PANORO MINERALS LTD.

Management's Discussion and Analysis

As at and for the three and six month periods
Ended June 30, 2022 and 2021

August 26, 2022

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, 2022 ("Q2 2022") and June 30, 2021("Q2 2021"), and the Company's audited financial statements as at and for the year ended December 31, 2021 ("fiscal 2021"), as filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") website. This report has been dated and approved by the Board of Directors as at August 26, 2022.

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), ("POROF" on the OTCQB in the United States) 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 for the years ended December 31, 2021 and 2020, the 2021 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 and recorded under IFRS unless otherwise specifically indicated. There are also references in this MD&A to Perúvian Nuevo Soles ("S/.") and United States dollars ("US").

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 Precious Metals International Ltd. ("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; and
- Copper concentrate grades 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:

- risks relating to metal price fluctuations;
- risks relating to estimates of mineral resources, production, capital and operating costs, decommissioning or reclamation expenses, proving to be inaccurate;
- 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 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 mineral resource estimates being based on interpretations and assumptions which may result in less mineral production under actual circumstances;
- risks relating to Panoro's operations being subject to environmental and remediation requirements, which may increase the cost of doing business and restrict Panoro's operations;
- 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 the fact that Panoro's properties are not yet in commercial production;
- 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 is a uniquely positioned Peru-focused copper development company. The Company is advancing its flagship Cotabambas Copper-Gold-Silver Project (the "Cotabambas Project") located in the strategically important area of southern Peru.

The Company's objective is to complete a Prefeasibility study in 2023 with work programs that commenced in Q1 2022.

Cotabambas Project

A Preliminary Economic Assessment ("PEA") at the Cotabambas Project was completed in 2016. Subsequent exploration and stepout drilling from 2017 to 2019 identified potential for both oxide and sulphide resource growth within Clusters 1 and 2.

At the Cotabambas Project, the Company will first focus on delineating resource growth potential in Cluster 1 and optimizing metallurgical recoveries. These objectives are expected to further enhance the project economics as part of the prefeasibility studies during 2022 and 2023.

In the first quarter of 2022 Panoro commenced work to support the prefeasibility study for the Cotabambas Project. The work began with step-out and infill drilling programs which also included technical and environmental studies. The work programs will continue to the end of 2022 with additional drilling contemplated in 2023. Additionally in 2022, technical studies including an update to geologic modelling, geo-metallurgical modelling, metallurgical testing, geotechnical and hydrogeological studies have begun. The Company intends to complete an updated resource study as a part of the planned prefeasibility study.

The infill drilling program goal is to upgrade 100% of inferred category resource included in the PEA mine plan to the indicated category. The infill drilling will include an estimated 44 drillholes for a total estimated 12,192 meters at the proposed North and South Pits. The current mineral resources included in the mine plan of the PEA includes 127.3 million tonnes at Indicated category and 355.8 million tonnes at Inferred category.

Step-out drilling of approximately 4,778 meters will target the growth of both the copper oxide and high grade sulphide resource for inclusion into the mine plan for the pre-feasibility study. The program will be distributed between 22 drill holes located in close proximity to the North and South Pits as well as over the exploration targets of Maria Jose 1, Maria Jose 2, Petra and David, previously drilled in 2017 and 2018.

Both the infill and step out drilling programs are constrained within Cluster 1 where various targets of copper and gold mineralization are characterized by quartz monzonite porphyry centers intruding diorite and volcanic host rocks. The proposed exploration work is within the already approved exploration area of the Cotabambas Project. The permits allow for drilling from up to 500 drilling platforms.

In addition to the pre-feasibility drilling program Panoro is scoping the engineering, environmental and social studies to support the pre-feasibility work program. Metallurgical, tailings trade off, heap leach pad and SX/EW plant location and open pit geotechnical studies will be completed in 2022 in support of the pre-feasibility study planned for completion in 2023.

Metallurgical testing will focus on three key objectives:

1. Improve flotation recoveries from the transition material in the PEA mine plan. Low recoveries in the PEA were a result of a lack of sampling and testing,
2. Optimize flotation recoveries with additional testing, and
3. Evaluate and design alternatives to treat the copper oxides to recover both copper and precious metals.

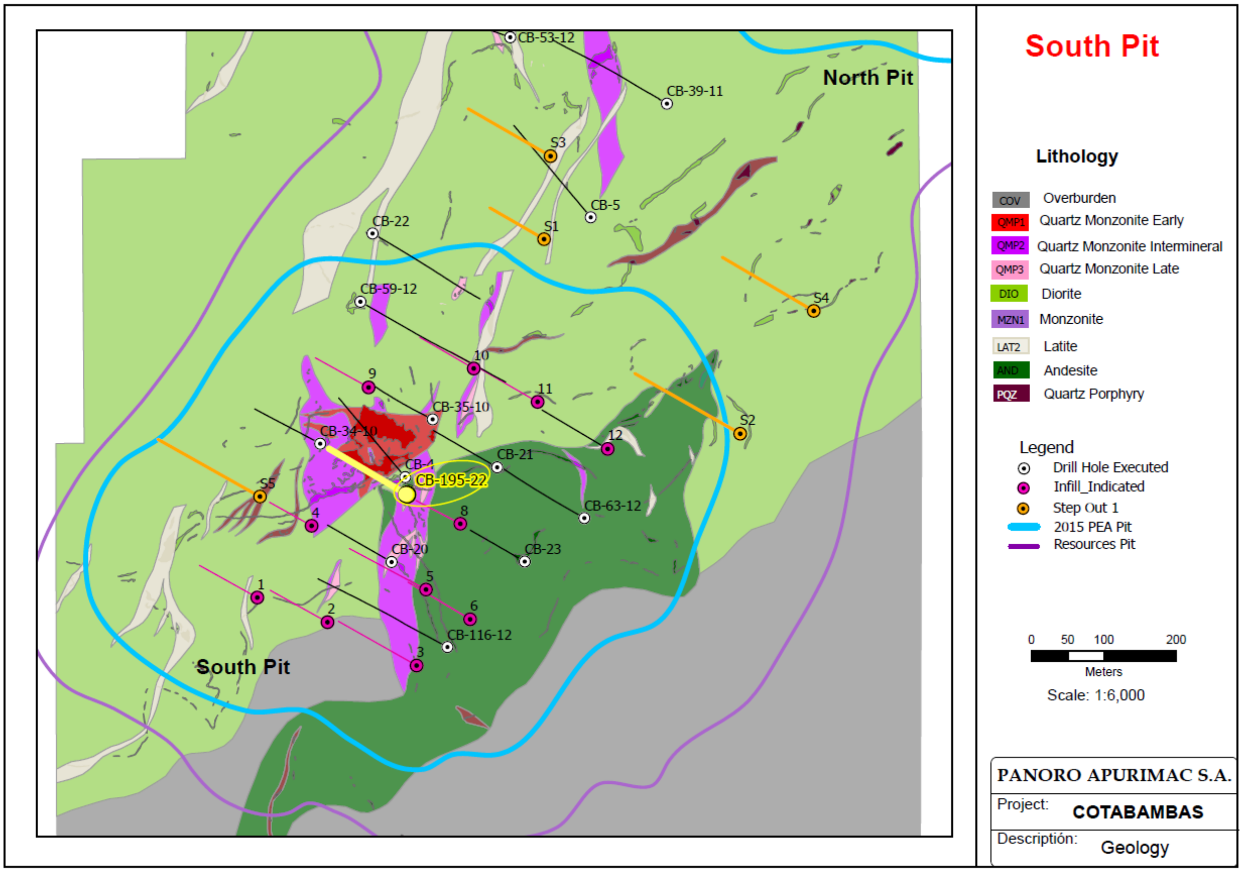
On June 7, 2022, the Company announced results for Drillhole CB-195, the first hole completed of the 2022 program, intersected 195.8m averaging 0.55% Cu, 0.52 Au g/t, 2.88 Ag g/t (0.92% Cueq), including a profile of copper oxides, mixed and hypogene zones. The primary copper sulfides in the hypogene zone include 45.7m grading 0.95% Cu, 0.78 g/t Au and 4.35 g/t Au (1.51% Cueq) into a porphyry stock of quartz monzonite composition.

The South Pit target is located between 400m to 1200m to the south of the proposed North Pit as defined by the September 22, 2015, Preliminary Economic Assessment. The Hole CB-195 tested the mineralized area located between previous Drillholes CB-23 and CB-34, (see below Diagram: "South Pit – Hole CB-195") and was completed to a total depth of 240.2m. The following table details the more significant intersections.

Drillhole	From (m)	To (m)	Metres	Cu (%)	Au g/t	Ag g/t	Cueq[1] (%)	Zone
CB-195	35.0	230.8	195.8	0.55	0.52	2.88	0.92	
" "	35.0	75.5	40.5	0.40	0.37	2.77	0.67	Oxide
" "	75.5	95.0	19.5	1.01	1.15	5.18	1.83	Mixed
" "	95.0	230.8	135.8	0.53	0.48	2.59	0.88	Primary
Include	95.0	140.7	45.7	0.95	0.78	4.35	1.51	Primary

1. *Cu equivalent grade estimated at spot prices of Au=USD 1842/oz, Ag=USD 22.10/oz and Cu=USD 4.37/lb*

Diagram: South Pit – Hole CB-195



On June 21, 2022, the Company announced results for the step out Hole CB-196 is successful in expanding the footprint of the high-grade mineralization and provides further evidence to the company's theory that the newly identified high grade zone is open to the northeast of the South Pit. This second hole included intersections of two intervals of primary copper sulfides of 57.9m grading 0.43% Cu, 0.43 g/t Au, 2.58 g/t Ag (0.74% Cueq) and 23.2m averaging 0.60% Cu, 0.49 g/t Au, 3.41 g/t Ag (0.96%Cueq) within 148.6m averaging 0.36% Cu, 0.34 g/t Au and 2.51 g/t Ag (0.61 % Cueq). Assay results from CB-196 included intersections of up to 2.30% Cu, 1.29 g/t Au and 8.60 g/t Ag where the high grades of Cu and Au/Ag are positively correlated occurring in the same mineralized zones.

The purpose of CB-196 was to confirm continuity of the high grade intersected in drillhole CB-195, but outside the northeast limit of the South Pit. This new area was explored in 2012 with exploratory hole CB-59, drilled from west to east without significant results, but with some evidence of potassic alteration in the diorite host rock. Hole CB-196 was drilled in the opposite direction over the hanging wall of Hole CB-59 (see below Diagram: “South Pit, Section 3W”), intersecting the intervals listed in the table below. See below Diagram: “South Pit – Hole CB-196” for the location of this hole

Drillhole	From (m)	To (m)	Metres	Cu (%)	Au g/t	Ag g/t	Cueq[1] (%)	Zone
CB-196	164.8	348.4	148.6	0.36	0.34	2.51	0.61	
including	164.8	222.7	57.9	0.43	0.43	2.58	0.74	Primary
“ ”	194.2	214.7	20.5	0.65	0.73	3.91	1.18	Primary
“ ”	257.7	348.4	90.7	0.31	0.28	2.46	0.52	Primary
including	257.7	280.8	23.2	0.60	0.49	3.41	0.96	Primary

1. Cu equivalent grade estimated at spot prices of Au=USD 1842/oz, Ag=USD 22.10/oz and Cu=USD 4.37/lb

Diagram: South Pit, Section 3W

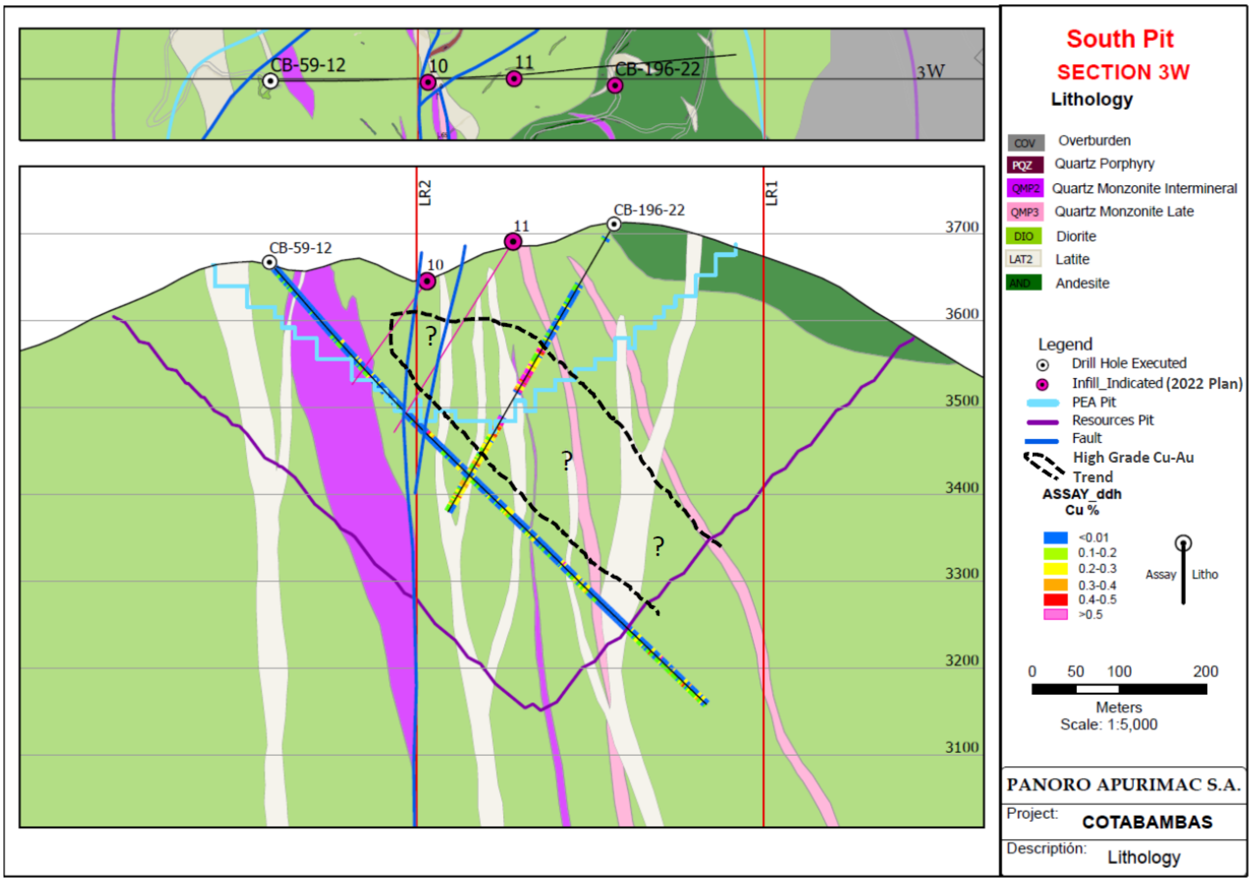
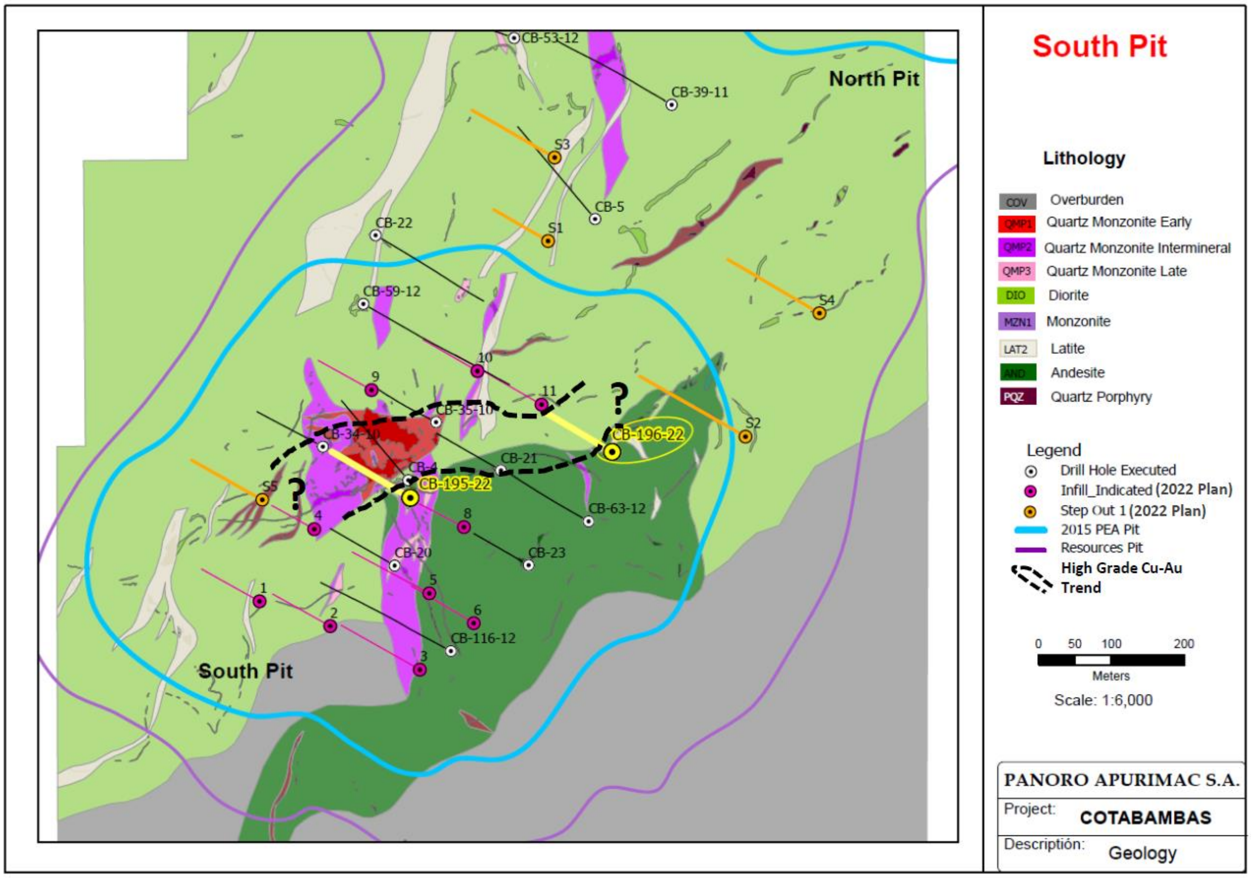


Diagram: South Pit – Hole CB-196



The results of hole CB-196 indicate the potential for the extension of the high-grade zone beyond the northeast limits of the current resource model at the South Pit. Additional drilling will test the extension of the high-grade zone to upgrade the confidence to indicated category with infill holes at platforms 10 and 11

Financial:

On December 3, 2021, the Company sold 75% of the shares of Antilla Copper, S.A. ("Antilla"). The Company received $10.0 million in December 2021, with a payment of $2.8 million to be received at the earlier of the purchaser going public on a stock exchange or October 2022, ten months from the closing of the transaction. This is recorded in the Company's accounts receivable as at June 30, 2022 and December 31, 2021.

During the six months ended June 30, 2022, the fourteenth payment of $937,200 (US$750,000) was received from Wheaton Precious Metals International Ltd. ("Wheaton Metals"), pursuant to the Precious Metals Purchase Agreement ("PMPA"), bringing the total received under the Early Deposit to US$12.25 million. An additional US$1.75 million is payable by Wheaton Metals to the Company in semi-annual payments to fiscal 2023, if the Company continues to meet the terms of the PMPA.

During the six months ended June 30, 2022, the Company received a payment of $1,899,900 (US$1.5 million) a year in advance from Hudbay Minerals Ltd. as per its agreement for the sale of the Kusiorcco project. This payment is related to holes 1, 5 and 10, which have not yet been drilled.

The Company has completed agreements with various copper mining companies focused on exploring the Andahualas-Yauri copper belt in southern Peru. These agreements include the sharing of some of Panoro's regional exploration data in this prolific copper belt.

As of June 30, 2022, the Company has approximately $10.0 million in cash. Forecasted cash inflow for the remainder of 2022 is estimated to be approximately $3.8 million, including the fifteenth scheduled payment from Wheaton Metals and the receivable relating to the sale of Antilla.

The Company has budgeted investment into the Cotabambas project in 2022 of approximately $6.5 million, forecasting a cash position at the end of 2022 of approximately $6.9 million.

Results of Operations

The Company's income during the six months ended June 30, 2022 of $262,594 ($0.00 per common share) compares to a loss in the same period in 2021 of $4,510,157 ($0.02 per common share). The discussion below is based on a comparison of the six months ended June 30, 2022 and June 30, 2021.

Exploration
During the six months ended June 30, 2022, the Company expended $1,435,421 on exploration and evaluation expenditures of which $1,340,444 was spent on Cotabambas and $94,977 on the Company's other projects.

Exploration and evaluation expenditures are largely made up of salaries and wages of site-based staff, geology, community relations and casual labour and other capitalized costs.

Expenses
Areas of significant changes in administration costs for the six months ended June 30, 2022 compared to the six months ended June 30, 2021 include the following:

- consulting fees for the six months ended June 30, 2022 were $114,168 compared to $11,178 for the same period in 2021, an increase of $102,990. The increased fees in 2022 include additional financial consulting services and fees related to the Wheaton Metal PMPA not incurred in 2021.
- corporate development, conference, travel and shareholder relations expenses for the six months ended June 30, 2022 were $209,176 compared to $59,762 for the same period in 2021, an increase of $149,414. In 2022, the Company continues to transition to in-person meetings and conferences and more corporate travel. In 2021, expenses incurred were primarily for webinars and online meetings. There was no corporate travel in 2021 due to COVID-19.
- Salaries and benefits expense for the six months ended June 30, 2022 was $555,946 compared to $343,848 for the same period in 2021, an increase of $212,098. In 2022, the

Company has added more personnel to support the prefeasibility study work for the Cotabambas Project;
- Interest income for the six months ended June 30, 2022 was $5,314 compared to interest income of $77,383 for the six months ended June 30, 2021 due to the accretion of interest associated with an agreement of sale of the Cochasayhuas Gold Project to Mintania S.A.C. ("Mintania") in 2020. In November 2021, Mintania advised that they were unable to make payments due and returned the project to the Company. As at December 31, 2021, the Company wrote-off all amounts receivable from Mintania including interest accreted in 2021;
- The Company recorded other income of $188,381 for the six months ended June 30, 2022 (2021 - $nil) for services rendered to Heeney Capital Acquisition Company ("HCAC"), the company that acquired 75% of Antilla Copper, S.A. ("Antilla") from the Company. Panoro continues to provide services in support HCAC in Antilla's operations;
- For the six months ended June 30, 2022, the Company recorded a gain of $1,899,900 (2021 - $nil) from the sale of Kusiorcco and recorded a loss of $nil (2021- $4,104,432) for the six months ended June 30. 2022 from the write-off of the certain mineral properties; and
- The Company incurred a foreign exchange gain of $115,699 for the six months ended June 30, 2022 compared to a foreign exchange loss of $79,576 for the same period in 2021. The largest impact in 2022 compared to 2021 was the change in fair value of the PMPA financial liability. In 2022 the fair value of the PMPA financial liability decreased by $268,450 compared to in increase of $355,775 in the fair value of the PMPA liability in 2021 mostly due to the change in the US dollar vis-à-vis the Canadian dollar and corresponding exchange rates in the two comparative periods.

As at June 30, 2022 and December 31, 2021, the Company had seven directors. Directors' fees also include fees paid to a director of a subsidiary of the Company.

Effective April 1, 2022, the Company leased an office in Lima, Peru. For the past two years, employees were working from home, or in the field. A previous Lima office lease expired at the end of April 2020, shortly after COVID-19 was declared a pandemic.

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 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 has a number of agreements in place which will provide liquidity into the foreseeable future, including the Company's PMPA with Wheaton Metals, whereby the Company has received proceeds of US$12.25 million to the date of this MD&A. An additional US$2.25 million is payable by Wheaton Metals to the Company in semi-annual payments until fiscal 2023.

As at June 30, 2022, the Company has an accumulated deficit of $51,323,757 (December 31, 2021 – $51,586,351) and a working capital deficiency of $763,160 (December 31, 2021 – working capital of $144,338), being current assets of $13,185,227 (December 31, 2021 – $13,459,028) less current liabilities, of $13,948,387 (December 31, 2021 – $13,314,690). The Company's working capital deficiency as at June 30, 2022, includes the current portion of the Wheaton Precious Metals Purchase Agreement ("Wheaton PMPA") which is presented as a current liability under IFRS as it is restated to fair value by the conversion of the liability to Canadian dollars at the period end rate. If the Company includes the current portion of the PMPA of $13,208,150 ((December 31, 2021 – $12,044,100) as long-term, the working capital as at June 30, 2022, would be $12,444,990 (December 31, 2021 – $12,188,438).

Risks relating to the PMPA include the ability of the Company to maintain the working capital requirements of the PMPA. Wheaton Metals will have the option to terminate the PMPA either 90 days following delivery of a Feasibility Study or at any time upon giving the Company three months' notice, other than the first two payments totaling US$2.0 million. Wheaton Metals can elect to receive a portion of the early deposit either as cash or shares upon termination, with the Company having rights to defer cash payments under certain conditions for up to two years. If elects to terminate the PMPA, repayment with interest at 8% per annum, will be required, within two years of notice of termination. This includes a repayment of one-third of the net proceeds of any form of financing.

The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or achieve operating profitability and generate positive cash flows. The Company is in the business of exploring and developing mineral property interests, and as such, must continually seek sources of financing to further develop and explore its mineral exploration and evaluation assets and to support general and administrative expenses.

The Company will continue to seek additional financing through the sale of mineral property interests, debt financing, and equity financing, and optioning its other mineral property interests. However, it is not certain that such financing will be available. The Company may be adversely impacted by a lack of normal available financing, inability to maintain exploration and mining licenses, and continued uncertainty in the exchange and commodity markets.

If the Company is unable to obtain adequate financing for additional exploration, the Company may be required to continue to curtail operations, exploration, and development activities.

Based on its financial position as at June 30, 2022, the Company believes that it has sufficient funds to meet operational expenditures over the ensuing twelve-month period, providing that payments from Wheaton Metals continue as per the PMPA, and other scheduled payments are forthcoming. The Company will continue to review planned investment expenditures, primarily at the Cotabambas and Humamantata Projects, but also its overhead expenditures in order to meet changes in working capital estimates.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

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:

	2022	2023	2024	2025	2026	Total
Office lease (Vancouver)	$ 52,180	$ 105,467	$ 107,366	$ 109,264	$ 111,163	$ 485,440
Office lease (Perú)	$ 19,615	$ 40,211	$ 6,734	$ -	$ -	$ 66,560
Accrued vigencias	$ 276,984	$ -	$ -	$ -	$ -	$ 276,984
Accounts payable	$ 308,869	$ -	$ -	$ -	$ -	$ 308,869
Accrued liabilities	$ 66,332	$ -	$ -	$ -	$ -	$ 66,332
	$ 723,980	$ 145,678	$ 114,100	$ 109,264	$ 111,163	$ 1,204,185

Transactions with related parties

Employment contracts have been entered into with each of the President and Chief Executive Officer, the Vice-President Exploration, the Senior Vice-President, South America, the Vice-President, Operations and the Chief Financial Officer. Key management personnel compensation for the six months ended June 30, 2022, totalled $671,138 (2021 - $283,871).

As at June 30, 2022, included in accounts payable and accrued liabilities was $14,500 (December 31, 2021 – $15,708) in directors' fees payable, and $nil (December 31, 2021 – $11,711) payable to officers for expenses incurred on behalf of the Company.