

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Panoro Minerals Ltd. (the "Company") during the three months ended March 31, 2008 and to the date of this report. The MD&A supplements, but does not form part of, the unaudited consolidated financial statements of the Company and the notes thereto for the three months ended March 31, 2008. Consequently, the following discussion and analysis should be read in conjunction with the unaudited consolidated financial statements for the three months ended March 31, 2007, as well as the audited consolidated financial statements for the previous year ended December 31, 2007 the notes thereto and the prior MD&A filed at the time of and coinciding with the consolidated financial statements for the year ended December 31, 2007.

The information in the MD&A may contain forward-looking statements. These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made.

Overview

Panoro is a Canadian public company engaged in the acquisition, exploration, and development of natural resource properties in Peru. The Company's common shares trade on the TSX Venture Exchange ("PML"), the Frankfurt Exchange ("PZM"), and the Junior Board of the Bolsa de Valores de Lima (Lima Stock Exchange) ("PML").

Current Quarter Highlights

- Commenced drilling at the El Rosal Property on January 20, 2008.
- Appointed Mr. Luquman Shaheen, as new CEO and President to replace the retiring Mr. Helmut Wober.

Corporate Matters

On April 16, 2008, the Board of Directors and its long-time President Mr. Helmut Wober, P.Eng. appointed Mr. Luquman Shaheen, P.Eng., P.E., M.B.A, to assume the position of President and CEO of the Company.

Helmut Wober, who has led the Company and its predecessor Panoro Resources Ltd. since March 1999, is retiring from active duty at the age of 71. Mr. Wober will remain a Director of the Company and will be available to the Board and to Mr. Shaheen as an advisor or for special assignments. Mr. Wober and Mr. Shaheen will overlap for a period of approximately one month.

Mr. Shaheen is coming to Panoro from Pan American Silver Corp. Ltd. where he has held a Senior Management position as Director of Environmental Affairs, a portfolio that includes responsibility for environmental policy, waste management, permitting as well as community relations for six operating mines and two development projects in Latin America.

Mr. Shaheen has 18 years' of experience within the international mining sector, with over 12 years dedicated to Latin America. He has a Bachelor's degree in Civil Engineering from the University of British Columbia and an MBA from Simon Fraser University, both in Vancouver, Canada. He is a Registered Professional Engineer in the Province of British Columbia, Canada and the States of

Washington and Alaska in the USA as well as a Licensed Engineer in Perú. Mr. Shaheen is fluent in English, Spanish, Punjabi and Urdu.

Between 2001 and 2006 Mr. Shaheen was Manager of Mining Services for Latin America for AMEC Earth and Environmental, one of the largest engineering firms in the Industry. In this position he was responsible for growing the firms' mining services business in the region as well as managing engineering and construction projects for key mining clients in Perú, Bolivia, Argentina and Mexico. From 1996 to 2001, Mr. Shaheen resided in Lima, Perú, where he was first the Head of the Geotechnical Group for Klohn Crippen-SVS S.A. and then Manager of the Environmental Group for AMEC Perú S.A. Prior to 1996 Mr. Shaheen worked as a staff and project engineer in various capacities in Canada, the United States and Greece.

Mr. Shaheen brings unique technical and management capabilities to the Company that are ideally suited for the advancement of its core projects Antilla and Cotabambas. Mr. Shaheen has been personally known to two of the Company's Directors for over 10 years.

Mr. Shaheen has been appointed a Director of the Company effective April 16, 2008.

Mineral Interests

As of the date of this MD&A, the Company has mineral interests in Peru as follows:

Panoro Apurimac (formerly Cordillera de las Minas) Properties

On June 7, 2007, Panoro completed the transaction to purchase all of the issued and outstanding shares of Cordillera del las Minas S.A. ("CDLM"), a Peruvian corporation, from CVRD International S.A. and El Tesoro (SPV Bermuda) Limited, a wholly-owned subsidiary of Antofagasta PLC. The Company purchased CDLM for \$US 13,000,000 and 6,000,000 common shares of Panoro Minerals Ltd. On April 7, 2008 the Company announced that the name of CDLM had been changed to Panoro Apurimac S.A.

CDLM owns 100% of 13 properties located in the Andahuaylas – Yauri Belt of Peru south of Cuzco where a number of recently discovered significant porphyry copper and copper-gold deposits are in various stages of advanced exploration or pre-development. The 13 projects are as follows.

- Antilla
- Cotabambas
- Kusiorcco
- Cochasayhuas
- Alicia
- Promesa
- Pistoro Norte
- Sancapampa
- Humamantata
- Pataypampa
- Anyo
- Morosayhuas
- Checca

The three projects in the CDLM portfolio that are currently ranked as the most important ones are Antilla, Cotabambas, and Kusiorcco.

The Antilla project

The Antilla project (7,400 hectares) is in an advanced exploration stage. The identified mineralization consists of a zone of secondary enrichment of porphyry style copper mineralization and alteration (consisting of secondary biotite) in a package of quartzites and arenites that has been intruded by a system of this type. The mineralization consists of predominantly sulphides (chalcocite, chalcopyrite and pyrite) associated with quartz stock-works, veinlets and disseminations. The project has to date been explored by 4,012 metres of diamond drilling in 19 holes of which 8 holes lie within the so-called East Block of mineralization. SRK Consulting (see Report on the Company's web site) has provided a global estimate of geological potential of this Exploration Target based on 7 holes in the enriched chalcocite blanket on the East Block of: $\pm 135\text{MT}$ @ 90% confidence 0.63% - 0.79% copper "untrimmed" or $\pm 135\text{MT}$ @ 90% confidence 0.61% - 0.75% copper "trimmed" ("trimmed": all 2m assay intervals over 1.5% reduced to 1.5%). The potential to confirm and expand this target is also considered to be excellent. The potential of an underlying porphyry system remains to be tested as well as a similar but separate supergene target to the west.

The reader is cautioned that the potential quantity and grade of Exploration Targets as described in this release is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Update on Antilla

Antilla is one of the flagship projects of the Company. An aggressive drill program is planned for the project to confirm, define and expand its geological potential. Since the CDLM acquisition in June 2007, the Company has focused on obtaining community approval for further work at Antilla, which was achieved with the signing of a formal agreement on December 1, 2007. Observations concerning the environmental studies submitted as part of the exploration permit application were received from the Ministry of Energy and Mines on April 10, 2008. The content of the observations were administrative in nature and required the submission of complementary data to the Ministry. The responses to all of the Ministries observations were submitted within the allowable period of time on April 25, 2008. Panoro is expecting to receive notice of final approval of the permit application and the granting of the permit at any time.

The Cotabambas project

Cotabambas (9,900 hectares) is an advanced exploration project on a cluster of copper gold porphyry systems. A total of 11,770 metres of diamond drilling in 33 holes have been carried out on the project to date. SRK Consulting has estimated an Inferred Mineral Resource of 90 million tonnes at a grade of 0.77% copper and 0.42 grams of gold per tonne, at a cut-off grade of 0.4% copper. The potential to upgrade and to expand this estimate is considered to be excellent. The Cotabambas project is located about 38 kilometres due north of Xstrata's Las Bambas project with reported resources of 860 million tonnes with a grade of 0.93% copper.

The Kusiorcco project

The Kusiorcco project is located close to Norsemont's Constancia project (Indicated Resources of 70 million tonnes at 0.52% copper, Inferred Resources 250 million tonnes at 0.51% copper) and the historical Katanga Mine. It consists of a strong, one kilometer by two kilometer Induced Polarization and Resistivity Anomaly overlying a 300 metre by 500 metre alteration zone characterized by an intensive skeletal stock-work of quartz veins with the weathered out voids filled by limonite and goethite (both iron oxides). Management believes this to be the leached outcrop of part of a porphyry system that has been intensely mineralized with sulphide minerals and in fact, silicification, quartz stock-work systems and alteration are generally widespread in the Kusiorcco intrusive stock. The intensely leached outcrop also suggests the presence of a secondarily enriched zone at the transition to fresh sulphide mineralization at depth. The potential of this system to host a sizeable body of copper mineralization is further supported by the presence of a number of copper skarn occurrences located at the periphery of the Kusiorcco intrusive stock which are currently being mined on a small scale by locals.

Cochasayhuas and Checca Joint Venture

On March 17, 2008 the Company granted Consorcio Minero Horizonte ("CMH"), a privately owned gold mining company of Peru, an option to earn a 50% interest in two of their projects. Cochasayhuas is a vein type gold project with historically reported production of 401,000 ounces of gold and 480,000 ounces of silver while Checca is an early stage exploration project with potential to host epithermal gold mineralization.

CMH must spend a total of US\$2 million to earn a 50% interest in the two projects or in one of the two projects if CMH abandons one property. After CMH has earned its 50% interest a joint venture company will be formed in which Panoro can elect to maintain its 50% interest or allow CMH to earn an additional 10% interest for an incremental expenditure of US\$ 3 million in a Phase II program funded solely by CMH.

The term of the Option is for 16 months starting after the necessary permits with the affected communities for the surface rights and the authorities have been obtained. CMH will assess the likelihood of obtaining community approval at the projects four months from the date of signing. If approval is considered highly unlikely then CMH retains the right to return the properties to Panoro and is under no further obligation.

The El Rosal Project

The Company has a 100% interest in 11 mineral concessions totaling 5,100 hectares located in the Province of Chiclayo, Department of Lambayeque, Peru.

On January 21, 2008, drilling commenced at the El Rosal property. The El Rosal - Project is characterized by two principal targets with associated large tonnage potential, the El Rosal and La Ramada Targets. The mineralized systems identified by Panoro's work represent a new discovery of this type of system in this area of northern Peru.

The El Rosal Target, with an overall footprint of 2 kilometres by 2.5 kilometres for the system, contains copper-zinc-silver mineralization of a type called "skarn" mineralization and, significant for its tonnage potential, porphyry style alteration/mineralization, as well as polymetallic veins. Geological mapping, trenching and sampling, detailed ground geophysical surveys and two prior drill campaigns (in 2000 and

2004) have focused the attention on a deep target of intrusive rock below a 50-200m zone of thermal alteration and silicification with increasing rock geochemical values of zinc and copper.

The La Ramada Target is represented by a structurally more complex system with an overall footprint of 2.5 kilometres by 1 kilometre. The copper-skarn occurrences of the La Ramada system contain a gold component of 0.5 to 1.0 grams gold per tonne associated with copper values of 0.5% to 1.0% copper. A diatreme breccia zone of a type often associated with the lateral flanks of porphyry systems contains fragments of skarn and porphyry style mineralization observed in prior drill holes and surface trenches. The system is also characterized and defined by prior geophysical surveys, soil geochemical signatures and geological and assay information from drill holes of the 2004 program.

The exploration program at El Rosal was completed on April 30, 2008 with a total of nine holes drilled totaling 3,025 metres. Eight of the holes were drilled in the La Ramada area and one hole in the main El Rosal area. The locations of these holes are shown on the El Rosal map at the company's website. The Company is awaiting the final assay results from the completed 2008 exploration program on its El Rosal Project and will evaluate the results to determine if further exploration is warranted.

The Surigao Project

On March 14, 2007, the Company signed a purchase and sale agreement to sell the Company's Surigao interest, being a direct and indirect interest to each of the Surigao option projects as defined in the purchase and sale agreement to Mindoro.

Mindoro paid the Company \$750,000 cash plus 500,000 Mindoro common shares; Mindoro made a second payment of \$500,000 cash plus 500,000 Mindoro common shares on April 8, 2008. Furthermore, in the event that the nickel laterite prospect, located on the Agata project should proceed to production and upon shipment of an aggregate one million wet tonnes of nickel laterite, Mindoro will pay the Company \$500,000 cash plus an additional \$500,000 cash on the first anniversary of the shipment.

Selected Annual Information

	2007	2006	2005
Revenues	182,841	56,446	21,775
Net loss	1,282,644	978,183	499,914
Loss per share, basic and diluted	0.02	0.03	0.02
Total assets	29,772,657	6,814,981	6,698,714

The following is a summary of certain consolidated financial information concerning the Company for each of the last eight reported quarters:

	31-Mar-08	31-Dec-07	30-Sep-07	30-Jun-07	31-Mar-07	31-Dec-06	30-Sep-06	30-Jun-06
Mineral Property Expenditures	746,679	421,833	338,276	16,903,591	28,416	131,004	327,938	660,118
General and administrative	404,987	397,289	468,133	434,737	97,339	254,455	101,242	184,253
Interest and foreign exchange	(69,569)	(74,103)	(67,159)	(16,945)	(5,473)	(13,027)	(11,718)	(15,772)
Net Loss	335,418	397,916	387,795	405,067	91,866	633,172	89,524	168,481
Loss per share	0.00	0.00	0.00	0.00	0.01	0.02	0.00	0.00

Results of Operations

Comparison of the three months ended March 31, 2008 to the three months ended March 31, 2007.

Net loss for the quarter ended March 31, 2008 was \$335,418 or \$0.00 per share, compared to \$91,866, or \$0.00 per share in the comparable period of 2007. Significant differences in expenses between the periods are as follows.

Salaries and fees increased during the quarter to \$125,684 from \$40,093 due to salary adjustments, and additional personnel. A new office was opened in Lima with the addition of Panoro Apurimac in June of 2007 and includes support staff.

Legal fees increased to \$18,740 in the first quarter of 2008 as compared to \$11,104 in the same period of 2007 due to continued activity in Peru in the current year. Audit expense increased to \$12,083 from \$3,409 due to higher anticipated audit fees and the timing of accruals.

Regulatory fees were affected by the listing on the Lima exchange and acquisition related filing requirements and increased to \$16,735 from \$6,300.

Rent and office costs increased in the quarter ending March 31, 2008 to \$18,723 from \$2,017, and to \$34,389 from \$5,363 respectively with the addition of the Panoro Apurimac office and the increased activity at the Minera Panoro Peru office in the current year. Additional insurance policies have also been purchased in the quarter to cover the expanded operations of the Company.

Stock-based compensation expense was \$141,373, up from \$17,187 in the same period of 2007 due to both a greater number of options, and a higher fair value attributable to each individual option.

Increased amortization is due to the purchase of computers and office furnishings.

Interest income increased from \$5,480 in the quarter ending March 31, 2007 to \$66,254 in the current period due to increased treasury balances in the current quarter and therefore increased interest income.

Exploration expenses on the El Rosal property were \$515,509 in the first quarter of the year as compared to \$28,416 in the first quarter of 2007. This is due to the commencement of a new drilling program on the property in the current quarter.

\$200,676 was spent on the Antilla property and \$30,494 at the other Panoro Apurimac properties in the three month period ending March 31, 2008. These properties were acquired in the second quarter of 2007 so there were no comparable expenditures in the prior year.

Liquidity and Capital Resources

At March 31, 2008 the Company has cash and cash equivalents of \$6,530,747 and working capital of \$7,077,738 which are considered to be sufficient to fund a series of drilling programs and for corporate expenditures and overhead costs. This compares with a cash balance of \$7,268,431 at December 31, 2007.

There are 20,170,120 share purchase warrants outstanding with an exercise price between \$0.60 and \$0.75. All of these warrants expire at the end of May 2009. The appreciation of the Company's stock

price and the exercise of these warrants or their expiry will impact the Company's need for capital in the next 12 to 24 months.

Outlook

The principal objectives for 2008 are the commencement of drill programs at Antilla, Cotabambas and Kusiorcco. These projects represent the core assets of the Company and all efforts will be directed at conserving the Company's financial resources and to apply them primarily to these projects.

In the case of Antilla the Company believes that the issuance of the final permit to commence drilling operations by the Ministry of Energy and Mines of Peru is close at hand at the time of writing this MD&A. The program is designed to define and confirm the geological potential identified by SRK Consulting in order to convert it into an Inferred Resource or higher classification and to explore other targets on the property.

In the case of Cotabambas the objectives of the program are resource confirmation and expansion at its main zones of Inferred Resources. However, the process of obtaining the necessary permits will be a lengthy one with the first hurdle being the conclusion of an agreement with the local communities who own land within the Company's property boundaries. Three small rural communities are located near Cotabambas that have surface rights within the Company's property boundaries.

Peruvian law requires that any agreement with the community be approved by a majority of two thirds in a full village assembly of adults. The process has caused delays in the industry, however, in most cases has led to a successful conclusion of agreements that reflect a socially responsible and sustainable behavior of the mining industry, be it in exploration, development and production. The Environmental Impact Study for Cotabambas has already been completed.

Kusiorcco, a project in the earlier stages of exploration and awaiting its first drill program, nevertheless has to go through a similar process.

The Company has initiated the process at both Cotabambas and Kusiorcco and progress has been made. While the Company is currently confident that it can reach an equitable agreement with all the communities concerned, it is not possible to put a time schedule on the process.

The Cochasayhuas and Checca projects that have been optioned to Consorcio Minera Horizonte are in similar stages of the respective permitting processes.

Related Party Transactions

During the period ending March 31, 2008, the Company paid \$37,500 (2007 - \$24,000) for management services provided by the President of the Company and \$26,000 (2007 - \$5,270) for project management services provided by a Director.

Changes in Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Summary of Outstanding Share Data

A summary of the status of the Company's stock options as at March 31, 2008 and changes during the period then ended is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2007	6,250,000	0.39
Granted	300,000	0.40
Outstanding at March 31, 2008	6,550,000	0.39

On April 16, 2008, an additional 600,000 options were granted to the new President of the Company. On April 28, 2008, 400,000 options were exercised at \$0.20 per share.

As at May 12, 2008, 6,750,000 options were outstanding and expire as follows:

Options Outstanding at May 12, 2008			Options Exercisable
Year of Expiry	Number of Shares	Weighted Average Exercise Price	Number of Shares
2008	550,000	\$0.20	950,000
2010	2,025,000	\$0.25	2,025,000
2011	975,000	\$0.33	953,125
2012	2,300,000	\$0.61	1,218,750
2013	900,000	\$0.40	75,000
	6,750,000	\$0.40	5,221,875

The following warrants were outstanding at May 12, 2008

Expiry date	Exercise Price	Outstanding at May 12, 2008
29-May-09 Warrants	0.75	706,216
24-May-09 Warrants	0.75	16,102,217
24-May-09 Broker Warrants ⁽¹⁾	0.60	3,220,444
29-May-09 Broker Warrants ⁽¹⁾	0.60	141,243
Total		20,170,120

⁽¹⁾ Each \$0.60 broker warrant can be exercised for one common share and one half of a new share purchase warrant. A full new warrant can be exercised for \$0.75 in return for a common share.

At May 12, 2008 there were 84,089,390 common shares outstanding.

Additional Sources of Information

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com or on the Company's website www.panoro.com