



PANORO MINERALS LTD.
An Exploration Stage Company

Consolidated Financial Statements
June 30, 2009
Unaudited – Prepared by Management

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NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim statements by an entity's auditors.

PANORO MINERALS LTD.
An Exploration Stage Company
Consolidated Balance Sheets
Unaudited – Prepared by Management

	June 30, 2009	December 31, 2008
Assets		
Current Assets		
Cash and cash equivalents	\$ 696,734	\$ 2,533,898
Marketable securities (note 3)	144,855	171,680
Accounts and advances receivable	185,670	189,612
Prepaid expenses	11,021	37,297
	1,038,280	2,932,487
Mineral Interests (note 4)	30,841,794	30,124,779
Equipment (note 5)	151,351	166,746
	\$ 32,031,425	\$ 33,224,012
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 125,877	\$ 910,965
Future Income Tax Liability	4,826,800	4,871,222
Shareholders' Equity		
Capital Stock (note 6)	31,191,029	31,191,029
Contributed Surplus (note 6(d))	3,851,033	3,554,576
Accumulated Other Comprehensive Loss	(514,498)	(487,673)
Deficit	(7,448,816)	(6,816,107)
	27,078,748	27,441,825
	\$ 32,031,425	\$ 33,224,012

Nature of Operations and Going Concern (note 1)

Approved by the Board:

"Luquman Shaheen" (signed)
..... Director
Luquman Shaheen

"William J. Boden" (signed)
..... Director
William J. Boden

See notes to the unaudited interim consolidated financial statements.

PANORO MINERALS LTD.
An Exploration Stage Company
Consolidated Statements of Operations and Deficit
Unaudited - Prepared by Management

	For the Three Months Ended June 30,		For the Six Months June 30,		Ended
	2009	2008	2009	2008	2008
Expenses					
Audit	\$ 23,660	\$ 17,218	\$ 37,147	\$ 29,301	
General exploration	-	1,361	-	1,516	
Investor relations	5,358	13,334	7,153	28,505	
Legal	13,976	34,335	22,488	53,075	
Office and miscellaneous	12,891	16,136	34,746	50,525	
Regulatory fees	5,788	16,914	19,701	33,649	
Rent	14,214	15,405	31,889	34,128	
Salaries and fees	100,587	295,632	241,571	421,316	
Telephone	8,743	6,342	17,812	10,802	
Transfer agent	2,006	927	3,014	1,506	
Travel	8,833	4,041	21,823	19,132	
Stock-based compensation	164,596	182,014	296,457	323,387	
Amortization	5,096	1,912	10,384	3,716	
	365,748	605,571	744,185	1,010,558	
Interest income	37	(46,728)	(4,162)	(112,982)	
Foreign exchange loss (gain)	(8,542)	22,822	(17,656)	19,507	
Net Loss for the Period before tax	357,243	581,665	722,367	917,083	
Future income tax expense (recovery)	(89,658)	-	(89,658)	-	
Net Loss for the Period	267,585	581,665	632,709	917,083	
Deficit, beginning of the period	7,181,231	4,747,488	6,816,107	4,412,070	
Deficit, end of the Period	\$ 7,448,816	\$ 5,329,153	\$ 7,448,816	\$ 5,329,153	
Basic and diluted Loss per share	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.01	
Weighted average number of common shares outstanding	84,639,390	84,164,390	84,639,390	83,926,890	

See notes to the unaudited interim consolidated financial statements.

PANORO MINERALS LTD.

An Exploration Stage Company

Consolidated Statements of Comprehensive Loss and Accumulated Other Comprehensive Loss

Unaudited – Prepared by Management

Consolidated Statements of Comprehensive Loss	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2009	2008	2009	2008
	Net loss for the period	\$ 357,243	\$ 581,665	\$ 632,709
Unrealized loss on marketable securities	16,095	312,863	26,825	387,353
Comprehensive loss for the Period	\$ 373,338	\$ 894,528	\$ 659,534	\$ 1,304,436

Consolidated Statements of Accumulated Other Comprehensive Loss	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2009	2008	2009	2008
	Balance, Beginning of the Period	\$ (498,403)	\$ (107,233)	\$ (487,673)
Unrealized loss on marketable securities	(16,095)	(208,760)	(26,825)	(283,250)
Balance, End of Period	\$ (514,498)	\$ (315,993)	\$ (514,498)	\$ (315,993)

See notes to the unaudited interim consolidated financial statements.

PANORO MINERALS LTD.
An Exploration Stage Company
Consolidated Statements of Cash Flows
Unaudited – Prepared by Management

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2009	2008	2009	2008
Cash Provided By (Used in):				
Operations:				
Net loss for the Period	\$ (267,585)	\$ (581,665)	\$ (632,709)	\$ (917,083)
Items not involving cash:				
Amortization	5,096	1,912	10,384	3,716
Stock-based compensation	164,596	182,014	296,457	323,387
Future income tax expense (credit)	(89,658)		(89,658)	-
Cash flow before working capital changes	(187,551)	(397,739)	(415,526)	(589,980)
Net changes in operating balances				
Accounts and advances receivable	11,282	(1,435)	3,942	19,739
Prepaid expenses	1,440	11,501	26,276	(120,306)
Accounts payable and accrued liabilities	(427,098)	186,773	(785,088)	510,379
	(601,927)	(200,900)	(1,170,396)	(180,168)
Investing:				
Proceeds on sale of mineral interests	-	500,000	-	500,000
Mineral interest exploration and development expenditures	(316,023)	(1,342,249)	(654,380)	(2,084,530)
Mineral interest acquisition costs	-	-	-	-
Purchase of equipment	1,950	(10,269)	(12,388)	(26,404)
	(314,073)	(852,518)	(666,768)	(1,610,934)
Financing:				
Cash proceeds from exercise of options and warrants	-	190,000	-	190,000
	-	190,000	-	190,000
Increase (Decrease) in Cash and Cash Equivalents	(916,000)	(863,418)	(1,837,164)	(1,601,102)
Cash and Cash Equivalents, Beginning of the Period	1,612,734	6,530,747	2,533,898	7,268,431
Cash and Cash Equivalents, End of the Period	\$ 696,734	\$ 5,667,329	\$ 696,734	\$ 5,667,329

Supplemental cash flow information

Amortization of \$17,399 (2008 - \$4,398) was capitalized to the Antilla property.

Cash and cash equivalents includes term deposits of \$509,970 (2008 - \$5,200,262)

PANORO MINERALS LTD.

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Notes to the Consolidated Financial Statements

For the Period Ended June 30, 2009

Unaudited – Prepared by Management

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company is an exploration stage company engaged principally in the acquisition, exploration and development of mineral properties.

The Company's investment in its mineral interests comprises a significant portion of the Company's assets. Recovery of the carrying value of the investment in these assets is dependent upon the existence of economically recoverable reserves, establishing legal ownership of the resource properties, the ability of the Company to obtain necessary financing to complete the exploration and development, and the attainment of future profitable production or the disposition of these assets for proceeds in excess of their carrying values.

The Company had planned to fund additional exploration in the year through the exercise of outstanding warrants, or through the issuance of additional equity. Due to the deterioration in its share price and in capital markets, management has amended their plan for the year by reducing overhead costs, focusing on key properties, and reducing the amount of planned exploration. As a result of these actions, the Company has sufficient capital to fund operations and keep all of their mineral properties in good standing for the current year.

2. BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and accordingly do not include all disclosures required for annual financial statements.

These unaudited interim financial statements follow the same significant accounting policies and methods of application as the Company's consolidated financial statements for the year ended December 31, 2008 ("Annual Financial Statements"). These interim financial statements should be read in conjunction with the Annual Financial Statements.

Certain of the period's figures have been reclassified to conform to the current period's presentation.

3. FINANCIAL INSTRUMENTS

The carrying values of cash and cash equivalents, accounts, amounts, and advances receivable, and accounts payable, and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these instruments.

At June 30, 2009, the Company held marketable securities with a cost of \$659,353 (December 31, 2008 - \$659,353) and a fair value of \$144,855 (December 31, 2008 - \$171,680). The difference between fair value and cost at June 30, 2009 has been included in the statement of accumulated other comprehensive loss.

PANORO MINERALS LTD.

An Exploration Stage Company

Notes to the Consolidated Financial Statements

For the Period Ended June 30, 2009

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4. MINERAL INTERESTS

The investment in and expenditures on mineral interests comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Panoro Apurimac

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 announced that the name of CDLM had been changed 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

Surigao Project, Philippines

The Company had a 40% interest in the Surigao project with the remaining 60% owned by Mindoro Resources Ltd. ("Mindoro"). On March 14, 2007, the Company signed a purchase and sale agreement to sell its remaining interest to Mindoro.

As part of the sale agreement, 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 an additional \$500,000 cash, plus an additional \$500,000 cash on the first anniversary of the shipment. The likelihood of the nickel laterite prospect coming into production is unknown at this time. Accordingly, any proceeds to be received by the Company will be included in operations when received.

PANORO MINERALS LTD.

An Exploration Stage Company

Notes to the Consolidated Financial Statements

For the Period Ended June 30, 2009

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4. MINERAL INTERESTS (Continued)

Expenditures made on mineral interests by the Company during the six months ending June 30, 2009 are as follows:

	El Rosal	Antilla	Cotabambas	Other	Total
Acquisition costs					
Balance, December 31, 2008	\$ -	8,856,256	7,444,990	4,554,754	\$ 20,856,000
Additions	-	-	-	-	-
Balance, June 30, 2009	-	8,856,256	7,444,990	4,554,754	20,856,000
Deferred exploration expenditures in 2009					
Amortization	-	17,399	-	-	17,399
Assay	391	41,939	-	-	42,330
Camp, materials and exploration support	139	67,510	7,487	394	75,530
Community relations	-	65,487	2,678	2,402	70,567
Contract labour	-	53,658	-	-	53,658
Drilling	-	-	-	-	-
Equipment rental	-	414	-	-	414
Exploration office costs	354	41,519	-	-	41,873
Geological consulting and contracting	-	197,903	-	1,692	199,595
Geophysical and other consulting	293	57,391	36,386	-	94,070
Legal	-	583	-	1,883	2,466
Mineral concession fees	-	-	-	-	-
Project management	-	24,723	3,608	4,419	32,750
Recording fees, taxes	-	3,403	-	363	3,766
Reports, drafting and maps	-	-	-	-	-
Travel and accommodation	-	27,470	4,189	5,702	37,361
Increase in future income tax liabilities	-	45,236	-	-	45,236
	1,177	644,635	54,348	16,855	717,015
Balance, December 31, 2008	4,557,854	3,819,182	477,439	414,304	9,268,779
Balance, June 30, 2009	4,559,031	4,463,817	531,787	431,159	9,985,794
Total	\$ 4,559,031	\$ 13,320,073	\$ 7,976,777	\$ 4,985,913	\$ 30,841,794

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Notes to the Consolidated Financial Statements

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5. EQUIPMENT

	June 30, 2009			June 30, 2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$	\$	\$	\$
Computers and office furnishings	25,836	11,691	14,145	36,800	8,335	28,465
Equipment	151,590	57,137	94,453	42,043	21,549	20,494
Vehicles	69,984	34,574	35,410	69,984	17,200	52,784
Leasehold Improvements	14,687	7,344	7,343	-	-	-
Total	262,097	110,746	151,351	148,827	47,084	101,743

6. CAPITAL STOCK

Authorized - Unlimited common shares without par value

	Number of Shares	Amount
Balance - December 31, 2008	84,639,390	\$ 31,191,029
Balance - June 30, 2009	84,639,390	31,191,029

(a) Stock Options Outstanding

Stock options to purchase common shares have been granted to directors and employees at exercise prices determined by reference to the market value on the date of the grant.

A summary of the status of the Company's stock options as at June 30, 2009 and changes during the period is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2008	6,050,000	\$ 0.42
Granted	100,000	0.20
Outstanding at March 31, 2009	6,150,000	0.42
Granted	950,000	0.16
Expired	(100,000)	0.51
Outstanding at June 30, 2009	7,000,000	0.38

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6. CAPITAL STOCK (Continued)

The following summarizes information about stock options outstanding and exercisable at June 30:

Year of Expiry	Options Outstanding at June 30, 2009		Options Exercisable
	Number of Options	Weighted Average Exercise Price	Number of Shares
2010	2,025,000	\$0.25	2,025,000
2011	975,000	\$0.33	975,000
2012	2,050,000	\$0.62	2,050,000
2013	900,000	\$0.46	706,250
2014	1,050,000	\$0.16	50,000
	7,000,000	\$0.42	5,806,250

The weighted average life of exercisable options outstanding is 2.22 years as of June 30, 2009.

(b) **Stock-Based Compensation**

During the quarter ended June 30, 2009, the Company granted 950,000 stock options (2008 – 650,000) to officers, and employees of the Company with an exercise price of \$0.16 (2008 - \$0.46) per share, which can be exercised for a period of up to five years. The issues vest on the grant date, but are subject to the regulations of the TSX Venture Exchange and cannot be exercised until September 15, 2009.

Stock-based compensation expense was \$164,596 in the quarter ended June 30, 2009 (2008 - \$182,014).

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes option pricing model with the following assumptions:

	2009	2008
Risk-free interest rate	1.75-1.79%	3.1-3.4%
Expected dividend yield	0.0%	0.0%
Expected stock price volatility	112-119%	109-112%
Expected option life in years	4.2	4.2

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

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6. CAPITAL STOCK (Continued)

(c) Share Purchase Warrants

At June 30, 2009, the Company had no outstanding warrants to purchase commons shares.

Expiry date	Exercise Price	Outstanding at December 31, 2008	Issued	Exercised	Expired	Outstanding at June 30, 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 Broker Warrants ⁽¹⁾	\$ 0.60	3,220,444	-	-	3,220,444	-
29-May-09 Broker Warrants ⁽¹⁾	\$ 0.60	141,243	-	-	141,243	-
Total		20,170,120	-	-	20,170,120	-

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

(d) Contributed Surplus

Contributed surplus is comprised of the following:

	June 30 2009	December 31 2008
Balance at the beginning of the year	\$ 560,412	\$ -
Fair value of stock-based compensation	296,457	664,912
Fair value of stock options exercised	-	(104,500)
Balance at the end of the period	\$ 856,869	\$ 560,412

7. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties and/or the companies of related parties. All services provided are considered to be in the normal course of business and the transactions have been recorded at the exchange amount.

	June 30,	
	2009	2008
Management fees paid to companies controlled by directors/officers	\$ 95,819	\$ 229,269

8. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration. All of the Company's mineral properties are located in Peru and are disclosed in Note 5. Property and equipment are distributed geographically as follows.

Equipment	2009	2008
Peru	117,195	128,299
Canada	34,156	38,447
	151,351	166,746