PANORO MINERALS LTD.

Management's Discussion and Analysis

As at and for the Year Ended
December 31, 2022

May 1, 2023

Background & Date

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Company's audited consolidated financial statements as at and for the year ended December 31, 2022 ("Fiscal 2022"), 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 May 1, 2023.

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 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.

Outlook and Summary of Performance

The Company has completed a number of transactions in 2022 and Q1 2023 to position itself to advance the Cotabambas Project without the need to issue any of the Company's stock. On December 3, 2021, the Company completed the sale of 75% of the Antilla Project for $10.0 million in cash and $2.8 million receivable (the "Second Payment") which was due to be paid in October 2022.

Subsequent to December 31, 2022, the Company agreed to amend the Antilla Copper sale agreement with Calisto Cobre Resources Corp. (formerly Heeney Capital Acquisition Company, "HCAC") ("Calisto") in which both parties agreed to the following terms:

1) defer the Second Payment to the earlier of (i) a date within 30 days of an Initial Public Offering ("IPO") of Calisto on an internationally recognized stock exchange and (ii) March 31, 2024; and
2) Calisto to make an immediate payment of $300,000 and pay interest on any outstanding amounts at a rate of 6.7% to be accrued and payable at the earlier of the Second Payment date or March 31, 2024.

Calisto will also have the right to prepay the Second Payment at any time prior to an IPO, without penalty, together with any accrued and unpaid interest up to the prepayment date, provided, however if such prepayment occurs on or prior to June 15, 2023, the interest payable on the prepayment date shall be capped at $92,000.

In the event of failure by Calisto to make the Second Payment by March 31, 2024, Calisto shall immediately transfer to Panoro such number of shares of Antilla Copper comprising 17.3%of the issued and outstanding shares of Antilla Copper to be adjusted as necessary to result in Panoro's post-transfer interest in Antilla Copper to be its interest in Antilla Copper less any dilution as at October 6, 2022, the original due date of the Second Payment.

An additional 15% of the Company's ownership of the Antilla Project may be sold for $7.0 million contingent upon obtaining drilling permits and community land use agreements or a pre-feasibility or feasibility study being completed. The agreement also includes a further contingent payment of up to $50.0 million, dependent upon the net present value of the Antilla Project upon completion of a feasibility study. The Company also retains a 2% net smelter returns ("NSR") royalty. The proceeds from the transaction are estimated to be sufficient to complete the feasibility study for the Cotabambas Project.

In addition to the funding from the sale of the Antilla Project, the Company received $474,522 (US$350,000) in late 2022 in return for sharing certain of the Company's regional exploration database with certain other mining companies focusing on the south of Peru for copper exploration. Further, in the first quarter of 2022, Hudbay Minerals Ltd., also made early payment of the outstanding $1,904,134 (US$1,500,000) milestone payments for the previous sale of the Kusiorcco Project.

In 2022 and March 2023, Panoro received three scheduled payments from Wheaton Precious Metals from the previously completed Precious Metals Purchase Agreement. The principal use of these proceeds and any future proceeds from the agreements will be to advance the Cotabambas Project to first a prefeasibility study, which would be followed by a feasibility study and permitting.

Panoro Minerals has commenced the prefeasibility related works for the Cotabambas Project. The Company is currently reviewing proposals from consultants for engineering and permitting works for the many components of the project. The drilling contract to commence the prefeasibility study drill program has been signed, and the contractor has mobilized to site with drilling to commence shortly.

The political environment in Peru has remained turbulent since the elections in 2021. A number of changes to the cabinet together with the impeachment of the President have made it difficult for the government to advance a focused and disciplined agenda. The lack of such agenda by the government, together with high commodity prices, has turned the attention of local and regional entities towards the mining sector in Peru, seeking increased benefits from the development of mining projects. Although this social/political environment has prevailed regularly in Peru for more than three decades, investor confidence has been eroded for Peru.

Highlights

• In April 2022, the Company commenced infill and step out drilling at the Cotabambas Project in preparation for the commencement of a pre-feasibility study.

• On December 3, 2021, the Company sold 75% of its shares of Antilla Copper, S.A., the Company that holds the Antilla Project, for $12.8 million. The Company received $10.0 million in December 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.

• Subsequent to December 31, 2022, the Company agreed to amend the Antilla Copper sale agreement with Calisto in which both parties agreed to the following terms:

1) defer the Second Payment to the earlier of (i) a date within 30 days of an Initial Public Offering ("IPO") of Calisto on an internationally recognized stock exchange and (ii) March 31, 2024; and
2) Calisto to make an immediate payment of $300,000 and pay interest on any outstanding amounts at a rate of 6.7% to be accrued and payable at the earlier of the Second Payment date or March 31, 2024.

• Receipt of the two semi-annual payments of US$750,000 for a total of $1,965,225 (2021 - $1,895,100), from Wheaton Metals, pursuant to a Precious Metals Purchase Agreement ("PMPA"). Subsequent to December 31, 2022, the Company received the sixteenth payment under the PMPA of $1,019,000 (US$750,000), bringing the total received to $18,088,175 (US$13,750,000). An additional US$0.25 million is payable by Wheaton Metals to the Company in late 2023. The Company continues to meet the terms of the PMPA.

• A milestone payment of US$0.5 million ($664,650) from a subsidiary of Hudbay pursuant to the first milestone in the agreement on the disposition of the Kusiorcco Property was received in fiscal 2019. The payment was received on the execution of agreements with local communities and surface title holders necessary for Hudbay to carry out a drill program on the property. Three further milestone payments of US$500,000 each, for a total of US$1.5 million, were to be received from Hudbay after the completion of the first, fifth and tenth drill holes on the Kusiorcco Property, which have not yet been drilled. In January 2022, the Company received the payment from

Hudbay for the three milestone payments of $1,901,134 (US$1,500,000), one year earlier than the deadline, although no holes have been drilled.

• Exploration on the Humamantata project has been placed on temporary hold as the Company is currently advancing exploration at its Cotabambas project. Panoro is pursuing several initiatives related to the Humamantata Project to identify strategic financing arrangements for advancement of the project.

• 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. The agreements together result in payments to the Company of a total of $474,522 (US$350,000) with proceeds received in December 2022.

Panoro holds a portfolio of several mineral properties in the south of Perú, of which the Cotabambas project is at a more advanced stage of exploration and has been the focus of the Company's exploration plan in recent years.

The Company has progressed in the completion of strategic partnerships with key mineral industry corporations to advance its portfolio of projects through difficult current financial and commodity markets.

Cotabambas Project

The Company's main objective is to complete a Prefeasibility study in 2023 at its Cotabambas Project with work programs that commenced in 2022.

A Preliminary Economic Assessment ("PEA") at the Cotabambas Project was completed in in September 2015. Subsequent exploration and stepout drilling from 2017 to 2019 and in 2022 identified potential for both oxide and sulphide resource growth.

At the Cotabambas Project, the Company is focused on advancing the project's prefeasibility study ("PFS"). The PFS requires an upgrade of the Inferred Resources to Indicated category and the infill drill program to achieve this target commenced in April of 2022. In addition to an upgrade in the resource classification, the Company will focus on:

- Delineating resource growth potential;
- Delineating continuity of the higher-grade zones both within the current North and South Pit limits and along strike and between the two pits;
- Extending the EIAsd and social permits and relationships;
- Optimizing metallurgical recoveries from both the sulphide and oxide resources;
- Reducing wasterock production and mineral handling;
- Incorporating steeper pit wall slopes; and
- Optimizing the proposed tailings and wasterock storage facilities.

These objectives are expected to further enhance the project economics as part of the prefeasibility studies started in 2023 and planned for completion in 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 in the North and South PEA pits which also included technical and environmental studies. The work programs continued to the end of 2022 with additional drilling contemplated in 2023, including exploration in the Guaclle Skarn. Additionally in November 2022, started technical studies including an update to geologic modelling, geo-metallurgical modelling, metallurgical testing, geotechnical and hydrogeological studies started. The Company intends to complete an updated resource study as a part of a new PEA update the planned prefeasibility study.

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, and open pit geotechnical studies started in November 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.

<u>2022 Drilling Program Highlights</u>

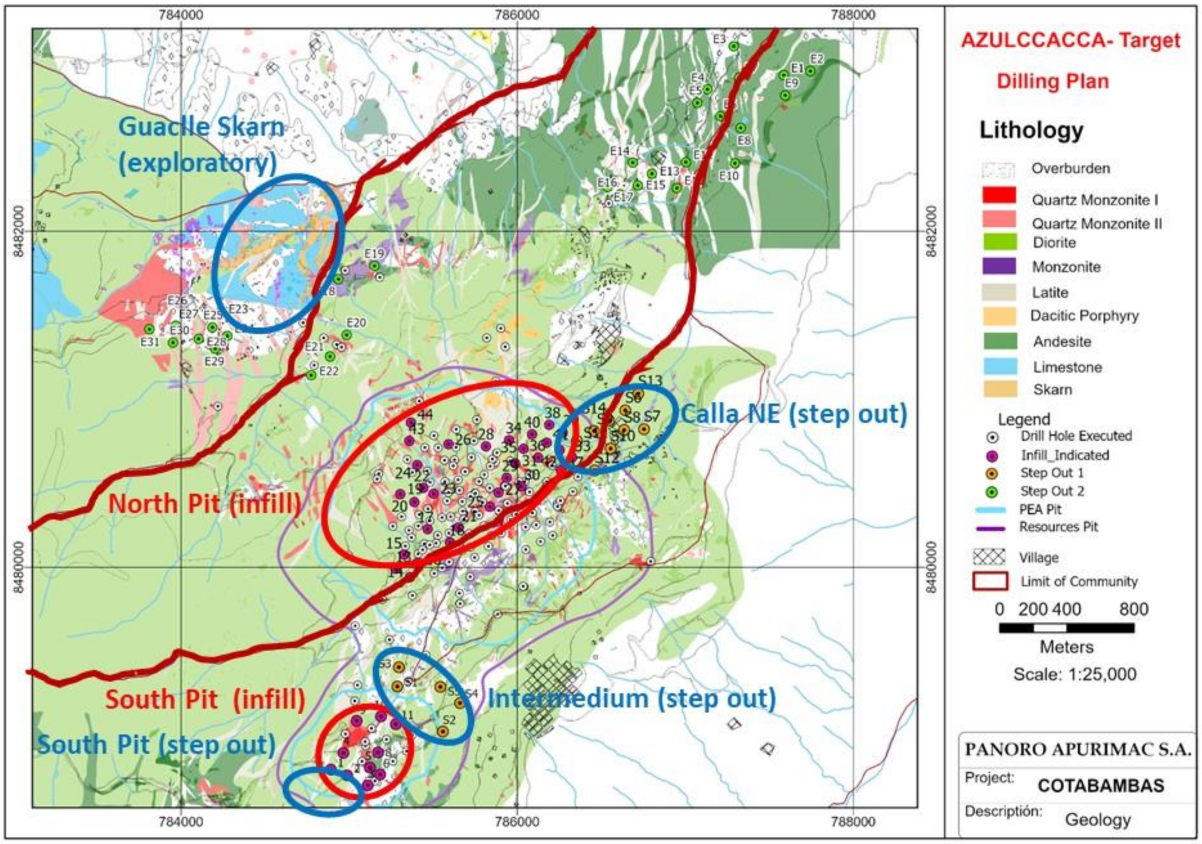
In the first quarter of 2022 Panoro commenced its 16,970 m drill program including infill, step-out and exploration drilling, the aim of which is to expand the total resource with emphasis on the high-grade component and upgrade the Inferred category resources to Indicated category at the Company's Cotabambas Cu/Au/Ag Project in southern Peru.

To date 26 drillholes for a total of 10,140 m have been completed representing 60% of the planned program. Drilling results are announced periodically as the assay results from the laboratory in Lima are received, analyzed and summarized.

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 the North and South extensions of the PEA pits and of the Guaclle Skarn target.

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.



	Type	Planned # Of Holes	Planned Meters	Actual to date # Of Holes	Actual to date Meters
1. South Pit	Infill	12	2,992	4	1,335.9
	Step-out	5	1,507	8	3,964.4
		17	4,499	12	5,300.3
2. North Pit	Infill	32	9,200	14	4,839.6
	Step-out	2	370	-	-
		34	9,572	14	4,839.6
3. Petra/David	Step-out	5	793	-	-
4. Maria Jose	Step-out	10	2,108	-	-
Total infill		44	12,192	18	6,175.5
Total step-out		22	4,778	8	3,964.4
TOTAL		**66**	**16,970**	**26**	**10,139.9**

EXPLORATION MODEL

In the North and South pits the high-grades of Cu-Au intersections are typically centered by the quartz-monzonite porphyry in contact with the diorite host rock and following the local structural controls striking north-northeast to north-south, over an area of approximately 3 km by 1.8 km. The mineralization in the North pit area is composed of a swarm of porphyry dikes typically when the porphyry stock is nearby or below, as shown by some drillholes along the cross sections. However, the mineralization in the South pit is composed by a most homogeneous porphyry stock near the surface with higher gold contents.

The drilling at the South Pit is confirming the geophysics signatures delineating the north and south extensions of the mineralization. A preferential plunge of the hypogene mineralization is observed and controlled by staggered gravitational faulting.

The Company continues with the infill drilling program in the North Pit and the step out drilling program in the South Pit, to incorporate new high grade mineral resources and upgrade inferred resources to indicated category. In parallel, the re-logging of drillholes and updates of the geologic modelling are progressing towards a more robust revision of the exploration model. The drilling campaign started in April 2022 and to date has accumulated over 10,140 m of a plan of the planned 16,970 m, distributed in 4,840 m in the North Pit and 5,300 m in the South Pit.

Finally, Panoro is preparing a group of platforms for start the exploration drilling in a Cu-Au Skarn target located near to North Pit, and community permits to prepare additional platforms in the south extension of South pit and the Northeast extension of the North pit.

Exploration at the South Pit

A porphyry stock of quartz monzonite composition (QMP2) is emplaced along a structural control in an almost North-South direction into the diorite host rock, and subsequent intrusions of narrow dikes of QMP3, quarciferous/dacite, monzonite and latite compositions. A second faulting system in North 60-80 East direction intersects the porphyry stock at its north extreme, where other porphyry stages intrude (the QMP1) and enrich the quartz veinlets stockwork and high Cu-Au metal concentration. Finally, a lithocap of andesite volcanic hides the previous lithologies and mineralization under the surface, following an overthrust faulting in a west direction.

The alteration model is centered by the potassic assemblage in the QMP1, expanding to the QMP2 and the diorite host rocks, following mainly the North 60-80 East structural direction. The SCC alteration assemblage is proximal to the potassic, with the phyllic and propylitic alterations appearing outwards of the porphyry stock center.

The drilling results confirm the existence of a high-grade mineralization zone (HGMZ) centered by the QMP1, extending along the N60-80E structural control, and dipping to the south-southeast. The hypogene sulfide in this body is intimately associated with multiphase stockworks and unidirectional arrays of millimetric and centimetric veinlets of A, B, and M types, in potassically altered rock of the QMP1 and adjacent diorite. The copper-gold mineralization in the HGMZ is dominantly contained in a steeply inclined, tabular zone of intense quartz veining, typically carrying >30 veinlets per meter. The HGMZ widths vary from 50 m to 260 m and averaging grades from 0.51 to 1.21 % Cueq. The ore body outcrops at surface along 150 m strike length and shows a vertical continuity to over 450m depth and open to depth, where its lateral footprint is increased to 450m along strike. Good potential exists to grow the lateral continuity to 750 m along strike.

The average copper:gold ratio, in term of contained metal value, in the South pit is 1:1 and reflects the higher gold content than in the North pit where this ratio is averaging 2.7:1. The silver:gold ratio in the South Pit is 6:1 while in the North pit this increases up to 14:1. The South pit is interpreted as an early and different mineral pulse of Cu-Ag mineralization rich in gold, as suggested by geochronology studies. The secondary biotite of the potassic alteration in the South pit porphyry reports an Ar-Ar age of 35.3+0.7 Ma, while in its pair of the North pit reports an Ar-Ar age of 35.9+0.4 Ma (R. Rivera 2011). Another study confirmed with K-Ar methods an age of 35.7+0.9 Ma for the North pit porphyry and 43.2+1.1 Ma for the diorite host rock (K-Ar age by Perello et.al. 2003).

The geophysics signatures also build up an exploration model that may guide future drilling of the potential at depth. The HGMZ is open and deepening to join the west side of an isolated high resistivity signature, wrapped and surrounded by a high magnetic anomaly. The chargeability is split into two blocks and interpreted as an external pyrite halo following a structural over-thrusting, through which the HGMZ is deepening.

Finally, the bottom of the PEA South pit is located between 230 and 300 m below the surface and shows the high potential to incorporate new mineral resources at depth, along strike and at depth following the structurally controlled porphyry.

The Company continues drilling in the South pit targeting the addition of new mineral resources and upgrading to the Indicated category. In parallel, the re-logging and updates of the geologic modelling are progressing in parallel.

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.

Exploration and evaluation expenditures

For the year ended December 31, 2022	Cotabambas	Other	Total
Assays and sampling	$ 92,142	$ -	$ 92,142
Camp and site	558,452	1,137	559,589
Community relations	1,027,216	686	1,027,902
Drilling	1,366,223	-	1,366,223
Engineering and studies	404,109	-	404,109
Environmental	71,063	24	71,087
Geology	1,031,486	47	1,031,533
Geophysics	12,760	-	12,760
Legal	29,730	2,455	32,185
Recording and concession fees	527,252	224,285	751,537
Transportation	34,799	85	34,884
Other	-	246	246
	$ 5,155,232	$ 228,965	$ 5,384,197
Salaries and benefits allocation included above:			
Assays and sampling	$ 169	$ -	$ 169
Camp and site	329,424	-	329,424
Community relations	681,790	-	681,790
Drilling	100,717	-	100,717
Engineering and studies	322,828	-	322,828
Environmental	22,256	-	22,256
Geology	935,067	-	935,067
	$ 2,392,251	$ -	$ 2,392,251

In fiscal 2022, the Company's focus was on its Cotabambas Project and planned completion of a PFS in fiscal 2023 . Drilling work totaling $1,366,223 and related assays and sampling expense of $92,142 were completed in the year. Other PFS related work at the Cotabambas Project including maintaining the site, camp costs, community relations, engineering, geological and geophysical work totaling $3,034,023 was also completed in the year. The Company has paid the annual vigencia payments on all its current projects and continues environmental monitoring. One of the requirements of receiving drilling permits from the Perúvian government is continual ongoing monitoring of the environment for air quality, noise, flora and fauna, along with water testing. The accrued vigencia payments at December 31, 2022 are to be paid in June 2023.

At the Cotabambas project, $2,392,251 in salaries and benefits were included in exploration costs capitalized during the year mainly in the categories of camp and site costs, community costs, engineering and studies and geology.

For the year ended December 31, 2021	Antilla	Cotabambas	Other	Total
Amortization	$ -	$ 151	$ -	$ 151
Assays and sampling	-	-	516	516
Camp and site	3,390	105,856	362,771	472,017
Community relations	20,100	111,317	131,918	263,335
Environmental	-	493	14,696	15,189
Geology	-	15,266	200,454	215,720
Geophysics	-	-	19,627	19,627
Legal	6,059	1,361	17,219	24,639
Recording and concession fees	241,340	358,730	(32,088)	567,982
Transportation	3,408	5,505	21,645	30,558
Recovery of value-added tax	-	(70,493)	-	(70,493)
	$274,297	$ 528,186	$736,758	$1,539,241
Salaries and benefits allocation included above:				
Camp and site	$ -	$ 52,517	$ 329,375	$ 381,892
Community relations	-	85,513	87,387	172,900
Geology	-	15,266	200,454	215,720
	$ -	$ 153,296	$ 617,216	$ 770,512

In fiscal 2021, the Company did not conduct any drilling on any of its projects, but carried out mapping, community relations, and geophysical work totaling $736,758 on the Humamantata project ,costs which are included in the other column in the table above and includes $209,422 for the vigencia payment, all of which was funded by its joint venture partner, JOGMEC, to the end of September 2021. The Company has made the annual vigencia payments on all its current projects and continues environmental monitoring. One of the requirements of receiving drilling permits from the Perúvian government is continual ongoing monitoring of the environment for air quality, noise, flora and fauna, along with water testing. The accrued vigencia payments at December 31, 2021 were paid in June 2022.

In fiscal 2021, the Company expended $598,679 on exploration and evaluation costs on the Cotabambas Project, before recovery of value-added taxes of $70,493. Direct salaries for project employees as noted below are capitalized to the project. At the Cotabambas project, $153,296 in salaries and benefits were included in exploration costs capitalized during the year in the categories of camp and site costs, community costs and geology.

Summary of annual financial information

The following table summarizes selected financial data reported by the Company for the periods indicated. The information set forth in the table should be read in conjunction with the Company's audited financial statements and notes, prepared in accordance with IFRS for the periods indicated.

	Year ended December 31, 2022	Year ended December 31, 2021	Year ended December 31, 2020
Operations			
Revenue	$ nil	$ nil	$ nil
Net loss	$ (610,003)	$ (8,229,915)	$ (1,083,125)
Net loss per share (basic and diluted)	$ (0.00)	$ (0.03)	$ (0.00)
Cash used in operating activities	$ (2,504,042)	$ (1,283,265)	$ (1,108,480)
Cash used in exploration and evaluation expenditures	(4,659,680)	(1,646,255)	(2,797,996)
Statement of financial position			
Cash and cash equivalents	$ 7,517,258	$ 10,503,243	$ 752,453
Exploration and evaluation assets	$ 58,445,827	$ 53,061,630	$ 74,653,664
Total assets	$ 74,073,754	$ 71,152,073	$ 77,890,578
Liabilities under Early Deposit Precious Metals Agreement	$ 17,607,200	$ 14,579,700	$ 12,732,000
Non-current liabilities	$ 2,899,178	$ 3,193,990	$ 3,398,048

Net loss – the net loss for the year ended December 31, 2021 was significantly higher than in 2022 and 2020 mainly due to write-offs of mineral property interests and loss on the Cochasayhuas agreement.

Cash and cash equivalents – The increase in cash and cash equivalents for the year ended December 31, 2021 was mainly a result of proceeds of $10,000,000 received from the sale of 75% of the Company's interest in Antilla Copper, S.A., a subsidiary of the Company.

Cash and cash equivalents – The decrease in cash and cash equivalents for the year ended December 31, 2022 was mainly a result of exploration and evaluation expenses at the Company's Cotabambas Project.

Liabilities under Early Deposit Precious Metals Agreement – During the year ended December, 2022, the fourteenth and fifteenth payments totalling $1,965,225 (US$1,500,000) were 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$13,000,000. An additional US$1,000,000 is to be received from Wheaton Metals in fiscal 2023, if the Company continues to meet the terms of the PMPA.

Summary of quarterly financial results

A summary of the last eight quarterly financial results is as follows:

Three months ended	General and administrative expenses	Net income (loss)	Income (loss) per share
December 31, 2022	$ 1,002,062	$ 186,844	$ 0.00
September 30, 2022	$ 651,136	$ (1,059,441)	$ (0.00)
June 30, 2022	$ 654,067	$ (1,144,545)	$ (0.01)
March 31, 2022	$ 656,847	$ 1,407,139	$ 0.01
December 31, 2021	$ 974,813	$ (2,721,496)	$ (0.01)
September 30, 2021	$ 690,492	$ (998,595)	$ (0.00)
June 30, 2021	$ 366,005	$ (4,315,712)	$ (0.02)
March 31, 2021	$ 392,644	$ (194,112)	$ (0.00)

Loss (income) per quarter fluctuates from period to period primarily as a result of timing of any i) gains or losses resulting from the sale of mineral property interests, ii) impairments and write-offs associated with mineral properties, iii) the timing and the issuance and vesting of stock options, which impacts share-based compensation expense, and iv) foreign exchange gains or losses, including the fair value change associated with Early Deposit Precious Metals Agreement financial liability which is driven by fluctuations in the US dollar exchange rate as compared to the Canadian dollar.

General and administrative expenses increased for the quarter ended December 31, 2022 mainly due to the Company's work assessing different targets for exploration.

The Company incurred net income for the quarter ended December 31, 2022 mainly due to income from airborne license fees.

The Company incurred net income for the quarter ended March 31, 2022 mainly due to a gain realized from Kusiorcco agreement.

Net loss increased for the quarter ended December 31, 2021 mainly due to a loss on the Cochasayhuas agreement and in June 2021 due to a write-off of certain exploration and evaluation assets.

Results of Operations

Three Months Ended December 31, 2022

The Company incurred net income of $186,844 ($0.00 per common share) during the three months ended December 31, 2022 compared to a net loss of $2,721,496 ($0.01 per common share) in the same period in 2021. The discussion below is based on a comparison of the three months ended December 31, 2022 and December 31, 2021.

Areas of significant changes in general and administrative expenses for the three months ended December 31, 2022, compared to the three months ended December 31, 2021 include the following:

- Administration expenses consist of communications, office, professional dues and training, regulatory and transfer agent and rental costs and insurance expenses. For the three months ended December 31, 2022, administration expenses were $197,522 compared to $85,238 in 2021. The increase was mostly due to an increase in communications and rental costs and insurance expenses;

- Consulting fees for the three months ended December 31, 2022 were $180,409 compared to a recovery of $11,219 for the same period in 2021 due to the use of external consultants in the upgrade of the Company's accounting and management reporting systems;
- Legal expense for the three months ended December 31, 2022 was $24,406 compared to $140,293 in 2021. The Company incurred additional legal expenses in 2021 associated with the sale of its Antilla property not incurred in 2022;
- Property evaluation expense for the three months ended December 31, 2022 was $113,109 compared to $nil in 2021 as the Company assesses different targets for exploration in the current year;
- Salaries and benefits expense for the three months ended December 31, 2022 was $388,453 compared to $623,245 for the same period in 2021. The decrease in 2022 was mainly a result of work slowdowns in December 2022;
- Interest income for the three months ended December 31, 2022 was $36,182 compared to an interest income reversal of $39,816 for the three months ended December 31, 2021. Interest income previously accrued on the receivable due from Mintania S.A.C. ("Mintania") from the sale of the Cochasayhuas Gold Project was returned to the Company when Mintania was unable to make its payments in 2021;
- Airborne license fee income for the three months ended December 31, 2022 was $474,522 compared to $1,019,926 for the same period in 2021. The Company completed more agreements in 2021 compared to 2022 with various copper mining companies focused on exploring the Andahualas-Yauri copper belt in southern Peru. These agreements included sharing of some of Panoro's regional airborne exploration data in this prolific copper belt; and
- The Company incurred a foreign exchange gain of $179,845 for the three months ended December 31, 2022 compared to a foreign exchange loss of $107,306 for the same period 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.

Twelve Months Ended December 31, 2022

The Company incurred a net loss of $610,003 ($0.00 per common share) during the twelve months ended December 31, 2022 compared to a net loss of $8,229,915 ($0.03 per common share) in the same period in 2021. The discussion below is based on a comparison of the twelve months ended December 31, 2022 and December 31, 2021.

Areas of significant changes in general and administrative expenses for the twelve months ended December 31, 2022, compared to the twelve months ended December 31, 2021 include the following:

- Administration expenses consist of communications, office, professional dues and training, regulatory and transfer agent and rental costs and insurance expenses. For the twelve months ended December 31, 2022, administration expenses were $481,901 compared to $302,935 in 2021. The increase was mostly due to an increase in communications, rental costs and insurance expenses.
- Corporate development, conference, travel and shareholder relations expenses for the twelve months ended December 31, 2022, were $355,321 compared to $180,110 for the same period in 2021. The increase in 2022 was mostly due to the Company transitioning 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.

- Legal expense for the twelve months ended December 31, 2022 was $146,930 compared to $342,744 in 2021. The Company incurred additional legal expenses in 2021 associated with the sale of its Antilla property not incurred in 2022;
- Property evaluation expense for the twelve months ended December 31, 2022 was $234,698 compared to $nil in 2021 as the Company assessed different targets for exploration in the current year;
- Salaries and benefits expense for the twelve months ended December 31, 2022 was $1,136,406 compared to $1,040,126 for the same period in 2021. In 2022, the Company added more personnel to support the prefeasibility study work for the Cotabambas Project;
- Airborne license fee income for the twelve months ended December 31, 2022 was $474,522 compared to $1,019,926 for the same period in 2021. The Company completed more agreements in 2021 compared to 2022 with various copper mining companies focused on exploring the Andahualas-Yauri copper belt in southern Peru. These agreements included sharing of some of Panoro's regional airborne exploration data in this prolific copper belt;
- The Company recorded other income of $333,551 for the twelve months ended December 31, 2022 (2021 - $23,310) for services rendered to Calisto Cobre Resources Corp. ("Calisto"), formerly Heeney Capital Acquisition Company, the company that acquired 75% of Antilla Copper from the Company. Panoro continues to provide services to support Calisto in Antilla's operations;
- During the twelve months ended December 31, 2022, the Company recorded a gain on its Cochasayhuas agreement with Hudbay Minerals Ltd. when it received a payment of $1,901,134 (US$1,500,000) a year in advance for the sale of its Kusiorcco project. This payment is related to holes 1, 5 and 10, which have not yet been drilled. In the preceding year the Company recorded losses of $662,092 on disposition of Antilla and $2,423,943 on the Cochasayhuas agreement;
- For the twelve months ended December 31, 2022, the Company recorded $nil for write-offs of mineral properties compared to $4,112,117 for the same period in 2021; and
- The Company incurred a foreign exchange gain of $810,448 for the twelve months ended December 31, 2022 compared to a foreign exchange loss of $194,619 for the same period 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.

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$13,000,000 to the date of this MD&A. A total of US1,000,000 is payable by Wheaton Metals to the Company in semi-annual payments in fiscal 2023.

The Company's consolidated financial statements as at and for the year ended December 31, 2022, were prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business.

As at December 31, 2022, the Company had an accumulated deficit of $52,196,354 (December 31, 2021 – $51,586,351) and a working capital deficiency of $6,207,625 (December 31, 2021 – working capital of $144,338), being current assets of $10,898,279 (December 31, 2021 –

$13,459,028) less current liabilities, of $17,105,904 (December 31, 2021 – $13,314,690). The Company's working capital deficiency as at December 31, 2022, includes the current portion of the Wheaton Precious Metals Purchase Agreement ("Wheaton PMPA") which is presented as a current liability under IFRS. It is revalued 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 $14,898,400 (December 31, 2021 – $12,044,100) as long-term, the working capital as at December 31, 2022, would be $8,690,775 (December 31, 2021 – $12,188,438) which is not a measure in accordance with International Financial Reporting Standards, and is provided for information purposes only, as the Company does not anticipate Wheaton Metals terminating the PMPA.

Risks relating to the PMPA include the ability of the Company to maintain the working capital requirements of the PMPA. Wheaton Metals 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$2,000,000. Wheaton Metals can elect to receive a portion of the early deposit either as cash or shares upon termination, with the Company having the right to defer cash payments under certain conditions for up to two years. If Wheaton Metals 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.

Although the Company expects to have sufficient financial resources to cover its existing obligations and operating costs and undertake its currently planned programs for the next year, the Company will require further funding to fund exploration and evaluation activities, and ultimately develop its properties. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. These conditions create a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

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 December 31, 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 Project, 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.

Share capital
As at the date of this MD&A, the Company had issued and outstanding:

Description of security	Number of securities outstanding	Expiry date	Exercise price
Common shares issued and outstanding	264,375,058	n/a	$ n/a
Options outstanding	3,975,000	August 16, 2024	$ 0.15
Options outstanding	500,000	August 26, 2027	$ 0.12
Options outstanding	9,700,000	January 11, 2028	$ 0.15

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:

	2023	2024	2025	2026	Total
Office lease (Vancouver)	$ 105,467	$ 107,366	$ 109,264	$ 111,163	$ 433,260
Office lease (Perú)	$ 42,624	$ 7,078	$ -	$ -	$ 49,702
Accrued vigencias	$ 474,717	$ -	$ -	$ -	$ 474,717
Accounts payable	$ 1,063,997	$ -	$ -	$ -	$ 1,063,997
Accrued liabilities	$ 69,196	$ -	$ -	$ -	$ 69,196
Current tax liability	$ 510,289	$ -	$ -	$ -	$ 510,289
	$ 2,266,290	$ 114,444	$ 109,264	$ 111,163	$ 2,601,161

Vigencias (or recording fees) of US$3 per hectare are not commitments, but rather the annual payments required to maintain mineral concessions in good standing with the Perúvian government. The actual payment made in 2022 for the 2021 year was $540,507 (2021 – $647,057 relating to the 2020 year). The ultimate amount to be paid is based on a formula relating to exploration costs incurred, offset against the basic fee and penalty. After the 6th year, an annual penalty must be paid per hectare, starting at US$6 per hectare, until after 12 years, the additional fee increases to US$20 per hectare. The penalties are reduced, based on exploration activity on the concessions, and the reduction is determined each year by the Perúvian government. The Company estimates the annual costs to be approximately $474,717 for the 2022 year and is payable by June 2023.

The Company entered into an office lease in Lima effective April 1, 2022. The Company has an office lease in Vancouver, for the period from August 1, 2021, or a period of six years. The Company leases warehouses in Cusco, and the leases for the warehouses are renewed annually. The Company has commitments under community agreements with respect to ongoing operations at the Cotabambas project.

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.

During the year ended December 31, 2022 the Company received other income of $333,551 (2021 - $nil) from Calisto with respect to support services provided in relation to the Antilla project.

For the year ended December 31, 2022, key management personnel compensation included salaries, fees and benefits of $1,412,020 (2021 – $1,072,328).

As at December 31, 2022, included in accounts payable and accrued liabilities was $2,500 (December 31, 2021 – $15,708) in directors' fees payable, and $17,895 (December 31, 2021 – $11,711) payable to officers for expenses incurred on behalf of the Company.

Proposed Transactions

There are no proposed transactions requiring disclosure under this section that have not already been discussed elsewhere in this MD&A.

Critical accounting estimates

The preparation of financial statements requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas requiring the use of estimates and assumptions relate to the review of asset carrying values and determination of impairment charges relating to non-current assets if an indicator of impairment is identified. Actual results could differ from those estimates. Key estimates made by management with respect to the areas noted previously have been disclosed in the notes to these consolidated financial statements as appropriate.

Changes in Accounting Policies

There were no new IFRS standards issued effective January 1, 2022, that had a material impact on the financial statements of the Company. The Company has not early adopted any amendment, standard or interpretation that has been issued by the IASB but that is not yet effective, nor has it identified any such standard or interpretation that is expected to have a material impact on the Company's consolidated financial statements.

Financial Instruments

The carrying amounts of cash and cash equivalents, accounts and advances receivable, accounts payable and accrued liabilities, and liabilities under the PMPA with Wheaton Metals approximate their fair values due to their short-term nature. The Company's marketable securities are recorded at fair value based on a market approach reflecting the closing price of each particular security at the reporting date.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, and certain market risks including foreign currency and interest rate risk.

Credit risk

The Company manages its credit risk through its counterparty ratings and credit limits. The Company is mainly exposed to credit risk on its bank accounts and accounts and advances receivable. Bank accounts and short-term investments are primarily with Canadian Schedule 1 banks and Banco de Credito in Perú. The Company has accounts and advances receivable primarily related to IGV receivable from the Perúvian government. The Company's receivable related to its sale of its Antilla project is secured by the return of equity in the event of default. The total of cash and cash equivalents, and accounts and advances receivable of $10,833,756 (2021 – $13,425,125) represents the maximum credit exposure. The Company has not identified any significant increase in credit risk with respect to its financial assets at December 31, 2022. Subsequent to year end new payment terms have been agreed with respect to the Antilla receivable. The Company has not identified any allowances for credit losses at December 31, 2022 or 2021. During the year ended December 31, 2021 the Company wrote off an agreement receivable.

Liquidity risk

The Company manages its liquidity risk by ensuring that there is sufficient liquidity to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash and cash equivalents are primarily invested in bank accounts, bankers' acceptances, and Guaranteed Investment Certificates ("GIC"), which are available on demand.

Contractual commitments that the Company is obligated to pay in future years are discussed above in "Commitments". Accounts payable and accrued liabilities require payment within one year.

Foreign currency risk

The Company maintains its financial statements in Canadian dollars. The Company is exposed to foreign currency fluctuations to the extent mineral interests, exploration expenditures and operating expenses incurred by the Company are not denominated in Canadian dollars.

The Company does not use derivatives or other instruments to manage foreign currency risk. The Company's operations in Perú make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company's operating results, and cash flows are affected to varying degrees by changes in the Canadian dollar exchange rate vis-a-vis the Perúvian Nuevo Sol ("PEN" or "S/.") and the US Dollar ("US$"). The Company purchases foreign currencies as the need arises to fund its exploration activities. Corporate expenditures are primarily incurred in Canadian and US dollars.

As at December 31, 2022, the Company's significant exposures to foreign currency risk, based on the statement of financial position carrying values, were to the Perúvian Nuevo Sol and the US Dollar, as follows:

	December 31, 2022 PEN	December 31, 2022 US$	December 31, 2021 PEN	December 31, 2021 US$
Cash	S/. 15,402	$5,537,080	S/. 98,864	$8,222,089
Accounts and advances receivable	1,328,509	4,300	259,369	-
Accounts payable and accrued liabilities	(4,047,904)	(36,219)	(1,660,275)	(131,359)
Precious Metals Purchase Agreement	-	(13,000,000)	-	(11,500,000)
Net exposure	S/.(2,703,993)	US$(7,494,839)	S/.(1,302,042)	US$(3,409,270)
Canadian dollars	$(961,810)	$(10,151,011)	$(413,529)	$(4,322,273)

The following sensitivity analysis assumes all other variables remain constant and are based on the above net exposures. A 10% appreciation or depreciation of the Perúvian Nuevo Sol vis-a-vis the Canadian Dollar would result in an increase or decrease of approximately $97,000 (2021 – approximately $41,000) in net loss, respectively. A 10% appreciation or depreciation of the US Dollar vis-a-vis the Canadian Dollar would result in an increase or decrease of approximately $1,000,000 (2021 – approximately $400,000) in net loss, respectively.

Interest rate risk
The Company's cash and cash equivalents earn interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to changes in short-term rates; however, based on the cash and cash equivalent balance at December 31, 2022, a 1% change in interest rates would not have a significant impact on the Company's financial results.

Other MD&A Requirements
Additional information relating to the Company including its annual consolidated financial statements for the year ended December 31, 2022, are available on SEDAR at www.sedar.com and the Company's website at www.panoro.com.

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 other similar expressions or terms used in this MD&A are Canadian mining terms as defined in accordance with National Instrument 43-101 under guidelines set out in standards 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" and other similar expressions or terms used in this MD&A 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 cautioned not to assume that all or any part of an “Inferred Mineral Resource” exists, or is economically or legally mineable.