PANORO MINERALS LTD.

Management's Discussion and Analysis – Quarterly Highlights

As At and for the Three and Nine-Month Periods

Ended September 30, 2016 and 2015

November 29, 2016

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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 and nine months ended September 30, 2016 ("Q3 2016" and "fiscal 2016", respectively), and the Company's audited financial statements as at and for the year ended December 31, 2015, as filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") website. This report has been dated as at November 29, 2016, and was approved by the Board of Directors on November 28, 2016.

The Company's shares are listed on the TSX Venture Exchange (TSX-V") under the symbol "PML".

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 2015 Annual Information Form, 2015 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 September 30, 2016, the closing rate for one Canadian dollar in S/. was C$1.00 = S/. 2.5813, and the closing rate for one Canadian dollar in USD was C$1.00 = US$0.7624 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 Silver Wheaton to match third party financing by Panoro targeted for exploration at the Cotabambas Project
- Payment by Silver Wheaton 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 twelve mineral properties in Perú of which two, the Cotabambas and Antilla projects, are at an advanced stage of exploration.

The Company is planning to reduce carrying costs on certain mineral projects by not renewing the mineral concessions on certain non-core concessions. The concessions not renewed by the end of June 2016 may be renewed by the end of June 2017, at the Company's option. As the Company may forego its rights to explore these concessions, certain capitalized exploration and evaluation costs of $2,266,865 were written off in fiscal 2015.

Outlook

Recent Activities and Highlights

Five key developments to date in 2016 have been achieved:

1) Closing of a non-brokered private placement comprised of 36,717,817 units at $0.18 for gross proceeds of $6,609,207, comprised of one common share and one-half of a share purchase warrant. Finders' fees of 6% were paid on gross proceeds of $3,023,913. Each whole share purchase warrant is exercisable at a price of $0.27 per common share exercisable for a period of two years from the closing date of the financing.
2) The completion of this private placement will, subject to the satisfaction of certain conditions, result in a further advance of US$2.0 million from Silver Wheaton under the terms of the Precious Metals Purchase Agreement (the "Cotabambas Early Deposit Agreement").
3) The completion of the Cotabambas Early Deposit Agreement, and receipt of two early deposit payments totalling US$2.0 million received in the second quarter of fiscal 2016.
4) The completion of Antilla Project Preliminary Economic Assessment.
5) Announcement of discovery of a new area of mineralization with significant potential at the Chaupec Zone of the Cotabambas Project.

The Cotabambas Early Deposit 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 described above.

Cotabambas Project

Work Plans

The Company has commenced a work program at the Cotabambas Project to include 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,
- Exploration drilling at the Maria Jose target 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.

Cochapata Target

Panoro is planning 4,000 m of step-out drilling to the north side of the proposed North Pit into the Cochapata Target to test for additional copper oxide mineralization. The current resource includes approximately 31 million tonnes of oxide copper resource grading 0.53% Cu, 0.10 g/t Au and 1.60 g/t Ag. This resource is not included in the mill feed and is directed to the wasterock facility in the PEA. The resource is open to the north of the proposed North pit and the proposed drilling will target expansion in this area. Growth in the oxide copper resource will allow the assessment of the addition of a heap leach and SX/EW circuit to the project plan. This addition to the project plan could increase copper production, reduce cash costs and reduce the life of mine strip ratio. A metallurgical test program on the oxides will be completed to assess amenability of the mineralization to chemical leaching.

Maria Jose Target

Panoro is planning a geophysical program followed by 10,000 m of exploration drilling to test for high grade, near-surface mineralization at the Maria Jose Target. The Maria Jose target is situated along the same mineralized trend as the Ccalla and Azulccacca deposits, which are incorporated into the proposed North and South Pits, approximately 1 km to the northwest. Details of to the Maria Jose Target were announced via press release on June 23, 2014. Two main prospects, MJ-1 and MJ-2, have been mapped and sampled. Grades of individual chip samples at MJ-1 range from 0.11% Cu to 0.39% Cu, 0.01 to 0.05 Au g/t, and 0.3 to 3.1 g/t Ag. Grades of individual chip samples at MJ-2 range from 0.20% Cu to 0.44 %Cu, 0.01g/t Au to 0.07g/t Au and 0.2g/t Ag to 3.0 g/t Ag. Several trenches were excavated and all showed mineralization and alteration. The best two are situated more or less end to end and exhibit an average of 1.02 per cent copper, 0.21 g/t gold, 4.75 g/t silver and 4.24 parts per million molybdenum over approximately 58 metres.

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 will be 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 to commence in 2017.

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. Panoro is assessing the potential to re-scope the design of the Antilla Project to permit a staged development plan which should reduce initial capital costs. This work will assess the potential for early mining of a near surface, high grade zone of chalcocite mineralization.

Prior to commencing prefeasibility studies, the Company is planning to investigate 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 solicited from 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 $936,832 on exploration and evaluation expenditures, $188,399 on Antilla, $398,759 on Cotabambas and $349,674 on other projects. These expenditures are before refunds of value-added tax of $350,408 for costs incurred in prior periods, which are offset against the specific concessions. A total of $466,202 has been accrued for recording fees and taxes.

Exploration and evaluation expenditures were largely made up of salaries and wages of site-based staff and casual labour and other capitalized costs. Activity was reduced to a minimum for the first half of fiscal 2016, but with the completion of the private placement in August, planning is in progress for a drill program expected to commence in late 2016 or early 2017.

Expenses

The Company's loss in fiscal 2016 of $1,143,335 ($0.00 per common share) compares to a loss of $1,947,551 ($0.01 per common share) in fiscal 2015. In Q3 2016, the loss was $273,505, compared to $510,461 in Q3 2015. The discussion below is based on comparison of fiscal 2016 compared to fiscal 2015, but the change in expenditures discuss is equally relevant for a quarterly discussion between Q3 2016 and Q3 2015.

Overall, the decrease in the Company's expenditures reflects the decrease in exploration and evaluation expenditures incurred on the properties and a concerted effort by the Company to keep general and administrative costs as low as possible, due to the lack of working capital.

Salaries and benefits decreased in fiscal 2016 (due to both a reduction in head count and a reduction of executive salaries) by $525,418 (Q3 2016 costs were lower by $111,779 than Q3

2015). The staff in Perú were all working on an as-needs-basis or part-time until September 1, 2016, when they resumed working full time. Salary costs are expected to increase in the fourth quarter of fiscal 2016 and into 2017, as activity levels increase.

In fiscal 2015 the Company leased additional office space in Lima due to an increase in the number of employees working on the PEA, but has since been able to cancel one of the leases, thereby reducing rental costs for 2016. The decrease in insurance and rent is reflected in the lower costs, from $232,656 in fiscal 2015 to $158,168 in fiscal 2016, a decrease of $74,488. This quarterly reduction in costs is anticipated to continue for the balance of 2016.

Travel and investor relations costs decreased from $75,764 and $91,453 in fiscal 2015 to $36,129 and $11,082 in fiscal 2016. The two cost categories reflect reduced marketing and shareholder communications' activity to the end of September 2016. Investor relations and travel costs will increase in the three months ended December 31, 2016, as the Company focuses more on shareholder communications. The Company has 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, which will be reflected in the fourth quarter of fiscal 2016.

General office costs have decreased due to a fewer number of employees. This includes office and communications costs.

Interest revenue decreased from $36,927 in fiscal 2015 to $2,625 in fiscal 2016, due to low cash balances for much of the period and low annual interest rates. Funds received from the private placement will likely result in some interest from investment accounts.

Areas where costs have increased include:

- Legal fees, which increased from $60,625 in fiscal 2015 to $216,401 in fiscal 2016, due to the costs related to the Cotabambas Early Deposit Agreement. Further tax, accounting and legal fees in Canada and Perú, are expected related to the receipt of the staged payments and a possible restructuring, as the Cotabambas Early Deposit Agreement is specifically related to and will be secured by the Cotabambas Project.
- The Company has incurred consulting fees of $176,801 in fiscal 2016. Of these consulting fees, $52,401 included in this amount was the valuation related to the deemed value of 790,130 common shares issued as partial compensation for the fees paid to Macquarie Capital Markets Canada Ltd ("Macquarie"). The remaining fees were the balance of the fees paid to Macquarie relating to the two payments of US$1.0 million received pursuant to the Cotabambas Early Deposit Agreement. Macquarie will receive a 6% commission on all payments received up to US$14.0 million.
- An exchange gain in fiscal 2016 of $159,762, due to the increase in the Canadian dollar against the US dollar since the end of December 2015, compared to a loss of $160,807 in fiscal 2015.

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 net proceeds of $6,376,527 from the private placement that closed in August 2016, and $2,591,500 (US$2,000,000) from the Cotabambas Early Deposit Agreement.

The Company has no operating revenue and incurred a loss of $1,143,335 for fiscal 2016 (fiscal 2015 – $1,948,051). As at September 30, 2016, the Company has an accumulated deficit of $30,627,031 (December 31, 2015 - $29,483,696), and has working capital of $6,239,454 (December 31, 2015 – a working capital deficiency of $1,082,526).

Based on its financial position at September 30, 2016, the Company has sufficient funds to meet current budgeted operational expenditures over the ensuing twelve-month period. Pursuant to the terms of the Cotabambas Early Deposit Agreement, an additional US$0.75 million is expected to be received on March 21, 2017, with an equal deposit to be received on September 21, 2017.

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:

	2016	2017	2018	2019	2020	Total
Office lease (Vancouver)	$ 15,945	$ 57,895	$ 59,477	$ 62,642	$ 64,224	$ 195,959
Office leases (Perú-US$)	$ 20,444	$ 49,134	$ -	$ -	$ -	$ 69,578
Warehouses (S/.)	S/. -	S/.56,420	S/. 4,000	S/. -	S/. -	S/. 60,420
Accounts payable and accrued liabilities	$ 592,371	$ -	$ -	$ -	$ -	$ 592,371

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 newly appointed Chief Financial Officer ("CFO"). There are no related party transactions.

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.