This management's discussion and analysis ("MD&A") focuses on significant factors that affected Panoro Minerals Ltd. (the "Company") during the year ended December 31, 2009 and to the date of this report. The MD&A supplements, but does not form part of, the audited consolidated financial statements of the Company and the notes thereto for the year ended December 31, 2009. Consequently, the following discussion and analysis should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2009, as well as the audited consolidated financial statements for the previous year ended December 31 ,2008 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, 2008.

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, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

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 on the Junior Board of the Bolsa de Valores de Lima (Lima Stock Exchange).

Highlights in 2009 and to March 24, 2010

- Completed NI 43-101 resource estimate for the Antilla Copper-Molybdenum Project
- Completed a private placement with net proceeds of CAD $553,794
- Signed agreements with Huaclle and Ccalla communities for Cotabambas Copper-Gold Project and Progreso Community for Cochasayhuas Gold Project
- Signed Joint Venture Agreement for Alicia Project with Strait Gold Corporation (TSX – SRD)
- Obtained Ministry of Energy and Mines Exploration Permit for Kusiorcco Copper Project
- Completed cost and schedule estimate for Antilla Project Pre-Feasibility studies

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

Panoro Apurimac 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 cash of $US 13,000,000 and 6,000,000 common shares of Panoro Minerals Ltd. On April 7, 2008 the Company changed the name of CDLM to Panoro Apurimac S.A.

Panoro Apurimac 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 Antilla, Cotabambas, Kusiorcco, Chochasayhuas, Alicia, Promesa, Pistoro Norte, Sancapampa, Humamantata, Pataypampa, Anyo, Morosayhuas, and Checca.

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. A resource estimate in compliance with NI 43-101 has been prepared by AMEC Engineering-Peru as described below. The Antilla project is located approximately 25 kilometres southeast of Grupo Mexico's Las Chancas project with reported resources of 200 million tonnes with a grade of 1% copper.

During the first half of 2009 the activities on the Antilla Project were aimed at completing the compilation of the 2008 exploration data and the completion of the NI 43-101 compliant resource estimate together with the accompanying technical report. AMEC (Peru), an independent consulting firm, was contracted to complete this work. A draft report with the inferred resource estimate was received by Panoro on June 18, 2009 and the results were announced the same day. The technical report was filed on SEDAR on August 4, 2009.

The global inferred mineral resource estimate of 154.4 million tonnes at an average grade of 0.47% copper and 0.009% molybdenum is contained within the East Block. This resource includes a higher grade zone of 70.4 million tonnes at an average grade of 0.56% copper and 0.011% molybdenum.

The mineral resource is a tabular blanket of supergene sulphide mineralization dominated by chalcocite and molybdenite but also includes some of the underlying primary chalcopyrite mineralization. The inferred resource is hosted by a package of quartzites and quartz arenites of the Soraya Formation and has alteration and mineralization characteristics which may be associated with undiscovered hypogene intrusive-hosted porphyry-style copper mineralization.

The resource estimate has been completed based on the results of a total of 67 drillholes, including the 48 drillholes from the Company's exploration program completed in December 2008.

In order to define the Mineral Resource, a reasonable assessment of extraction costs and pit design was made. The following economic parameters were used:

- Long Term Metal Prices of $US 2.00/lb Copper and $US 10.00/lb Molybdenum
- Mining Costs of $US 1.10/t for Mineral and $US 0.80/t for Wasterock
- Total Operating Costs $US 10.00/t
- Metallurgical Recoveries of 90% Copper and 40% Molybdenum
- Final Pit Slopes of 45 degrees

A potential starter pit within the conceptual life of mine pit contains 15 million tonnes of ore at a grade of 0.72% copper and 0.017% molybdenum with a stripping ratio of 0.9 and provides opportunity to improve the economics of a future operation. At a nominal 20,000 tonne per day open pit operation the East Block of the Antilla Project would have a 21 year mine life with a stripping ratio of 2.5.

The completion of the resource estimate marks a significant milestone in the development of the project and the Company. The 1.6 billion pounds of contained copper almost doubles the copper resource inventory of the Company.

The technical report indentified potential to increase the resource at the Antilla Project. The potential includes a number of targets. Firstly, the potential for the extension of the supergene sulphide mineralization in the East Block to the north and northwest was identified during the 2008 exploration program. Secondly, in the West Block, located 2.5 km from the East Block, the potential exists for additional supergene sulphide mineralization similar to the East Block. Thirdly, the presence of higher grade hypogene porphyry copper mineralization in both the East and West Blocks remains to be tested.

During the third quarter of 2009 the activities at the Antilla Project were focused on preparations for future exploration programs. The budget and schedule estimate for completion of pre-feasibility study works was completed. The proposed work plan includes:

- East Block Drilling
  - Infill drilling program of high grade zone to obtain indicated and measured resource
  - Infill drilling program to expand the inferred resource
  - Stepout drilling for north and northeast sector of
- Other Exploration Drilling
  - West Block
  - Deep Exploration
- Community Relations
- Scoping Study
- Prefeasibility Design
- Environmental Baseline and Impact Studies

The company is currently evaluating financing alternatives to complete the pre-feasibility studies.

A review of the project infrastructure was completed addressing the water, power, access and ports available for development of the project. A conceptual site general arrangement was completed identifying potential sites for plant, tailings, site access road and water. The general arrangement forms the starting point for the scoping level studies required for the advancement of the project to feasibility design.

As part of the existing community agreement, community members were employed for drill site access preparations and access road maintenance to facilitate the future exploration programs. In addition, work has been advanced on the Piste irrigation canal maintenance per the existing community agreement. The community agreement with Antilla expired on November 2009 and the Company is in negotiations to complete a new agreement.

The restated and amended NI 43-101 technical report was reissued in August of 2009 with no material changes. The restatement was required to correct minor inconsistencies in the text concerning the resource estimate. The restated report confirms the 154.4 million tonne inferred resource at 0.47% Copper and 0.009% Molybdenum with a high grade zone of 70.5 million tonnes at 0.56% Copper and 0.011 % Molybdenum.

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 114 million tonnes at a grade of 0.68% copper and 0.38 grams of gold per tonne, at a cut-off grade of 0.3% copper. This is equal to 1.71 billion pounds of Copper and 1.39 million ounces of gold. The potential to upgrade and to expand this resource 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 activity at site was focused on advancing the community relations dialogue and completion of the Semi-detailed Environmental Impact Assessment (EIAsd) required by the Ministry of Energy and Mines (MEM) for the exploration permit.

A two year community agreement with the Community of Huaclle and the Community of Ccalla. Klohn Crippen Consultants completed the soil sampling, terrestrial and aquatic biology sampling to support the EIAsd.

The community engagement program continues with the communities in the project area. A resident community relations specialist was hired to direct and coordinate the community engagement activities on site under the direction of the company's Peru management team.

The Kusiorcco project

The Kusiorcco project is located close to Norsemont's Constancia project (Indicated Resources of 256 million tonnes at 0.50% copper, Inferred Resources 156 million tonnes at 0.33% copper) and the historical Katanga Mine. It consists of a strong, one kilometre by two kilometre 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.

Knight Piesold Consultants completed, and the company submitted, the Environmental Impact Statement (EIS) for the proposed drilling program at the Kusiorcco Project. Comments from the MEM were received and the EIS was modified to include MEM comments and resubmitted to MEM in Lima. The modified EIS was approved in December of 2009.

A proposal was submitted to the community of Uchucarcco in November of 2009 for the completion of a community agreement. The terms of this proposal are currently being negotiated with the community and local group of artisanal miners.

Cochasayhuas Project

The company was successful in negotiating the terms of agreements with the Community of Progreso and the agreement was signed on October 3, 2009. A parallel agreement involving the local Artisanal Miners has still to be finalized.

A site reconnaissance and inspection was carried out by the company's VP Explorations. The presence and extent of artesenal mining was mapped and samples of mineralized zones were collected for assaying. The collected surface samples from known mineralized outcrops confirmed grades of up to 4.7 g/t of gold grades on the Cochasayhuas vein and 2.2 g/t gold on the San Lucas vein, the area of artisanal mining.

Alicia Project

On September 25, 2009 the Company entered into an agreement with Strait Gold Corporation whereby Strait Gold may earn up to 100% in the Company's early stage Alicia copper-gold property in Southern Peru, subject to a 2% net smelter return royalty.

In order to earn 55% of the Alicia project, Strait Gold will have to perform the following

- Issue 100,000 shares of Strait Gold to Panoro on signing; – completed
- Obtain an agreement with the local community before March 25, 2011;
- Spend at least US $150,000 on the Alicia property within the first year after obtaining the agreement;
- Issue 200,000 common shares of Strait Gold one year after obtaining the community agreement;
- Spend at least US $500,000 within the second year after obtaining the agreement; and
- Issue 300,000 common shares of Strait Gold two years after obtaining the community agreement.

In order to earn the remaining 45% of the Alicia project, Strait gold will need to spend an additional US $600,000 in the third year after obtaining the community agreement and issue an additional 400,000 Strait Gold common shares. The net smelter royalty can be reduced from 2% to 1% for a payment of US $2.3 million which is payable within six months of obtaining 100% ownership.

The El Rosal Project

The Company has a 100% interest in 12 mineral concessions totaling 8,200 hectares located in the Province of Chiclayo, Department of Lambayeque, Peru. The project has been explored by several drilling campaigns the latest of which was in 2008. In that campaign, a porphyry copper system and silver-zinc deposit were identified in La Ramada area. These require a follow-up drilling program to determine if an economically viable mineralization exists. A report identifying the exploration potential of the project was prepared.

Selected Annual Information

	2009	2008	2007
Interest Income	$ 2,907	$ 154,944	$ 182,841
Net loss	852,832	2,599,766	1,086,915
Loss per share, basic and diluted	0.01	0.03	0.02
Total assets	32,672,777	33,224,012	33,815,308

Results of Operations

Year ended December 31, 2009 compared with year ended December 31, 2008

The net loss for the year ended December 31, 2009 was $852,832 or $0.01 per share compared with a loss of $2,599,766 or $0.03 during the prior year. The decrease was primarily due to a lower level of operations in an effort to conserve cash. Decreases in Salaries and fees were $312,952, and stock based compensation decreased $352,583. There was also a loss on marketable securities of $220,520 in 2009 and foreign exchange went from an expense of $790,277 in 2008 to a recovery of $278,156 in 2009. The change in foreign exchange was due to an appreciation of the Peruvian Sol/$US and the translation of the purchase price bump on the purchase of Panoro Apurimac.

General and administrative expenses, excluding stock based compensation, decreased by $365,350 from $1,179,828 during the year ended December 31, 2008 to $814,478. The decrease resulted primarily from a decrease in office and miscellaneous of $23,132, salaries and fees $312,952, legal 26,320, regulatory fees $18,958, and investor relations $46,126.

Office and miscellaneous decreased during the year due to fewer people and reduced budgets.

Salaries and fees decreased due to fewer staff at the Vancouver and Lima offices. Cost saving measures included decreases in salaries beginning in January 2009 for all members of management and some members of staff. A bonus to the past President for past service was also included in Salaries and fees in 2008 while there were no such bonuses in the current year.

Investor relations decreased 46,126 to $10,404 in the year ending December 31, 2009 due to lower fees paid for services.

The Company recognized stock-based compensation expense for all stock options granted using the fair value based method of accounting and recognizes such cost over the vesting period of the awards. Any cash paid on the exercise of stock options is added to the stated value of common shares. Stock-based compensation decreased $352,583 over the prior year from $664,912 in the year ending December 31, 2008 to $312,329 in the year ending December 31, 2009. The decrease was due primarily to fewer options being issued in 2009 and a significantly lower stock price.

Mineral property expenditures were $1,745,225 for the year ended December 31, 2009 ($4,827,011 – 2008). In 2009, $1,140,173 was spent at Antilla of which $212,087 was on geological consulting in order to complete the NI43-101 compliant resource estimate. Local laborers were also employed as part of the Company's ongoing agreement with the community. Expenditures at the other properties related primarily to mineral concession fees which will be paid in June of 2010. In contrast, two drill programs were undertaken and completed in 2008, Antilla where exploration expenditures were $3,537,046 and 9,362 metres were drilled, and El Rosal, where $867,121 was spent on exploration and 3,025 metres were drilled.

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

	31-Dec-09	30-Sep-09	30-Jun-09	31-Mar-09	31-Dec-08	30-Sep-08	30-Jun-08	31-Mar-08
Mineral Property Expenditures	786,105	$ 242,105	$ 369,671	$ 347,344	$ 1,148,183	$ 1,585,475	$ 1,346,674	$ 746,679
General and administrative	186,347	196,275	365,748	378,437	441,671	392,511	605,571	404,987
Interest and foreign exchange	6,218	23,728	(8,505)	(13,313)	(37,488)	(8,695)	(23,906)	(69,569)
Net Loss	304,567	(84,444)	267,585	365,124	1,290,172	392,511	581,665	335,418
Loss per share	0.00	0.00	0.00	0.00	0.02	0.00	0.01	0.00

Quarter December 31, 2009 compared with the quarter ended December 31, 2008

The net loss for the quarter ended December 31, 2009 was $304,567 or $0.00 per share compared with a loss of $1,290,172 or $0.02 per share during the prior year.

Salaries and fees decreased $47,272 from $145,047 in the fourth quarter of 2008 to $97,775 in the fourth quarter of 2009. Stock based compensation also decreased to $28,900 from $185,735 due to timing differences. Consulting expense increased $25,436 from $0 in the prior year due to tax consulting work.

Interest income decreased as a result of lower cash balances in the fourth quarter of 2009 and lower interest rates on bankers acceptances in the fourth quarter of 2009.

The change in future income tax expense and foreign exchange represents the changes in the future income tax liability as a result of the additional value attributed to mineral properties, which is not available as tax basis, on the purchase of Panoro Apurimac, and on the fluctuations and denominations of intercompany debt. Future income tax expense in the quarter of $7,704 (2008 - $0) is a result of a increase in the liability as a result of changes in the Peruvian sol/$US exchange rate. Foreign exchange gain in the quarter was $111,275 (2008 - $24,799)

Liquidity and Capital Resources

The Company closed a non-brokered private placement on December 30, 2009. The net proceeds from the private placement were $553,794 on issuance of 3,114,000 units at $0.20 per unit. $100,000 of the placement was received after year end. Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable for $0.30 for 18 months. A cash commission of 8% was paid to the agents in addition to 249,120 agents warrants to purchase units under the same terms as the financing. All of the warrants expiring June 30, 2011 carry a forced conversion feature whereby if the stock price trades over $0.45 for ten consecutive days, the Company can give notice to warrant holders that the warrants must be exercised within 30 days.

At December 31, 2009 the Company has cash and cash equivalents of $595,793 and working capital of $39,335. The majority of current liabilities relate to mineral concession fees that are due June 2010. The Company does not have sufficient capital to make payment on these properties but expects to enter into a joint venture agreement on one of their properties which will provide more than enough cash to satisfy these liabilities and anticipated exploration costs for 2010. Since year end, the Company has also sold some of its marketable securities and additional marketable securities will be sold as needed.

If a joint venture agreement is not reached before June 2010 the Company expects to complete another private placement in order to fund their obligations and current year exploration plans.

Outlook

Recovering copper prices and sustained high gold prices have improved the availability of financing for the Company. A rising stock price has made dilution less of an issue in deciding to issue more common shares of the Company if it is considered necessary. The Company is pursuing various financing alternatives including possible joint ventures on its projects.

The completion of the NI 43-101 technical report for the Antilla Project marked a significant milestone for the Company. The community relations efforts have begun to yield positive, measurable results. Agreements with the Community of Huaclle and Ccalla at the Cotabambas Project are complete.

With these two agreements the company plans to advance exploration activities on the lands within the limits of these two communities. This will demonstrate the Company's responsible management of environmental and social affairs, providing incentive and confidence for the community of Cochapata to complete an agreement with the Company.

The Community of Uchucarcco and the group of Artisanal Miners at the Company's Kusiorcco Project have indicated a strong desire to complete agreements. The terms of an agreement being discussed and the Company hopes to sign an agreement at the same time as financing for the project is obtained.

The agreement with the Progreso Community at the Company's Cochasayhuas Project presents another opportunity to advance an early stage project.

With a number of advances on the permitting and community relations fronts together with the pre-feasibility planning for the Antilla Project, the Company is well prepared to advance the development of its projects as soon as financing is completed.

New Accounting Standards to be Adopted

Effective January 1, 2009, the Company adopted the new Canadian Institute of Chartered Accountants (CICA) guidelines of Section 3064, *Goodwill and Intangible Assets*, which establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Adoption of this standard had no effect on the consolidated financial statements.

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011, with earlier adoption permitted. Accordingly, the Company will transition from current Canadian GAAP reporting and commence reporting under IFRS no later than in the first quarter of 2011, with restatement of comparative information presented. The conversion to IFRS from Canadian GAAP may materially affect the Company's reported financial position and results of operations and will affect the Company's accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also affect business activities such as foreign currency activities and compensation arrangements including stock based compensation.

The Company's conversion plan consists of four primary stages including planning, assessment, design and implementation with periodic meetings with the Audit Committee to report progress and findings. The planning stage has been completed and included identifying and mobilizing the necessary internal resources to execute the plan, conducting a high level analysis of the difference between Canadian GAAP and IFRS that may be significant to the Company's reported financial position and results of operations.

The assessment stage is currently in progress and external advisors may be utilized to review the Company's findings once it is complete. Mineral properties and future income taxes are areas where the adoption of IFRS may have a material effect on the Company's financial reporting, processes and controls. Also as part of the assessment stage, the Company is assessing the available elections on adoption of IFRS to determine the effect of each election on the Company. The assessment is expected to be completed in the second quarter of 2010. The Company will then commence the design stage which includes completing an assessment of the IFRS estimates of the quantified effects of the anticipated changes to the financial reporting on the Company's IFRS opening balance sheet and identify business processes and resources that may require modification as a result of these changes. The Company believes the plan is sufficiently advanced and adequate resources are in place to ensure an efficient and effective transition to IFRS reporting.

Related Party Transactions

During the period ending December 31, 2009, the Company paid $150,502 (2008 - $171,875) to companies controlled by the Officers of the Company and $77,163 (2008 - $123,784) for project management services provided by a Director company. $Nil (2008 -$44,152) was paid to companies owned by a director in return for equipment and exploration supplies.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness and operation of the Company's disclosure controls and procedures as at December 31, 2009 as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of December 31, 2009, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow for accurate disclosure to be made on a timely basis.

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.

Changes in Internal Controls over Financial Reporting

There have been no changes to internal controls during the year.

Summary of Outstanding Share Data

A summary of the status of the Company's stock options as at December 31, 2009 and changes during the period then ended is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2008	6,050,000	$ 0.42
Granted	1,050,000	0.16
Expired	(1,150,000)	0.46
Outstanding at December 31, 2009	5,950,000	$ 0.37

On February 11, 2010 the Company granted 250,000 share purchase options to a company in return for investor relations services. The options have an exercise price of $0.20 and expire in two years time.

On February 3, 2010, 800,000 options having an exercise price of $0.25 expired.

As at March 24, 2010, 5,212,500 options were fully vested and expire as follows:

Options Outstanding at March 24, 2010			**Options Exercisable**
Year of Expiry	Number of Options	Weighted Average Exercise Price	Number of Shares
2010	875,000	$0.25	875,000
2011	825,000	0.33	825,000
2012	1,800,000	0.56	1,612,500
2013	850,000	0.46	850,000
2014	1,050,000	0.16	1,050,000
	5,400,000	$0.37	5,212,500

The following warrants were outstanding at March 24, 2010

Expiry date			Exercise Price	Outstanding at December 31, 2008	Issued	Exercised	Expired	Outstanding at December 31, 2009
29-May-09	Warrants	$	0.75	706,216	-	-	706,216	-
24-May-09	Warrants		0.75	16,102,217	-	-	16,102,217	-
24-May-09	Brokers Warrants(1)		0.60	3,220,444	-	-	3,220,444	-
29-May-09	Brokers Warrants(1)		0.60	141,243	-	-	141,243	-
30-Jun-11	Warrants		0.30	-	3,114,000	-	-	3,114,000
30-Jun-11	Agents Warrants(2)	$	0.20	-	249,120	-	-	249,120
Total				20,170,120	3,363,120	-	20,170,120	3,363,120

(1) Each $0.60 brokers warrant can be exercised for one common share and one half of a new share purchase warrant, each share purchase warrant can be exercised for $0.75 in return for one common share.

(2) Each $0.20 agents warrant can be exercised for one common share and one new share purchase warrant, each share purchase warrant can be exercised for $0.30 in return for one common share.

All of the warrants expiring June 30, 2011 carry a forced conversion feature where by if the stock price trades over $0.45 for ten consecutive days, the Company can give notice to warrant holders that the warrants must be exercised within 30 days.

At March 24, 2010 there were 87,753,390 common shares outstanding.

Commitments

The Company has the following commitments relating to the lease of its offices in Canada and Peru.

		2010		**2011**		**2012**		**2013**		**2014**
Office leases	$	46,660	$	17,714	$	770	$	770	$	-

Risk Factors

The following are the material risk factors which the Issuer has identified in respect of any investment in its securities

Reserves
The Issuer's properties are in the exploration stage and are without a known body of commercial ore. Development of any of the Issuer's properties will only follow upon obtaining satisfactory exploration results. There is no certainty that the expenditures made by the Issuer in exploring its mineral properties will result in discoveries of commercial quantities of ore. Most exploration projects do not result in the discovery of a commercially mineable deposit of ore.

Exploration
The business of exploration for minerals involves a high degree of risk and few properties become producing mines. Unprofitable efforts result not only from the failure to discover mineral deposits, but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. There is no assurance that the Issuer's future exploration and development activities will result in any discoveries of commercial bodies of ore. The marketability of minerals acquired or discovered by the Issuer may be affected by numerous factors which are beyond the control of the Issuer and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Issuer's not receiving an adequate return on invested capital.

Market Forces
There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for the sale of same. Factors beyond the control of the Issuer may affect the marketability of any mineral occurrences discovered. The price of gold has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the control of the Issuer, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the United States dollar relative to the Canadian dollar and other currencies), interest rates and global or regional consumption patterns (such as the development of gold coin programs), speculative activities and increased production due to improved mining and production methods.

Insufficient Capital
The Issuer does not have sufficient funds to complete all of its exploration and development programs. Therefore, additional funds will be required. The only sources of future funds for its exploration and development programs is the sale of equity capital or by entering into an option and joint venture agreement with another party. There is no assurance that the Issuer will be successful in obtaining further financing. A failure to obtain further financing could result in the loss or substantial dilution of the Issuer's interests in its properties.

Environmental Regulation
Existing and possible future environmental legislation, regulations and actions could give rise to additional expense, capital expenditures, restrictions and delays in the activities of the Issuer, the extent of which cannot be predicted. Regulatory requirements and environmental standards are subject to constant evaluation and may be significantly increased, which could materially affect the business of the Issuer or

its ability to develop its properties. Before production can commence on any of its mineral properties, the Issuer must obtain regulatory and environmental approvals. There is no assurance that such approvals will be obtained on a timely basis. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude entirely the economic development of the Property.

No History of Earnings
The Issuer has no history of earnings. The Issuer has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Issuer is through the sale of its equity shares or by way of loans. While the Issuer may generate additional working capital through the operation, development, sale or possible syndication of its prospects, there is no assurance that any such funds will be generated.

Mining Operations
Mining operations generally involve a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The business of gold mining is subject to a variety of risks such as fires, power outages, labour disruptions, industrial accidents, flooding, explosions, cave-ins, land slides, and other environmental hazards, technical failures, the inability to obtain suitable or adequate machinery, equipment or labour, are some of the risks involves in the operations of mines and the conduct of exploration programs. Such occurrences, against which the Issuer cannot, or may elect not to insure, may delay production, increase production costs or result in liability. The payment of such liabilities may have a material adverse effect on the Issuer's financial position. The economics of developing mineral properties are affected by such factors as the cost of operations, variations in the grade and metallurgy of the ore mined, fluctuations in mineral markets, costs of processing and equipment, transportation costs, government regulations including regulations relating to royalties, allowable production, importing and exporting of mineral product, and environmental protection rules and regulations.

Competition
The resource industry is intensely competitive in all of its phases, and the Issuer competes with many companies possessing greater financial resources and technical facilities than itself. Competition could adversely affect the Issuer's ability to acquire suitable producing properties or prospects for exploration in the future.

Mineral Tenure
In those jurisdictions where the Issuer has property interests, the Issuer makes a search of mining records in accordance with mining industry practices to confirm satisfactory title to properties in which it holds or intends to acquire an interest, but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims, prior unregistered agreements or transfers, and title may be affected by undetected defects or native land claims. For unsurveyed mineral claims, the boundaries of such mining claims may be in doubt. The ownership and validity of mining claims are often uncertain and may be contested. The Issuer is not aware of any challenges to the location or area of its mineral claims. There is, however, no guarantee that title to the Issuer's properties will not be challenged or impugned in the future. The properties may be subject to prior unregistered agreements or transfers.

Key Personnel
The success of the Issuer and its ability to continue to carry on operations is dependent upon its ability to retain the services of certain key personnel. The loss of their services to the Issuer may have a material adverse effect on the Issuer.

Dilution
There are a number of outstanding securities and agreements pursuant to which common shares of the Issuer may be issued in the future. If these common shares are issued, this will result in further dilution to the Issuer's shareholders. An investor's equity interest in the Issuer may also be diluted by future equity financings of the Issuer.

Conflicts of Interest
Certain of the directors of the Issuer are or may become directors and/or officers of other companies engaged in mineral exploration and development, as well as mineral property acquisition. Accordingly, mineral property acquisition and/or exploration opportunities or prospects of which they become aware will not necessarily be made available to the Issuer. The directors intend to allocate these opportunities or prospects from time to time among the various companies in which they are involved, on the basis of prudent business judgment, the relative financial ability, the need of each company in which they are directors and/or officers to participate. In the event of any conflict of interest, the directors will act in accordance with the common law and the provisions of the Company Act (British Columbia).

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