PANORO MINERALS LTD.

Management's Discussion and Analysis – Quarterly Highlights

As at and for the Three-Month Periods Ended March 31, 2017 and 2016

May 30, 2017

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Background & Date

The Management's Discussion and Analysis – Quarterly Highlights ("MD&A") should be read in conjunction with the condensed consolidated interim financial statements of Panoro Minerals Ltd. ("Panoro" or the "Company") for the three months ended March 31, 2017 ('fiscal 2017') and March 31, 2016 ("fiscal 2016"), respectively), and the Company's audited financial statements as at and for the year ended December 31, 2016, as filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") website. This report has been dated as at May 30, 2017, and was approved by the Board of Directors on May 30, 2017.

The common shares of the Company are listed on the TSX Venture Exchange ("TSXV") under the trading symbol "PML", the Junior Board of the Bolsa de Valores de Lima ("PML" - Lima Stock Exchange) and ("PZM" on the Frankfurt Exchange).

Additional Sources of Information

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should be read together with the Company's Audited Financial Statements, the 2016 Annual Information Form, 2016 Management Information Circular, Material Change Reports, press releases, and the Company's technical reports, all of which are available on the SEDAR website at www.sedar.com or on the Company's website www.panoro.com.

Currency

All dollar amounts set forth in the tables and financial section of this MD&A are expressed in Canadian dollars and referred to as "$" and financial information is prepared under recorded under IFRS unless otherwise specifically indicated. There are also references in this MD&A to Perúvian Nuevos Soles ("S/.") and United States dollars ("US"). As at March 31, 2017, the closing rate for one Canadian dollar in S/. was C$1.00 = S/. 2.4408, and the closing rate for one Canadian dollar in USD was C$1.00 = US$0.7513 as reported by the Bank of Canada.

CAUTION REGARDING FORWARD LOOKING STATEMENTS: Information and statements contained in this Management Discussion and Analysis Quarterly Update ("MD&A") that are not historical facts are "forward-looking information" within the meaning of applicable Canadian securities legislation and involve risks and uncertainties. Examples of forward-looking information and statements contained in MD&A include information and statements with respect to:

- Acceleration of payments by Wheaton Metals to match third party financing by Panoro targeted for exploration at the Cotabambas Project
- Payment by Wheaton Metals of US$140 million in installments
- Mineral resource estimates and assumptions
- The PEAs on the Cotabambas and Antilla Projects, including, but not limited to, base-case parameters and assumptions, forecasts of net present value, internal rate of return and payback
- Copper concentrate grade from the Antilla and Cotabambas Projects

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. In some instances, material assumptions and factors are presented or discussed in this MD&A in connection with the statements or disclosure containing the forward-looking information and statements. You are cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited to, assumptions concerning: metal prices and by-product credits; cut-off grades; short and long term power prices; processing recovery rates; mine plans and production scheduling; process and infrastructure design and implementation; accuracy of the estimation of operating and capital costs; applicable tax and royalty rates; open-pit design; accuracy of mineral reserve and resource estimates and reserve and resource modeling; reliability of sampling and assay data; representativeness of mineralization; accuracy of metallurgical test work; and amenability of upgrading and blending mineralization.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by the forward-looking statements, and are included in all of the Company's documents filed on SEDAR and available on the Company's website. Items referred to in this MD&A may include forward-looking statements related to:

- the inherent operational risks associated with mining and mineral exploration, development, mine construction and operating activities, many of which are beyond Panoro's control;
- risks relating to Panoro's ability to enforce Panoro's legal rights under permits or licenses or risk that Panoro's will become subject to litigation or arbitration that has an adverse outcome;
- risks relating to Panoro's projects being in Perú, including political, economic and regulatory instability;
- risks relating to mineral resource estimates being based on interpretations and assumptions which may result in less mineral production under actual circumstances;
- risks relating to the uncertainty of applications to obtain, extend or renew licenses and permits;
- risks relating to potential challenges to Panoro's right to explore and/or develop its projects;
- risks relating to being adversely affected by environmental, safety and regulatory risks, including increased regulatory burdens or delays and changes of law;
- risks relating to inadequate insurance or inability to obtain insurance;
- risks relating to fluctuations in foreign currency exchange rates, interest rates and tax rates; and
- risks relating to Panoro's ability to raise funding to continue its exploration, development and mining activities.

Qualified Person

The technical information in this MD&A has been reviewed and approved by Mr. Luis Vela, a Qualified Person as defined by National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. Vela is responsible for the preparation and/or verification of the technical disclosure in this document unless otherwise noted.

Description of Business

Panoro holds a portfolio of eleven mineral properties in Perú of which two, the Cotabambas and Antilla projects, are at an advanced stage of exploration and make up the core concession blocks for the Company.

The Company may reduce carrying costs on certain mineral projects by not renewing the mineral concessions on certain non-core concession blocks. The concession blocks not renewed were written off in fiscal 2015, and the current accrual for concession payments does not include these non-core concessions.

Outlook

Recent Activities and Highlights

Key developments to date in 2017 include:

1) Receipt of US$750,000 pursuant to the Precious Metals Purchase Agreement with Wheaton Precious Metals International Ltd. ("Wheaton Metals") (formerly Silver Wheaton (Caymans) Ltd. (the "Agreement") in March 2017;
2) Detailed mapping of over 768 hectares of the Company's concessions in the Cluster 1 area of the Cotabambas Project;
3) Excavation of 60 trenches of over 6.9 km to expose additional bedrock for detailed mapping and sampling at Cotabambas;
4) A geophysical program over the four target areas of 44.5 km of Magnetic Surveys and 34.4 km of Induced Polarization Surveys to date, with an additional 35 km of Induced Polarization Surveys currently in progress at Cotabambas;
5) Delineation of oxide gold zone at the Cotabambas Project;
6) The addition of Augusto Baertl to the Board of Directors; and
7) Drill program mobilization and commencement of drilling on May 22, 2017, for a 14,000 m program in Cluster 1 on the Maria Jose targets (8,000 m planned of high-grade sulphide near surface); Breccia targets (2,000 m planned of oxide gold near surface); Petra-David target (2,000 m planned of oxide copper near surface), and the Buenavista-Puente targets (2,000 m planned of high-grade sulphides near surface).

The Agreement provides for the basic working capital requirements of the Company; however, additional financing to advance work on the Company's other projects, has been secured with the private placement financing which closed in August 2016.

Cotabambas Project

Work Plans

The Company has commenced a work program at the Cotabambas Project including the following:

- Step-out drilling to expand the oxide copper resource and assessment of the potential to incorporate a heap leach SX/EW process into the project plan (see the Company's news release dated May 22, 2017, available on SEDAR and the Company's website);
- Step-out drilling to expand the oxide gold resource and assessment of the potential to incorporate a gold and silver heap leach process into the project plan;
- Exploration drilling at the Maria Jose and Buenavista-Puente targets to add near surface high grade mineralization to the mill feed; and
- Metallurgical testing to test for potential improvement in recoveries from all four mineralogical types in the current resource.

Breccia Target

The Breccia Target is located adjacent to the northern limit of the proposed North Pit along a northeast to southwest geologic structure. The existing resources of the Ccalla and Azulccaca deposits are also located along a similar and parallel structural control. This new oxide gold zone target potential is defined by eleven gold anomalies distributed over an area of 1.0 km x 1.4 km and 2,000 m of exploration drilling is planned for the zone. The oxide gold zone has the potential to contain near surface oxide gold mineralization with low copper grades indicating the potential to add a low cost gold heap leaching operation to the project and may be underlain by a blanket of oxide copper mineralization which will also be tested with the proposed drilling program.

Petra-David Target

The Petra-David Target is located to the west side of the proposed North Pit over an area of 900 m by 200 m. The target is formed by mixed and oxide copper mineralization hosted in porphyry outcroppings and 2,000 m of exploration drilling is planned for the zone. The zone has the potential to contain near surface oxide copper mineralization for the potential addition of a low cost heap leach and SX/EW component to the project.

Maria Jose Target

The Maria Jose Target is located 2 km to the northeast of the proposed North Pit along the local northeast to southwest geologic structure and covers an area of 1.2 km by 280m. The target is formed by pervasive supergene argillization in the surface and copper sulphides outcroppings hosted in andesite volcanic rocks intruded by porphyries related to the mineralization. The drilling program includes 8,000 m of exploration drilling in this zone. The zone has the potential to add additional higher grade sulphides to the proposed concentrator plant mill feed.

Buenavista-Puente Target

The Buenavista-Puente Target is located 2 km to the northwest of the proposed North Pit and covers an area of 800 m by 300 m. The target is formed by porphyry and skarn type mineralization having an east-west structural control that may connect with the Maria Jose target. The drilling program includes 2,000 m of exploration drilling in this zone. The zone has the potential to add additional higher grade sulphides to the proposed concentrator plant mill feed.

The drill targets are all near surface zones of mineralization identified through the Company's recent exploration work. I

Metallurgy
Metallurgical testing is planned to test the potential to improve recoveries. Test work will be carried out on all four mineralization types included in the mill feed in the Cotabambas PEA which included recoveries as shown in the table below.

Mineralization Type	Recoveries Included in PEA		
	Cu %	Au %	Ag %
Hypogene Sulphide	87.5	62.0	60.4
Supergene Sulphide	87.5	62.0	60.4
Mixed Oxide Cu-Au	60.0	55.0	0
Oxide High Au	0	65.0	0

Previous results suggest that there is potential for improvement in the recoveries from the Hypogene and Supergene sulphide types. In addition, good potential exists to add or improve recovery of Ag and Cu from the Mixed and Oxide types while also improving Au recoveries.

Chaupec Target
The Company has delineated the Chaupec Target, a new high-grade skarn/porphyry zone of mineralization located 3-4 km west of the currently proposed Cotabambas pits. The Company is completing environmental baseline work here in order to expand the area covered by the Semi-Detailed Environmental Impact Assessment which will then allow for an expansion of the exploration permit. Additional detailed mapping will be carried out in order to finalize drill targets and drilling is planned for 2018.

Antilla Project

The Antilla project is a copper-molybdenum porphyry deposit, located 140 km south west of the city of Cusco, in the Apurimac region in Southern Perú.

Further work leading to a Pre-Feasibility Study on Antilla is recommended and will include drilling, mineral resource modeling, metallurgical testwork, engineering and marketing studies, hydrological and geotechnical analysis, as well as various baseline environmental and archeological studies. In addition, exploration work will be recommended over the other targets in the vicinity of the known deposits.

Prior to commencing prefeasibility studies, the Company is investigating the potential to develop the Antilla Project with staged expansions and assessing the potential for heap leaching the chalcocite resource. The objective is to assess the potential to reduce the initial capital costs and improve the project economics. Engineering proposals are being analyzed that have been prepared by third-party technical service providers for a review of the Antilla PEA, including a possible heap leach scenario.

Results of Operations

Exploration

During fiscal 2016, the Company expended $832,398 on exploration and evaluation expenditures, $125,272 on Antilla, $543,562 on Cotabambas and $167,406 on other projects. These expenditures are before refunds of value-added tax of $106,226 for costs incurred in prior periods, which are offset against the specific concessions. A total of $300,924 has been accrued for recording and concession fees, and is included in the exploration costs.

Exploration and evaluation expenditures were largely made up of salaries and wages of site-based staff and casual labour and other capitalized costs. Drilling commenced in early May of 2017 at Cotabambas, after geophysical surveys, mapping, sampling and trenching programs. A news release dated May 23, 2017, sets out in detail the planned drilling program.

Expenses

The Company's loss in fiscal 2017 of $821,598 ($0.00 per common share) compares to a loss of $333,470 ($0.00 per common share) in fiscal 2016. The discussion below is based on comparison of fiscal 2017 compared to fiscal 2016.

Overall, the increase in the Company's expenditures reflects the increase in exploration and evaluation expenditures incurred on the properties and the increased costs of administration as additional staff is needed for the increased to administer the expansion of exploration activities. Additional investor relations activities have been undertaken to inform investors of the exploration undertaken in advance of the planned drilling program.

Areas of increased administration costs in fiscal 2017 include the following:

- Salaries and benefits in fiscal 2017 increased from $138,945 in fiscal 2016 to $257,009 in fiscal 2017. Employees are full-time in fiscal 2017, whereas all employees were reduced to part-time in fiscal 2016. Additional exploration staff were hired commencing in September 2016.
- Rent and insurance costs are expected to remain at the same levels as fiscal 2016 and no increase is expected for the balance of fiscal 2017.
- Travel and investor relations costs increased from $8,490 and $2,903, respectively, in fiscal 2016 to $23,679 and $54,216 in fiscal 2017. The increase in the two cost categories reflect increased marketing and shareholder communications' activity to the end of March 2017, and are expected to continue to be higher in fiscal 2017 as the Company focuses more on shareholder communications. The Company entered into an investor relations' consulting firm at a cost of $5,000 per month for a period of six months ending in March 2017, and this contract has been extended on a month to month basis. These costs are reflected in fiscal 2017, with no comparative expense in fiscal 2016.
- Project evaluation costs of $80,917 in engineering consulting costs related to a possible acquisition, but it was determined to not meet the interests of the Company.

Interest revenue has increased from $131 in fiscal 2016 to $7,842, due to interest earned on cash held in Guaranteed Investment Certificates until it is needed for operations. The Company had no Guaranteed Investment Certificates in the same period in fiscal 2016.

Areas where administration costs have decreased include:

- Legal fees decreased from $116,896 in fiscal 2016 to $58,669 in fiscal 2017, due to a reduction in costs related to the Agreement, which were primarily incurred in the year ended December 31, 2016. Further tax, accounting and legal fees in Canada and Perú are expected in the next two fiscal quarters related to the receipt of the staged payment in September and completion of a restructuring currently in progress.
- The Company has incurred financial consulting fees of $60,210 in fiscal 2017. This fee is paid to Macquarie Capital Markets Canada Ltd ("Macquarie"), and relates to the scheduled payment of US$750,000 received in March 2017. Macquarie will receive a 6% commission on all payments received up to US$14.0 million, and has received fees of 6% on the US$4.75 million received pursuant to the Agreement as at the date of this quarterly report.
- An exchange loss in fiscal 2017 of $119,777, due to the decrease in the value of the Canadian dollar against the US dollar since the end of December 2016, compared to a gain of $56,425 in fiscal 2016. Portions of this gain or loss will relate to the funds received on the Agreement as current and long-term liabilities, and is currently somewhat offset by short-term investments currently held in US dollars. The funds received from Wheaton Metals are in US dollars, and are retained for exploration activities. Liquidity and capital resources

Liquidity risk is the risk that the Company will not be able to operate in the normal course of business for the next 12 months. The Company is considered to be in the exploration and development stage and is currently exploring mineral properties in Perú. The Company has no history of revenues from operating activities and will have negative cash flow from operations in future periods until commercial production is achieved from its advanced exploration stage projects. The Company received proceeds of $1,002,000 (US$750,000) from the Agreement in March 2017, and it is anticipated that a scheduled payment of US$750,000 will be received in September 2017

The Company has no operating revenue and incurred a loss of $821,598 for fiscal 2017 (fiscal 2015 – $333,470). As at March 31, 2017, the Company has an accumulated deficit of $32,836,309 (December 31, 2016 – $32,014,711), and has working capital of $2,457,276 (December 31, 2016 – working capital of $3,989,239).

Based on its financial position at March 31, 2017, the Company believes that it has sufficient funds to meet budgeted exploration and operational expenditures over the ensuing twelve-month period.

Commitments

In the normal course of business, the Company enters into contracts that result in commitments for future payments. The following table summarizes the remaining contractual maturities of the Company's operating and capital commitments. The Company has the following commitments:

	2017	2018	2019	2020	2021	Total
Office lease (Vancouver)	$ 40,399	$ 55,448	$ 58,613	$ 60,195	$ 30,098	$ 244,753
Office lease (Peru)	$ 58,199	$ 92,544	$ 95,321	$ 40,205	$ -	$ 302,897
Warehouses (3)	$ 36,642	$ -	$ -	$ -	$ -	$ 36,642
Accounts payable and accrued liabilities	$1,552,422	$ -	$ -	$ -	$ -	$1,552,422
Community agreement accrual	$ 778,824	$ -	$ -	$ -	$ -	$ 778,824
Community agreement, other commitments	$ 695,601	$ 231,867	$ -	$ -	$ -	$ 927,468

Key management personnel

Employment contracts have been entered into with each of the President and Chief Executive Officer ("CEO"), the Vice-President Exploration ("VP-Ex"), the Senior Vice-President, South America ("VP-SA") and the Vice-President, Operations ("VP-Op"). The Company is in the process of entering into an employment contract with the Chief Financial Officer ("CFO"). There are no related party transactions, other than $49 payable to an officer and director of the Company for expenses incurred on behalf of the Company.

Contingent receivable

In 2007, the Company entered into a Purchase and Sale Agreement of a property in the Philippines ("Mindoro Agreement") with Mindoro Resources Ltd. and its subsidiaries (collectively, "Mindoro"). As of the date of this MD&A no payment from Mindoro has been received. The Mindoro Agreement is still in effect, and the Company has not issued written notice to Mindoro regarding the breach of the Mindoro Agreement. An approach has been made by Mindoro for an amended agreement, but at the date of this MD&A, no changes in terms have been agreed to between the two parties.