplement the unaudited interim condensed consolidated financial statements of Pan Global Resources Inc. (the "Company", "Pan Global", or "PGZ") for the nine months ended October 31, 2011 and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company adopted IFRS on February 1, 2011 with a transition date of February 1, 2010. A reconciliation of the previously disclosed comparative periods' financial statements prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP" or "cGAAP") to IFRS is set out in note 11 to these interim consolidated financial statements.

The MD&A should be read in conjunction with the audited consolidated financial statements of the Company for the year ended January 31, 2011 prepared in accordance with Canadian GAAP, the related MD&A with reference to the reconciliation referred to above. All dollar amounts included therein and in the following management discussion and analysis ("MD&A") are in Canadian dollars except where noted. This MD&A has been prepared as of December 20, 2011.

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com.

FORWARD LOOKING INFORMATION

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Pan Global's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

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 and uncertainties identified elsewhere in this MD&A, actual results 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.

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.

The Company's principal business activities are the acquisition, exploration and development of mineral properties. The Company's continuing operations and the ability of the Company to meet its mineral property commitments are dependent upon the ability of the Company to raise additional equity, debt financing and seeking joint venture partners.

On October 10, 2008 the Company entered into a letter of intent with Full Metal Minerals (USA) Inc. ("Full Metal"), to acquire an option to earn an undivided 60% interest in and to the mineral properties comprising Full Metal's "Mount Andrew Property" located approximately 48 km west north-west of Ketchikan, Alaska (the "Acquisition"). The Acquisition constituted the Company's Qualifying Transaction and acceptance of the TSX Venture Exchange was received on June 8, 2009. During the year ended January 31, 2010, the Company decided to discontinue its option agreement on the Mount Andrew Property.

On February 14, 2011 the Company signed a definitive option agreement with LithiumLi Holdings Inc. ("LithiumLi") to earn an undivided 51% interest, with further options to earn an undivided 65% or 80% interest, in LithiumLi. LithiumLi, through wholly-owned subsidiaries in the Balkans, has been granted two exploration licenses in the Repulic of Serbia and has applied for an additional six licenses in Serbia and one in Bosnia and Herzegovina. Pan Global entered into a Letter of Intent on July 29, 2010 with LithiumLi Balkan doo, now a wholly-owned subsidiary of LithiumLi, to earn an interest in three exploration licenses. Under the terms of the Option Agreement, of the two exploration licenses granted and seven exploration licenses applied for, a maximum of three may be retained by a company controlled by the principal of LithiumLi ("the Optionor"). Pan Global shall determine, in its sole discretion, which exploration licenses may be retained by the Optionor.

EXPLORATION REVIEW

As disclosed above, the Company entered into a letter of intent with Lithium Li which grants the Company an option to earn an initial 51% interest in any three of its' exploration licenses in the Balkans. The acquisition is an arm's length transaction.

<u>Background</u>
Lithium-Li has submitted applications to conduct mineral exploration work to the Ministry of Energy and Mining, Republic of Serbia, and has been granted exploration licences over the Jadar West, Vljevo, Radusa, Ljig, Kosjeric, Badanja, Bela Crkva and Gorobilje licences which together cover approximately 640km2. In addition, Lithium-Li has submitted an application to the Ministry of Energy and Mining, Republic of Bosnia, for the grant of exploration licenses to conduct mineral exploration work on the Lopare and Suho Polje concessions. In total, Lithium Li has applications and approved licences over 14 concessions---any 3 of in which the Company can choose to earn its' interest.

Transaction Highlights

Subject to execution of a definitive option agreement, the Company has acquired an option to purchase a 51%, 65% or 80% interest in any 3 of the 14 concessions as follows:

a) Cash Payments to Lithium-Li:

Date	Amount	Cumulative
Approval Date (14 Feb 2011)	$ 75,000	$ 75,000
12 months after Approval Date	$ 150,000	$ 225,000
24 months after Approval Date	$ 275,000	$ 500,000
	Total	$ 500,000

b) Share Issuances to Lithium-Li:

Date	# of Shares	Cumulative
Approval Date (14 Feb 2011)	375,000	375,000
Completion Date* (defined below)	250,000	625,000
12 months after Completion Date	250,000	875,000
24 months after Completion Date	250,000	1,125,000
	Total	1,125,000

c) Milestone:

Phase of Program	Milestone	% Interest Earned
Phase I	Completion Date	51%
Phase II	Pre-Feasibility Report	65%
Phase III	Feasibility Report	80%

*Completion Date shall mean the date of completion of the Phase I Work Program, which shall be agreed upon by Lithium-Li and the Company and, in any event, upon the expenditure by the Company of $3,000,000 in Exploration Expenditures.

If at any time after completion of Phase I but before completion of Phase II the Company determines to discontinue funding having incurred aggregate Exploration Expenditures of less than $10,000,000, the initial 51% undivided interest earned by the Company shall be forfeited to Lithium-Li.Following the exercise of the option by the Company, the Company and Lithium Li will continue under a joint venture.

Current Period Overview

Four holes of an initial diamond drilling program were completed in the Badanja and adjoining Jadar West exploration license. These titles are immediately adjacent to Rio Tinto's Jadar deposit where production is planned to commence in 2016.

Hole RAR-2 (eoh 811m) drilled in Jadar West has provided compelling evidence of mineralization in the vicinity. The hole intersected post mineral marine sediments underlain by host lacustrine sediments with stratigraphic marker horizons and zones of potential mineralization which are interpreted to be directly correlated with the stratigraphy at the Jadar deposit. These include a zone of calcite pseudomporphs probably after borates (393-398m), a tuffaceous sandstone marker horizon (481-487m), and a zone of calcite pseudomporphs and vugs after jadarite (511-514m). This interpretation of pseudomorphs after borates and jadarite will be greatly enhanced if the intervals return elevated B and/or Li geochemistry from pending assays and suggests that the mineralizing system at Rio Tinto's Jadar deposit is repeated in, or continues into, the Jadar West licence. However in Hole RAR-2, the stratigraphy correlative to the mineralized zones has been disrupted by influx of coarse grained debris flows and local groundwater and/or spring activity has leached out the jadarite and borate mineralization. Hole RAR-4 (eoh 576m) was drilled 600m to the NE in an attempt to intersect mineralization outside the dissolution zone, but it intersected similar zones including the important tuffaceous sandstone marker horizon (524-526m), and a zone of calcite pseudomporphs and vugs after jadarite (558-559m).

Hole RAR-1 (eoh 601m) drilled in the Badanja licence intersected a sequence of marine sediments underlain by a potential host package of lacustrine sediments, disrupted by sedimentary flows of diamictite which are likely to have displaced or removed potential ore horizons. Hole RAR-3 (eoh 419m) drilled 3km to the south east in the same licence targeted a conductive MT response on the edge of the basin and intersected lacustrine clays and tuff but no prospective host units or horizons that can be correlated with known mineralization.

Apart from the drilling, other work consisting of geological, geochemical and geophysical exploration to define drill targets is continuing to progress. Gravity surveys have been completed over the Kosjeric, Gorobilje and Bela Crkva licences. Processing of data from the Gorobilje and Bela Crkva licences was completed which indicates a lack of basin development, and as a consequence prospectivity of the licencse has been downgraded.

RESULTS OF OPERATIONS

Three Months Ended October 31, 2011

The Company recorded a loss of $1,204,896 for the quarter ended October 31, 2011 compared to a loss of $82,465 for the quarter ended October 31, 2010. The loss for 2011 was significantly higher as the company incurred costs related to its Balkan lithium exploration program. During the comparative prior year's quarter, the Company had only small administrative and regulatory costs and had $43,971 in exploration expenses as it had just commenced its efforts in the Balkan lithium area of business. Exploration costs of $1,094,947 were incurred on the Balkan projects during the quarter and $109,949 was incurred on general and administrative costs. Management fees were incurred this quarter as the Company signed a management services agreement in the latter part of 2010 with an officer of the Company. There was no management fees paid in the comparative quarter.

Nine Months Ended October 31, 2011

The Company recorded a loss of $3,150,896 for the nine months ended October 31, 2011 compared to a loss of $120,649 for the nine months ended October 31, 2010. The loss for 2011 was significantly higher for the same reasons noted above for the quarterly loss. Exploration costs of $2,285,412 were incurred on the Balkan projects during the period, which included a geophysical MT survey and a drilling program. Stock based compensation expense of $433,130 was incurred as the Company granted stock options to certain officers, directors, and employees. Project evaluation costs of $80,286 were higher due to the Company's due diligence and legal costs incurred on several potential new business opportunities for the Company.

LIQUIDITY AND CAPITAL RESOURCES

The Company started the year with working capital of $2,217,199 and had working capital of $1,196,305 at October 31, 2011. The increase in working capital is related to funds received on exercise of warrants, offset by cash used in operations including a cash payment of $75,000 on signing of the definitive option agreement with Lithium Li. In order to meet its corporate objectives, which primarily consist of obtaining and exploring its mineral properties, the Company will require additional financing through debt or equity issuances or other available means.

OFF BALANCE SHEET ARRANGEMENTS

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

SUMMARY OF QUARTERLY RESULTS

Quarter ended	Interest Income $	Income (Loss) $	Basic and Diluted Earnings (Loss) per share $
October 31, 2011 (IFRS)	-	(1,204,896)	(0.06)
July 31, 2011 (IFRS)	-	(709,536)	(0.04)
April 30, 2011 (IFRS)	-	(1,236,463)	(0.07)
January 31, 2011 (IFRS)	-	(911,819)	(0.09)
October 31, 2010 (IFRS)	-	(82,465)	(0.01)
July 31, 2010 (IFRS)	-	(16,951)	-

April 30, 2010 (IFRS)	620	(21,233)	-
January 31, 2010 (cGAAP)	24,160	(125,508)	(0.01)

The loss as for the quarter ended January 31, 2010 is due to the write-off of amounts previously capitalized as mineral property acquisition costs. The interest income during the quarter ended January 31, 2010 represents adjustments made during the year to the amounts owing to the Company on the restructuring of the Company's previously held asset-backed commercial paper. The loss for the quarters commencing January 31, 2011 is due to the focus of the Company in a new direction, including exploration expenditures incurred on its optioned Serbian projects.

NEW ACCOUNTING POLICIES

International Financial Reporting Standards ("IFRS")

On January 1, 2011 Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information the effective transition date is February 1, 2011. The three months ended April 30, 2011 is Pan Global's first reporting period under IFRS. Note 11 to the condensed consolidated interim financial statements provide more detail on the significant Canadian GAAP to IFRS differences, accounting policy decisions and IFRS 1, First-Time Adoption of International Financial Reporting Standards and optional exemptions for significant or potentially significant issues that have an impact on the Company's financial statements on transition to IFRS.

FUTURE ACCOUNTING CHANGES

On May 12, 2011, the IASB issued the following statements:

i. IFRS 10 *Consolidation* ("IFRS 10") (see further details below)
ii. IFRS 11 *Joint Venture* ("IFRS 11") (see further details below)
iii. IFRS 12 *Disclosures of Involvement with Other Entities* ("IFRS 12") (see further details below)
iv. IAS 27 *Separate Financial Statement* (revised 2011) ("IAS 27"), has been amended for issuance of IFRS 10 while maintaining the current guidance for separate financial statements
v. IAS 28 *Investments in Associates and Joint Ventures* (revised 2011) ("IAS 28"), has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

Each of these standards has an effective date for annual periods beginning on or after January 1, 2013. Early adoption of any of these standards is permitted only if the other standards are also adopted early.

i. IFRS 10 establishes control as the single basis for consolidation of entities, regardless of the nature of the investee. An entity has control over an investee when it has power over it; it is exposed, or has the rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect those returns. IFRS 10 replaces IAS 27's guidance that addresses when and how an investor should prepare consolidated financial statements and replaces all of SIC-12. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

ii. IFRS 11 requires a venture to classify its interest in a joint arrangement as a joint venture or joint operation. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and the obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The determination whether a joint arrangement constitutes a joint operation or a joint venture is based on the parties' rights and responsibilities under the arrangement and thus the existence of a separate legal vehicle is no longer the main factor in making such determination. Joint ventures will be accounted for using the equity method of accounting thereby eliminating the option available under existing IFRS to use either the proportionate consolidation method or the equity method. Joint operations are accounted for by a venture by recognizing its share of the assets, liabilities, revenues and expenses of the joint operation. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

iii. IFRS 12 sets out the required disclosures relating to an entity's interest in subsidiaries, joint arrangements, associates and unconsolidated structured entities. An entity is required to disclose information that enables users of its financial statements to assess the nature of, and risks associated with, its interest in other entities and the effects of those interests on its financial statements. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IFRS 13 *Fair Value Measurement* ("IFRS 13") was issued on May 12, 2011, and establishes a single framework for measuring fair value where it is required by other standards. IFRS 13 applies to all transactions (whether financial or non-financial) for which IFRS requires or permits fair value measurements, with the exception of share-based payment transactions accounted for under IFRS 2 *Share-based Payment* and leasing transactions within the scope of IAS 12 *Leases*, and measurements that have some similarities to fair value but are not fair value such as net realizable value under IAS 2 *Inventories* or value in use under IAS 36 *Impairment of assets*. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price).

This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

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 and entities over which they have control or significant influence were as follows:

- Paid or accrued $186,967 (2010 - Nil) to Julian Bavin, the President, CEO and Director of the Company.
- Paid or accrued $9,000 (2010 - $9,000) for rent and office expenses to a company controlled by Max Pinsky, the Corporate Secretary of the Company.
- Paid or accrued $28,637 (2010 - $38,975) for legal fees paid to a company controlled by Max Pinsky, the Corporate Secretary of the Company.
- Paid or accrued $27,000 (2010 - $9,000) for professional accounting services provided by Christina Cepeliauskas, the Chief Financial Officer of the Company.

As at October 31, 2011, $41,659 (2010 - $12,469) was included in accounts payable and accrued liabilities.

In October 2010, the Company signed a management services agreement with an officer to 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.

RISKS AND UNCERTAINTIES

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, none of the Company's properties has a known commercial ore deposit. 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.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect Pan Global's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party.

Financing and Share Price Fluctuation Risks

Pan Global 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 acquisition, exploration and development of any projects the Company may acquire may be 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.

Recently, the securities markets have experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies such as Lara, have experienced wide fluctuations in share prices which have not necessarily been 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 Pan Global's ability to raise additional funds through equity issues.

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 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 Pan Global'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.

Outstanding Share Data

As of December 20, 2011 there were 22,501,482 common shares issued and outstanding. There were also 1,062,000 stock options outstanding with exercise prices ranging between $0.20 and $1.03 per option.