PANORO MINERALS LTD

ON THE ROAD TO DEVELOPMENT

Management's Discussion and Analysis

For the Three and Six Months Ended June 30, 2015

August 25, 2015

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ITEM 1.1: BACKGROUND & DATE

Panoro Minerals Ltd. ("Panoro" or the "Company") is a Canadian public company engaged in the acquisition, exploration, and development of natural resource properties in Perú. 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 ("PML"). Panoro was incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The Company's registered office is located at 1750 – 1185 West Georgia Street, Vancouver, BC V6E 4E6 Canada.

The Management's Discussion and Analysis ("MD&A") is a narrative explanation, through the eyes of management, of how Panoro performed and the significant factors that affected the Company during the six months ended June 30, 2015 ("fiscal 2015"), and up until the date of this MD&A. The MD&A complements and supplements the condensed consolidated interim financial statements of the Company for fiscal 2015, but does not form part of the financial statements. Consequently, the following discussion and analysis should be read in conjunction with the condensed consolidated interim financial statements of the Company as at June 30, 2015, and for the three and six months ended June 30, 2015.

This MD&A is prepared and dated August 25, 2015.

Forward Looking Statements

This discussion includes certain statements that may be deemed "forward-looking statements". All such statements, other than statements of historical facts that address exploration drilling, exploitation activities and other related events or developments are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, potential environmental issues or liabilities associated with exploration, development, and mining activities, exploitation and exploration successes, continuity of mineralization, uncertainties related to the ability to obtain necessary permits, licenses and title and delays due to third party opposition, changes in and the effect of government policies regarding mining and natural resource exploration and exploitation, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Cautionary Note to US Investors

Information and disclosure concerning mineral properties in this MD&A has been prepared in accordance with Canadian disclosure standards under applicable Canadian securities laws, which are not comparable in all respects to United States disclosure standards. The terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" (and similar expressions) used in this MD&A are Canadian mining terms as defined in accordance with National Instrument 43-101 under guidelines set out in the standards set by the Canadian Institute of Mining, Metallurgy and Petroleum.

While the terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" are recognized and required by Canadian regulations, they are not defined terms under the standards of the U.S. Securities and Exchange Commission ("SEC"). As such, certain information contained or incorporated by reference in this MD&A concerning descriptions of mineralization and resources under Canadian standards is not comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC. An "Inferred Mineral Resource" has a great amount of uncertainty as to its existence and as to its economic and legal feasibility. It cannot be assumed that all or any part of an "Inferred Mineral Resource" will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. Investors are cautioned not to assume that all or any part of Measured, Indicated or Inferred Mineral Resources will ever be converted into Mineral Reserves. Investors are also cautioned not to assume that all or any part of an "Inferred Mineral Resource" exists, or is economically or legally mineable.

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 recorded under IFRS unless otherwise specifically indicated. There are also references in this MD&A to Perúvian Nuevos Soles ("S/.") and United States dollars (USD). As at June 30, 2015, the closing rate for one Canadian dollar in S/. was C$1.00 = S/. 2.5465, and the closing rate for one Canadian dollar in USD was C$1.00 = US$0.8017 as reported by the Bank of Canada.

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 ("NI 43-101"). Mr. Vela is responsible for the preparation and/or verification of the technical disclosure in this document unless otherwise noted.

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 2014 Annual Information Form, 2014 Management Information Circular, Material Change Reports, press releases, and the Company's technical reports each of which are available on the SEDAR website at www.sedar.com or on the Company's website www.panoro.com.

ITEM 1. 2: OVERVIEW

Panoro owns a portfolio of fourteen mineral properties in Perú of which two, the Cotabambas and Antilla projects, are at an advanced stage of exploration. Readers are directed to the Annual Information Form and the Management's Discussion & Analysis dated April 30, 2015 for a detailed discussion and history on all the Company's projects. Developments on the various projects during the quarter are summarized below:

Cotabambas and Antilla Projects

The following table provides a breakdown of exploration expenditures incurred on the Company's mineral properties during the six months ended June 30, 2015.

	Antilla	Cotabambas	Other	Total
Exploration expenditures incurred in period:				
Amortization	$ -	$ 17,269	$ 62	$ 17,331
Camp	12,543	287,772	48,947	349,262
Community relations	1,296	364,611	6,150	372,057
Environmental	-	251,102	20,556	271,658
Geology	30,226	39,234	10,852	80,312
Geophysics	-	249,004	163,352	412,356
Legal	13,413	6,781	252	20,446
Preliminary economic assessment	13,395	138,666	-	152,061
Recording fees and taxes	34,629	110,324	174,741	319,694
Recovery of taxes paid	(18,763)	(198,491)	-	(217,254)
Salaries and wages	21,919	746,966	124,331	893,216
Sampling	-	20,744	14,758	35,502
Topography and surveys	-	67,892	229,644	297,536
Travel	1,252	40,507	25,281	67,040
	109,910	2,142,381	818,926	3,071,217
Capitalized exploration expenditures at beginning of period	8,131,874	33,083,243	8,797,358	53,083,692
Capitalized exploration expenditures at June 30, 2015	$ 8,241,784	$35,225,624	$ 9,616,284	$53,083,692
Total exploration and evaluation expenditures at June 30, 2015	**$15,400,127**	**$40,150,659**	**$12,449,760**	**$68,000,546**

Cotabambas Project

In fiscal 2015, the Company has been focused on completing the Preliminary Economic Analysis ("PEA") in which the results were published in a news release dated April 9, 2015. The NI 43-101 Technical Report was filed on SEDAR on May 26, 2015, and can also be found on the Company's website www.panoro.com.
The company has been evaluating potential improvements to project economics identified in the PEA; including:

1. Optimized Mine Plan
2. Addition of SX/EW circuit
3. Improved metallurgical recoveries
4. Reduced grinding costs, and
5. Others

Consultants have been contracted to assist in the evaluations above and the work is progressing.

Field work in the period has included geological mapping, geophysics and geochemical sampling. In anticipation of continuing work, the Company has been negotiating a community agreement with the Cochapata community and has submitted an application with the Peruvian government for a new and expanded drilling permit.
To date in fiscal 2015, the Company also incurred costs related to the camp, vigencia payments and environmental monitoring. One of the requirements of receiving drilling permits from the Peruvian government is continual ongoing monitoring of the environment for air quality, noise, flora and fauna, along with water testing.

At the Jean Louis prospect, a mapping, sampling and geophysics program was conducted. The program included:

- 47.3 km of induced polarization (IP) survey
- 49.7 km of magnetic survey
- 49.7 km of self potential (SP) survey
- 333 rock chip samples on a 100 m by 100 m grid and
- geological mapping.

The area covered by this program was approximately 523 hectares over a section of the property showing copper porphyry and skarn mineralization. The program identified a mineralized target of 1.8 km by 0.6 km oriented in a north-south direction to the south of the current resource.
At the Chaupec prospect, the program included:

- 71.6 km of IP survey
- 63.7 km of magnetic survey
- 45.1 km of SP survey
- 294 rock chip samples on a 100 m by 100 m grid and
- geological mapping.

The area covered by this program was approximately 508 hectares over a section of the property showing skarn mineralization. The program identified three copper-gold-silver anomalies aligned along a 2.2 km by 0.6 km trend oriented in a north-east to south-west direction to the north of the existing resource.

The results of these programs are currently being analysed and interpreted.

Direct salaries for project employees are capitalized to the project. At the Cotabambas project, $746,966 in employee wages were capitalized during the year. The breakdown of these salaries is:

Cotabambas Salaries and Wages	
Geology Activities	50%
Camp Administration	22%
Environmental	15%
Community Relations	13%
Total	100%

Geology activities include employees who performed sampling ($90,556), mapping ($73,344), and activities to advance the Preliminary Economic Assessment.

Antilla Project

Work at the Antilla project focussed on advancing the Preliminary Economic Assessment (PEA). Consultants have been contracted to review the proposed mine plan and waste storage alternatives. This work will be incorporated into the PEA, completion of which is expected soon.

Current and Planned Exploration on Other Exploration Projects

The following table provides a breakdown of exploration costs at Anyo, Promesa, Kusiorcco and Humamantata incurred during the six months ended June 30, 2015:

	Anyo	Promesa	Kusiorcco	Humanantata	Total
Topography and surveys	$ 229,644	$ -	$ -	$ -	$ 229,644
Geophysics	163,352	-	-	-	163,352
Geology	10,852	-	-	-	10,852
Sampling	14,758	-	-	-	14,758
Environmental	1,201	19,355	-	-	20,556
Community relations	5,686	98	-	-	5,784
Camp	38,884	9,743	273	47	48,947
Salary and wages	84,612	38,613	-	1,106	124,331
Travel	14,360	9,256	-	119	23,735
Recording fees	20,886	8,701	20,972	18,206	68,765
Amortization	-	-	62	-	62
	$ 584,235	$ 85,766	$ 21,307	$ 19,478	$ 710,786

Anyo Project

In 2015, work on the Anyo project focussed on Cu-Au-Mo porphyry type mineralization and included:

- 58.9 km of IP survey
- 52.5 km of magnetic survey
- 46.9 km of SP survey
- Geological and structural mapping, and
- Geochemical rock chip sampling over a 100 m by 100 m grid.

The area covered by the program was approximately 700 hectares. Survey results are being interpreted in order to define targets for more detailed mapping and sampling.

Panoro recently acquired core from two drill holes completed in July 1996 by Minera Cominco del Peru in the north part of the Anyo property. They were drilled vertically and named OS-01 and OS-02 with lengths of 232.1 m and 206.3 m, respectively. The following table summarizes assays results:

Drillhole	From (m)	To (m)	Metres	Cu (%)	Au (g/t)	Mo (%)	Host Rock	Zone
OS-01	0.00	52.87	52.87	0.15	0.01	0.006	Sandstone	*Secondary Enrichment*
	80.79	132.23	51.44	0.34	0.03	0.017	Sandstone	*Primary*
Including	126.23	132.23	6	1.49	0.12	0.029	Granodiorite	*Primary*
	180.23	227.18	46.95	0.29	0.02	0.014	Granodiorite	*Primary*
OS-02	27	127	100	0.16	0.01	0.002	Granodiorite	*Primary*
	145	159	14	0.11	0.01	0.001	Granodiorite	*Primary*

Drill hole OS-01 included supergene enrichment-type copper mineralization in the sediments and primary copper mineralization in igneous rocks, including veins with high grade copper values. Drill hole OS-02 intersected primary sulphide mineralization with lower but consistent copper grades. The lengthy mineralized intercepts in these historical drill holes are attractive at this early stage in the program, suggesting the presence of a significant mineralizing system.

Promesa Project

In 2012, the Company completed geophysical surveys including 75km of IP, 76 km of magnetics and 76km of SP, the results of which helped to define four new exploration targets. Three of these will each be the focus of further geochemical sampling and a planned 3,000-metre drill program. A drilling permit ("DIA") has been approved by the Peruvian authorities and the Company is currently negotiating a community agreement in order to start drilling once funds are allocated.

Kusiorcco Project

At the Kusiorcco project, where a significant Cu-Au-Mo porphyry-skarn system has been identified in previous work, the Company completed 1:20,000 geological to mapping and collected 208 chip rock chip samples over a portion of the property. The north part of the property was mapped at a scale of 1:5,000 and a number of rock chip samples were collected. This work served to outline two new phyllic and/or potassically altered porphyry occurrences and two skarn-type mineralized occurrences.

Humamantata Project

The Humamantata project includes a typical Cu-Mo porphyry style mineralized system. Work in 2015 has included:

- Geologic mapping
- Rock chip sampling with 274 samples, and
- stream sediment sampling with 29 samples.

Work was carried out over a 2,800 hectare area. Additional and more detailed sampling will be carried out over specific targets prior to planning a geophysical program.

ITEM 1.3: SELECTED ANNUAL INFORMATION

This is not a requirement for an interim MD&A.

ITEM 1.4: RESULTS OF OPERATIONS

The functional and reporting currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. Foreign currency translation differences are recognized in profit or loss, except for differences on the translation of available-for-sale investments which are recognized in other comprehensive income.

The Canadian Dollar has decreased very significantly with respect to both the USD and the Peruvian Nuevo Sole in the past year. The exchange rate from Canadian Dollars to USD was 1.0676 on June 30, 2014 compared to 1.2474 at June 30, 2015, a decrease of almost C$0.18. The Peruvian Nuevo Soles has increased in value from C$0.3822 to C$0.3927 during the same time period. Since most of the Company's Perú-based costs are denominated in either US dollars or Peruvian Nuevo Soles, this has resulted in significantly increased Canadian dollar costs to the Company for its operations.

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Expenses				
Salaries and benefits	$ 362,092	$ 310,506	$ 696,638	$ 618,591
Directors' fees	25,500	25,000	44,000	44,000
Share-based expense	-	-	-	453,356
Audit and tax	29,682	26,207	55,514	44,810
Consulting	24,442	5,768	26,976	26,608
Legal	36,061	27,860	47,723	57,846
Communication	26,117	29,760	62,358	61,425
Regulatory and transfer agent fees	24,098	24,027	45,647	48,087
Amortization	5,505	4,830	9,274	9,660
Professional dues and training	9,888	10,817	16,554	15,091
Travel	48,491	33,411	67,224	97,978
Investor relations	41,670	24,971	77,091	107,985
Rent and insurance	76,952	49,029	154,647	98,069
Office supplies	18,230	14,851	36,651	30,019
Bank charges	2,104	2,676	5,198	5,278
	730,832	589,713	1,345,495	1,718,803
Interest income	(12,334)	(11,290)	(34,100)	(33,814)
Foreign exchange loss	118	55,518	125,695	99,861
Loss for the period	$ 718,816	$ 633,941	$1,437,090	$1,784,850
Loss per share, basic and fully diluted	$0.00	$0.00	$0.01	$0.01

Financial Results for the Three Months Ended June 30, 2015 ("Q2 2015"), Compared to the Three Months Ended June 30, 2014 ("Q2 2014")

The Company's loss in Q2 2015 was $718,616 ($0.00 per common share) compared to $633,941 ($0.00 per common share) in Q2 2014. The Company's accounting policy is to capitalize all exploration and evaluation expenditures on the properties and the loss for the period is a reflection of administration expenses along with other items.

The Company has maintained its management and reporting infrastructure related to a TSXV Company over the past year. These infrastructure costs are reflected in the administrative expenses. Regulatory fees, auditor fees, investor relations activities, legal expenses, office rent, insurance and management salaries along with accounting and administration salaries for subsidiary offices are included in administration expenses. These expenses remain relatively consistent from period to period.

In Q2 2014, the Company leased additional office space in Lima for the increase in staff related primarily to employees whose salaries are capitalized to the properties. This has impacted rent and insurance as Q2, 2015 costs of $76,952 are higher than the Q2, 2104 costs of $49,029 due to the additional office space being held for the entire period in Q2 2015.

As described in the functional currency section, foreign exchange losses of $118 were recorded in Q2 2015 compared to $55,518 incurred in Q2 2014.

Financial Results for the Six Months Ended June 30, 2015 ("Fiscal 2015"), Compared to the Six Months Ended June 30, 2014 ("Fiscal 2014")

The Company's loss in fiscal 2015 was $1,437,090 ($0.01 per common share) compared to $1,784,850 ($0.01 per common share) in fiscal 2014.

The primary difference between the two fiscal periods was a stock option grant incurred in fiscal 2014 of $453,356. Stock options are a non-cash expense and the amount reflected in the financial statements were estimated using the Black-Scholes option pricing model. Stock options are generally granted once a year and there is no certainty over its timing. Other items that have decreased in fiscal include reduced investor relations activities and related travel which combine for a total reduction of $54,154. Investor relations activities are planned in accordance with Company requirements.

In fiscal 2014, the Company leased additional office space in Lima. Rent and insurance in fiscal 2015 of $154,647 compares to $98,069 in fiscal 2014, due to the additional office space being held for the entire period in fiscal 2015 as opposed to a portion of fiscal 2014. Salaries and benefits have increased by $78,047. There were two additional staff hired in the last half of the 2014 fiscal year and there was some increase due to salary raises in the comparative period.

As described in the functional currency section, foreign exchange losses of $125,695 were recorded on the income statement in fiscal 2015 compared to $99,861 incurred in fiscal 2014.

1.4(i) - Actual Use of Proceeds from March 2013 and July 2014 Financings

The table below shows the budgeted amounts from the March 2013 and July 2014 financings compared to actual expenditures since April 1, 2013. For a discussion on the use of proceeds from these financings, please refer to the MD&A dated April 30, 2015 posted on SEDAR.

	Actual	Budget	Variance	Var %
Drilling	$1,798,811	$2,135,396	($336,585)	-16%
Camp and recording fees	8,535,537	5,898,976	2,636,561	45%
Environmental	996,407	423,611	572,796	135%
Community relations	2,455,507	2,182,975	272,532	12%
PEA & Related Studies	4,616,141	3,772,279	843,862	22%
IGV recovery	(1,913,913)	(850,000)	(1,063,913)	125%
Corporate administration	5,924,947	4,976,682	948,265	19%
Total	$22,413,437	$18,539,919	$3,873,518	21%

Drilling –The Company drilled 756 metres on two drill holes at Ccochapata in the first two months of 2014, bringing the total metres drilled to 18,528 metres of the 22,203 budgeted metres for the drilling program. Actual drilling costs are 16% below budgeted expectations which is in line with the final number of metres drilled. The drilling program was suspended in February 2014 and will resume once the PEAs are complete and funding is available.

Camp and recording fees – As the completion date of the PEA was extended, additional and ongoing exploration costs have been included in the actual costs. The additional and on-going exploration at the Company's projects, which include salaries for staff geologists, lab testing, camp costs and others, has been identifying additional resource expansion and exploration potential. *Environmental* – The ongoing periodic environmental monitoring costs are included for a timeframe longer than the original budget. Also, the identification of additional exploration targets required the expansion of the footprint of the proposed exploration areas at the Company's projects thus requiring an expanded environmental baseline assessment and submission of a new Semi Detailed Environmental Impact Assessment for Cotabambas. An environmental Impact Statement was also prepared and submitted for the Promesa Project.

Community relations – Expenditures on the Antilla community projects have been accrued and the final expenditures are scheduled for completion in fiscal 2015. A new agreement for the Cotabambas property for 2015 was entered into, and additional agreements may be required.

PEA and Related Studies – The PEAs and related studies were delayed from their original scheduled delivery in fiscal 2014. Cost overruns were incurred on the Cotabambas PEA as the Company elected to proceed with further metallurgical and structural studies. This is normal for a project at the exploration stage as the results from any particular metallurgical or engineering test could necessitate further investigation or follow-up studies into one or more related areas. As a result, costs were higher than anticipated.

Corporate administrative expenses – Actual costs are higher than budgeted due to the weakening of the Canadian dollar and to an additional office lease and increased staffing levels. The Company has maintained a relatively consistent management and reporting infrastructure over the past two years. This infrastructure is the primary driver for the corporate administrative expenses.

ITEM 1.5: SUMMARY OF QUARTERLY RESULTS

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

	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep
Revenue	-	-	-	-	-	-	-	-
Gen & admin	731	615	676	636	590	676	652	573
Share-based expense	-	-	-	68	-	452	-	-
Interest income	(12)	(22)	(30)	(27)	(11)	(23)	(36)	(44)
F/X (gain)/loss	-	126	(22)	39	56	44	5	19
Impairment	-	-	62	-	-	-	799	-
Net loss	719	718	686	716	635	1,149	1,420	548
Loss per share	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00
Change in Exploration	1,793	1,278	1,313	1,473	1,734	1,773	896	2,233

(All amounts in the notes and tables of the financial section are recorded under IFRS and are presented in 000's of Canadian Dollars) (All loss per share information is rounded to the nearest penny)

ITEMS 1.6: LIQUIDITY

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 development stage and is currently exploring mineral properties in Perú. As a development stage Company, it has no history of revenues from its operating activities and will have negative cash flow from operations in future periods until commercial production is achieved from its development projects.

Currently the Company does not have sufficient capital to settle its obligations for the next 12 months. Additional funding, whether through selling an asset or the issuance of securities or debt will be required in order to fund operations. Although the Company has had historical success raising capital, the recent weakening of the capital markets along with commodity prices trading at five year lows poses challenges for exploration stage companies to successfully obtain financing or complete them on favorable terms. Failure to obtain additional funding could impair the Company's ability to remain a going concern.

In response to the capital shortfall the Company has adopted cost cutting measures in order to preserve capital. These measures include reducing; the employee head count, administration expenditures, and exploration activity at Chaupec and Anyo. Wherever possible third party service agreements have been renegotiated on more favorable terms and current existing contractual obligations with the communities are being delayed. At the date of this MD&A the Company has 34 employees in Canada and Perú, reduced from 64 employees in June. Reduced staff has a corresponding impact on expenditures such as; camp service meals, fuel, travel, communications, and insurance. If sufficient capital is not secured, additional reductions to head count are planned. Along with the reduction in headcount the officers and directors of the Company have taken a significant reduction in salary and fees.

The change in cash and accounts payable is as follows:

	June 2015	December 2014	Change
Cash	$2,846,518	$7,838,816	$(4,992,298)
Short Term Investment	57,500	57.500	0
Accounts payable	(1,522,634)	(2,080,917)	558,283
Net	$1,381,384	$5,815,399	$(4,434,015)

The change in cash and cash equivalents is due to cash used in operations of $1,380,129 (2014: $1,406,678) (primarily related to administration expenses), cash invested into exploration and evaluation of projects of $3,271,140 (2014: $3,594,802), a reduction of accounts payable of $558,283 (2014: $211,483) and a recovery of the value-added taxes in Perú of $217,254 (2014: $245,837). Cash used in operations is similar in both fiscal periods, other than the foreign exchange loss which has increased from $99,861 in fiscal 2014 to $125,695 in fiscal 2015, due to the decline of the CAD as compared to the USD and the cost of acquiring USD and timing of payments made.

In fiscal 2014, $64,000 was received on the exercise of stock options. There were no financing activities in the same period in fiscal 2015.

ITEM 1.7: COMMITMENTS AND CAPITAL RESOURCES

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

	2015	2016	2017	Total
Office lease Vancouver	C$35,128	C$35,128	$ -	C$70,256
Office leases Perú	US$75,741	US$156,027	US$49,135	US$280,903
Warehouses Perú	S/.6,000	-	-	S/.6,000
Community agreements	S/.855,104	-	-	S/.855,104

Currently, there are no commitments or obligations relating to fiscal 2018 or 2019.

Vigencias (or recording fees) are not commitments, but rather the annual payments required to maintain the concessions in good standing with the Perúvian government. The actual payment for 2014 calendar year was US$647,258 (2013 - US$625,362). The payment for the 2015 calendar years is due in June 2016. The ultimate amount to be paid is based on certain exploration formulae and is determined separately each year by the Perúvian government. The Company estimates the 2015 payment to be approximately US$670,000.

The Company has two office leases in Lima and three warehouses in Cusco, Perú. The Company also has office lease in Vancouver, BC.

The community agreements have various social commitments which are only for the term of each agreement. The social commitments include such things as infrastructure, vehicles, and community storage, along with teachers and computers for schools and scholarships for students. The Company also hires local workers to perform various construction and remediation work.

Currently the Company is trying to sublet one of its office spaces in Lima. The entire lease for that office space is currently included in the schedule above. Projects from the community agreements are being delayed or deferred until 2016 wherever possible.

ITEM 1.8: OFF-BALANCE SHEET ARRANGEMENTS

None.

ITEM 1.9: TRANSACTIONS WITH RELATED PARTIES

During the six months ended June 30, 2015 there were no transactions with directors and officers and/or companies controlled by directors or officers in common with the Company.

ITEM 1.10: FOURTH QUARTER

Not applicable in the interim MD&A.

ITEM 1.11: PROPOSED TRANSACTIONS

There are no proposed transactions requiring disclosure under this section.

ITEM 1.12 CRITICAL ACCOUNTING ESTIMATES

Not required as the Company is a venture issuer. Information on annual estimates may be found in the Company's audited consolidated financial statements for the year ended December 31, 2014, and the Company's Annual MD&A for the three months and year ended December 31, 2014, available on www.sedar.com and the Company's website at www.panoro.com.

ITEM 1.13: CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

In preparing the condensed consolidated interim financial statements for the three and six months ended June 30, 2015, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended December 31, 2014.

(a) Changes in International Financial Reporting Standards (IFRS)

The Company has not adopted any new standards or consequential amendments during the period.

(b) Changes in IFRS not yet adopted.

IFRS 9 Financial Instruments

In November 2009, the IASB issued IFRS 9, Financial Instruments, as the first step in its project to replace IAS 39, Financial Instruments: Recognition and Measurement. On July 24, 2014, the IASB issued the complete IFRS 9. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7, Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on the measurement of financial liabilities and de-recognition of financial instruments. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018, with early adoption permitted, and must be applied retrospectively with some exemptions permitted. The Company is currently assessing the impact of adopting IFRS 9 on its consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers

On May 28, 2014, the IASB issued IFRS 15. The new standard is effective for annual periods beginning on or after January 1, 2017 with early adoption permitted. IFRS 15 will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have also been introduced, which may affect the amount and/or timing of revenue recognized.

The Company intends to adopt IFRS 15 in its consolidated financial statements for the annual period beginning on January 1, 2017. The extent of the impact of adoption of the standard has not yet been determined.

Amendments to IAS 1, Presentation of Financial Statements

On December 18, 2014, the IASB issued amendments to IAS 1 as part of its major initiative to improve presentation and disclosure in financial reports. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2016. The extent of the impact of adoption of the amendments has not yet been determined.

ITEM 1.14: FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying amounts of cash and cash equivalents, short-term investments, marketable securities, accounts and advances receivable, and accounts payable approximate their fair values due to their short-term nature.

ITEM 1.15.A: OTHER MD&A REQUIREMENTS

Additional information relating to the Company including its Annual Information Form and annual consolidated financial statements and management discussion and analysis for the year ended December 31, 2014, are available on SEDAR at www.sedar.com.

ITEM 1.15.B.II: DISCLOSURE OF OUTSTANDING SHARE DATA

Stock options to purchase common shares have been granted to directors, officers and employees at exercise prices determined by reference to the market value or by the board of directors on the date of the grant. Historically, the board has determined the exercise price of the stock options as the greater of a) current market value of the shares or b) recent financing prices.

The following summarizes information about stock options outstanding and exercisable to the date of this MD&A:

Year of Expiry	Number of Options	Weighted Average Exercise Price
2015	2,150,000	$0.30
2016	3,950,000	0.50
2017	5,500,000	0.85
2019	3,875,000	0.36
	15,475,000	$0.56

Each option is exercisable for one common share of the Company. The weighted average life of exercisable options outstanding is 2.02 years as of the date of this MD&A.

The number of shares available for options to be granted under the Company's stock option plan is 10% of the Company's Capital Stock as approved at the 2011 Annual General Meeting ("AGM") as amended, at the Annual General Meeting held on June 23, 2015. Options granted under the plan vest immediately or over a period of time at the discretion of the board of directors. Pursuant to the terms of the Company's stock option plan, any options that expire during a trading blackout will be extended until ten (10) business days after the trading blackout is lifted.

On August 19, 2014, a trading blackout was put in effect over all officers, directors and insiders, as the Company was in the midst of preparing PEAs on the Cotabambas and Antilla projects. The trading blackout is due to be lifted after all news releases relating to PEAs are publicly disseminated. There are 2,050,000 options ($0.30) with an original expiry date of April 11, 2015, which have been extended until ten (10) business days after the blackout is lifted. At the date of this MD&A, PEA work is progressing. The trading blackout remains in effect.

As of the date of this MD&A, there were outstanding warrants to purchase an aggregate 1,638,000 common shares which expire on March 14, 2016 of the Company as follows:

	Expiry Date	Exercise Price	Number of Warrants
Agent's warrants	March 14, 2016	$0.55	1,638,000

At the date of this MD&A, there were 220,640,818 common shares outstanding, and 237,753,818 common shares fully diluted, including share purchase options and warrants outstanding.