

PANORO MINERALS LTD.

Management's Discussion and Analysis Quarterly Highlights

As at and for the Three and Six-Month Periods
Ended June 30, 2017 and 2016

August 25, 2017

Table of Contents

<i>Background & Date</i>	3
<i>Qualified Person</i>	4
<i>Description of Business</i>	4
OUTLOOK	5
<i>Recent Activities and Highlights</i>	5
<i>Cotabambas Project</i>	5
Work Plans	5
Maria Jose Zone	5
Breccia Zone	6
Exploration Program	7
Petra-David Target	7
Buena Vista-Puente Target	7
Metallurgy	7
Chaupec Target	8
<i>Antilla Project</i>	8
<i>Results of Operations</i>	8
<i>Commitments</i>	11
<i>Key Management Personnel</i>	11
<i>Contingent Receivable</i>	11

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 six months ended June 30, 2017 (“fiscal 2017”) and June 30, 2016 (“fiscal 2016”), respectively), and the Company's audited financial statements as at and for the year ended December 31, 2016, as filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”) website. This report has been dated August 25, 2017, and was approved by the Board of Directors on August 24, 2017.

The common shares of the Company are listed on the TSX Venture Exchange (“TSXV”) under the trading symbol “PML”, the Junior Board of the Bolsa de Valores de Lima (“PML” - Lima Stock Exchange) and (“PZM” on the Frankfurt Exchange).

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 2016 Annual Information Form, 2016 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 Peruvian Nuevos Soles (“S/.”) and United States dollars (“US”). As at June 30, 2017, Bank of Canada rate for one Canadian dollar in S/. was C\$1.00 = S/. 2.5019, and for one Canadian dollar in USD was C\$1.00 = US\$0.7706.

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 Wheaton Metals to match third party financing by Panoro targeted for exploration at the Cotabambas Project
- Payment by Wheaton Metals 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 eleven mineral properties in Perú of which two, the Cotabambas and Antilla projects, are at an advanced stage of exploration and make up the core concession blocks for the Company.

The Company may reduce carrying costs on certain mineral projects by not renewing the mineral concessions on certain non-core concession blocks. The acquisition costs, annual concession payments and exploration costs for certain non-core concessions were written off in fiscal 2015. The Company did not make the annual concession payments for fiscal 2016 due in June 2017, and as a result no longer has an interest in the non-core concessions.

Outlook

Recent Activities and Highlights

Key developments in the three months ended June 30, 2017 (“Q2 2017”), and up to the date of this Quarterly update include:

- 1) Commencement of drilling on the Cotabambas Project on May 22, 2017, of a 14,000 m program in Cluster 1 on the Maria Jose targets (8,000 m planned of high-grade sulphide near surface); Breccia targets (2,000 m planned of oxide gold near surface); Petra-David target (2,000 m planned of oxide copper near surface), and the Buenavista-Puente targets (2,000 m planned of high-grade sulphides near surface). The drilling results released to the date of this Quarterly Update are located in the Cotabambas section; and
- 2) The addition of Augusto Baertl to the Board of Directors.

Cotabambas Project

Work Plans

The Company commenced a work program at the Cotabambas Project including 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 (see the Company’s news release dated May 22, 2017, available on SEDAR and the Company’s website);
- Step-out drilling to expand the oxide gold resource and assessment of the potential to incorporate a gold and silver heap leach process into the project plan;
- Exploration drilling at the Maria Jose and Buenavista-Puente targets 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.

Highlights of the drill program completed to the date of this Quarterly Update are as follows:

- Drillhole CB-157, the first hole completed at the Maria Jose zone, intersected 195.2 m of primary copper mineralization grading 0.34 % Cu, 0.06 g/t Au and 1.6 g/t Ag.
- Drillhole CB-158 at the Breccia zone, intersected 4.3 m of iron oxides grading 0.9 g/t Au, 1.1 g/t Ag and 0.01 % Cu.

The drill program commenced with the mobilization of the first drill rig at the end of May 2017 at the Breccia zone and a second rig at the Maria Jose zone. The drill core was logged and sampled on site and samples were prepared and analyzed at ALS Chemex Laboratories in Lima.

Maria Jose Zone

The Maria Jose target is located between 1.0 and 2.5 km to the north of the proposed North Pit as defined by the September 22, 2015 Preliminary Economic Assessment. Hole CB-157 tested the MJ-2 target, one of two prospects associated with a strong chargeability anomaly within the

Maria Jose zone and was completed to a total depth of 502.5 m. The following table details the more significant intersections. A location plan can be found at the company's website, www.panoro.com.

Drillhole	From (m)	To (m)	Metres	Cu (%)	Au g/t	Ag g/t	Mo%	Zone
CB-157	18.8	128.5	109.7	0.15	0.02	0.8	0.0023	Mixed
" "	200.9	272.8	71.9	0.17	0.01	1.0	0.0032	Primary
" "	272.8	467.9	195.2	0.34	0.06	1.6	0.0014	Primary
Including	336.0	356.0	20.0	0.51	0.07	2.4	0.0021	Primary
Including	423.3	444.4	21.2	0.42	0.07	1.8	0.0018	Primary

The hole commenced within an andesite volcanic package from surface to 200.0 m with supergene, propylitic alteration and variable primary copper mineralization, including 109.7 m of mix mineralization with grades of 0.15% Cu, 0.02 g/t Au and 0.8 g/t Ag.

From 200.9 m to 272.8 m, the hole intersected potassically altered quartz monzonite with primary chalcopyrite mineralization grading 0.17 % Cu, 0.01 g/t Au and 1.0 g/t Ag, before re-entering the andesitic volcanics. A more strongly mineralized, silicified and potassically altered interval with disseminations and veinlets of chalcopyrite which straddles this contact graded 0.34 % Cu, 0.06 g/t Au and 1.6 g/t Ag over 195.2 metres from 272.0 m to 467.9 m

Drilling has shown that the extensive chargeability anomaly associated with the Maria Jose zone is associated with varying levels of disseminated pyrite and significant levels of chalcopyrite. Additional drilling continues to test this anomaly.

Breccia Zone

The Breccia Target is located adjacent to the north side of the proposed North Pit and is defined by a number of rock samples with anomalous levels of gold distributed over an area of 1.0 km x 1.4 km along with argillic alteration. Approximately 2,000 m of exploration drilling is planned for the zone, of which four shallow drill holes have been completed to date for a total of 558.1 m. The following table details the more significant intersections.

Drillhole	From (m)	To (m)	Metres	Cu (%)	Au g/t	Ag g/t	Zone
CB-154	2.1	4.5	2.4	0.26	2.6	0.04	Iron Oxides
" "	6.1	8.1	2.0	0.75	3.4	0.02	Iron Oxides
" "	24.1	33.8	9.7	0.12	0.7	0.01	Iron Oxides
" "	39.0	44.6	5.6	0.15	2.0	0.02	Iron Oxides
" "	60.0	64.0	4.0	0.13	1.1	0.01	Iron Oxides
" "	70.3	82.4	12.2	0.18	2.0	0.02	Iron Oxides
<i>Including</i>	78.6	82.4	3.8	0.34	5.1	0.05	" "
CB-155	77.6	83.0	5.5	0.18	0.6	0.01	Iron Oxides
<i>Including</i>	81.6	83.0	1.5	0.27	1.0	0.00	" "
" "	102.1	104.2	2.2	0.41	18.4	0.02	Iron Oxides
<i>Including</i>	103.3	104.2	0.9	0.85	39.6	0.03	" "
CB-156	25.0	28.3	3.3	0.14	0.9	0.03	Iron Oxides
" "	77.3	81.8	4.5	0.11	1.4	0.01	" "
CB-158	18.7	23.0	4.3	0.90	1.1	0.01	Iron Oxides
<i>Including</i>	19.7	22.1	2.4	1.52	0.8	0.01	" "

All four holes intersected shallow intervals of supergene iron oxide mineralization and silica veinlets within the dacitic porphyry intruding the dioritic host rocks, below which no primary copper mineralization was found. Each contained a number of narrow gold-mineralized intervals with low to moderate grades, demonstrating the extension of oxide gold mineralization north from the known zone at the north margin of the Ccalla zone. Additional drilling will continue to test the Breccia zone.

Exploration Program

The Maria Jose Target is located 2 km to the northeast of the proposed North Pit along the local northeast to southwest geologic structure and covers an area of 1.2 km by 280m. The target is formed by pervasive supergene argillization in the surface and copper sulphides outcroppings hosted in andesite volcanic rocks intruded by porphyries related to the mineralization. The drilling program includes 8,000 m of exploration drilling in this zone. The zone has the potential to add additional higher grade sulphides to the proposed concentrator plant mill feed.

A second drillhole, CB-161, has been completed in the Maria Jose zone. It is collared approximately 140 m to the southwest of CB-157 and has intersected primary and secondary mineralization beginning from shallow depths. Assay results are pending and will be announced when batches are received and summarized. Currently, two drill rigs are operating at the MJ-2 target and will step out toward the MJ-1 target.

Petra-David Target

The Petra-David Target is located to the west side of the proposed North Pit over an area of 900 m by 200 m. The target is formed by mixed and oxide copper mineralization hosted in porphyry outcroppings and 2,000 m of exploration drilling is planned for the zone. The zone has the potential to contain near surface oxide copper mineralization for the potential addition of a low cost heap leach and SX/EW component to the project.

Buenavista-Puente Target

The Buenavista-Puente Target is located 2 km to the northwest of the proposed North Pit and covers an area of 800 m by 300 m. The target is formed by porphyry and skarn type mineralization having an east-west structural control that may connect with the Maria Jose target. The drilling program includes 2,000 m of exploration drilling in this zone. The zone has the potential to add additional higher grade sulphides to the proposed concentrator plant mill feed.

The drill targets are all near surface zones of mineralization identified through the Company's exploration work in late 2016 to the commencement of drilling in 2017.

Metallurgy

Metallurgical testing is planned to test the potential to improve recoveries and is planned for later in 2017 after drilling has been completed. 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 is 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 for 2018.

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.

Prior to commencing prefeasibility studies, the Company is investigating 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 analyzed that have been prepared by third-party technical service providers for a review of the Antilla PEA, including a possible heap leach scenario.

Results of Operations

Exploration

During fiscal 2017, the Company has expended \$2,222,097 on exploration and evaluation expenditures, of which \$212,255 has been on Antilla, \$1,673,613 on Cotabambas and \$336,229

on the Company's other projects. These expenditures are before refunds of value-added tax of \$106,226 for costs incurred in prior periods, which are offset against the specific concessions. A total of \$300,924 has been accrued for recording and concession fees, and is included in the exploration costs.

Exploration and evaluation expenditures were largely made up of salaries and wages of site-based staff and casual labour and other capitalized costs. Drilling commenced in early May of 2017 at Cotabambas, after geophysical surveys, mapping, sampling and trenching programs.

Expenses

The Company's loss in fiscal 2017 of \$1,504,204 (\$0.01 per common share) compares to a loss of \$869,330 (\$0.00 per common share) in fiscal 2016. In the three months ended June 30, 2017 ("Q2 2017"), a loss of \$682,606 was incurred compared to a loss of \$536,360 in the three months ended June 30, 2016 ("Q2 2016").

Overall, the increase in the Company's expenditures reflects the increase in exploration and evaluation expenditures incurred on the properties and the increased costs of administration as additional staff is needed to administer the expansion of exploration activities. Additional investor relations activities have been undertaken to inform investors of the exploration undertaken in advance of the planned drilling program.

Areas of increased administration costs include the following:

- Salaries and benefits in fiscal 2017 increased from \$282,999 in fiscal 2016 to \$502,009 in fiscal 2017. Employees are full-time in fiscal 2017, whereas all employees had been reduced to part-time in fiscal 2016. Additional exploration staff were hired commencing in September 2016. Salaries and benefits of \$245,000 in Q2 2017 compare to \$144,054 in Q2 2016. All employees went to full time status in the second half of fiscal 2016, and salaries reflect this.
- Rent and insurance costs are expected to remain at the same levels as fiscal 2016 and no increase is expected for the balance of fiscal 2017. Quarterly costs are comparable.
- Travel and investor relations costs increased from \$16,459 and \$7,797, respectively, in fiscal 2016 to \$78,368 and \$139,833 in fiscal 2017. Comparative Q2 costs increased from \$7,369 in Q2 2016 to \$54,689 in Q2 2017 for travel and \$4,894 in Q2 2016 to \$85,617 in Q2 2017 for investor relations costs. The increase in the two cost categories reflect increased marketing and shareholder communications' activity commencing in the second half of fiscal 2016, and continuing in fiscal 2017. Investor relations costs and related travel (including travel to Peru) are expected to continue to be higher in fiscal 2017 as the Company's exploration continues and to convey results to the Company's stakeholders. The Company 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. This contract has been extended on a month to month basis. These costs are reflected in fiscal 2017, with no comparative expense in fiscal 2016.
- Engineering consulting costs of \$83,687 related to a project evaluation were incurred, but the project was determined to not meet the interests of the Company.

Interest revenue has increased from \$199 in fiscal 2016 to \$10,827, due to interest earned on cash held in Guaranteed Investment Certificates until it is needed for operations. The Company had no Guaranteed Investment Certificates in the same period in fiscal 2016.

Areas where administration costs have decreased include:

- Legal fees decreased from \$195,677 in fiscal 2016 to \$92,054 in fiscal 2017, due to a reduction in costs related to the Agreement, which were primarily incurred in the year ended December 31, 2016. Q2 2016 of \$78,781 compare to Q2 2017 costs of \$33,382, reflecting the decrease. The restructuring should be completed by the end of 2017.
- The Company incurred financial consulting fees of \$60,210 in fiscal 2017. This fee is paid to Macquarie Capital Markets Canada Ltd (“Macquarie”), and relates to the scheduled payment of US\$750,000 received in March 2017. Macquarie will receive a 6% commission on all payments received up to US\$14.0 million, and has received fees of 6% on the US\$4.75 million pursuant to the Agreement as at the date of this quarterly update.
- An exchange loss in fiscal 2017 of \$80,799, due to the decrease in the value of the Canadian dollar against the US dollar since the end of December 2016, compared to a gain of \$68,114 in fiscal 2016. A gain of \$38,978 was recorded in Q2 2017, compared to a gain of \$11,689 in Q2 2016.

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 proceeds of \$1,002,000 (US\$750,000) from the agreement with Wheaton Precious Metals International Ltd., former Silver Wheaton (Caymans) Ltd. (the “Agreement”) in March 2017, and it is anticipated that a scheduled payment of US\$750,000 will be received in September 2017

The Company has no operating revenue and incurred a loss of \$1,504,204 for fiscal 2017 (fiscal 2016 – \$869,830). As of June 30, 2017, the Company has an accumulated deficit of \$33,518,915 (December 31, 2016 – \$32,014,711), and has working capital of \$379,195 (December 31, 2016 – working capital of \$3,989,239). The liabilities under the Agreement, valued at June 30, 2017, at \$3,568,675, affect the Company’s current working capital. This amount is recorded as a current liability and will be required to be repaid if the Company does not meet the terms of the Agreement.

Based on its financial position at June 30, 2017, the Company believes that it has sufficient funds to meet budgeted exploration and operational expenditures over the ensuing twelve-month period, after completion of the current exploration program.

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:

	2017	2018	2019	2020	2021	Total
Office lease (Vancouver)	\$ 31,657	\$ 64,897	\$ 68,061	\$ 69,644	\$ 34,822	\$ 269,061
Office lease (Peru)	\$ 44,339	\$ 90,229	\$ 92,936	\$ 39,199	\$ -	\$ 266,703
Warehouses (5)	\$ 30,002	\$ 15,828	\$ 9,233	\$ -	\$ -	\$ 55,064
Accounts payable and accrued liabilities	\$2,044,873	\$ -	\$ -	\$ -	\$ -	\$2,044,873
Community agreement, other commitments	\$ 136,370	\$ 89,678	\$ -	\$ -	\$ -	\$ 226,048

Key Management Personnel

During the six months ended June 30, 2017 and 2016, there were no transactions between directors and officers and/or companies controlled by directors or officers in common with the Company, other than as noted below. At June 30, 2017, there was \$1,308 (2016: \$Nil) receivable from an officer and director of the Company for an expense advance. Subsequent to June 30, 2017, this advance was offset by expenses incurred. The Company purchased exploration supplies for a total of US\$10,018 before value-added tax from a private company controlled by a director of a subsidiary of the Company.

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.