PANORO MINERALS LTD

ON THE ROAD TO DEVELOPMENT

Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 2015

November 25, 2015

Table of Contents

ITEM 1.1: BACKGROUND & DATE

Panoro Minerals Ltd. ("Panoro" or the "Company") is a Canadian public company engaged in the acquisition, exploration, and development of natural resource properties in Perú. The Company's common shares trade on the TSX Venture Exchange ("PML"), the Frankfurt Exchange ("PZM") and on the Junior Board of the Bolsa de Valores de Lima ("PML"). Panoro was incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The Company's registered office is located at 1750 – 1185 West Georgia Street, Vancouver, BC V6E 4E6 Canada.

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

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

Forward Looking Statements

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

See going concern discussion in the liquidity section of this document, Item 1.6.

Cautionary Note to US Investors

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

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

All dollar amounts set forth in the tables and financial section of this MD&A are expressed in Canadian dollars and referred to as "$" and recorded under IFRS unless otherwise specifically indicated. There are also references in this MD&A to Perúvian Nuevos Soles ("S/.") and United States dollars (USD). As at September 30, 2015, the closing rate for one Canadian dollar in S/. was C$1.00 = S/. 2.4062, and the closing rate for one Canadian dollar in USD was C$1.00 = US$0.7500 as reported by the Bank of Canada.

Qualified Person

The technical information in this MD&A has been reviewed and approved by Mr. Luis Vela, a Qualified Person as defined by National Instrument 43-101 ("NI 43-101"). Mr. Vela is responsible for the preparation and/or verification of the technical disclosure in this document unless otherwise noted.

Additional Sources of Information

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should be read together with the Company's Audited Financial Statements, the 2014 Annual Information Form, 2014 Management Information Circular, Material Change Reports, press releases, and the Company's technical reports each of which are available on the SEDAR website at www.sedar.com or on the Company's website www.panoro.com.

ITEM 1. 2: OVERVIEW

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

Cotabambas and Antilla Projects

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

	Antilla	Cotabambas	Other	Total
Exploration expenditures incurred in period:				
Amortization	$ -	$ 25,900	$ 93	$ 25,993
Camp	17,623	392,230	54,110	463,963
Community relations	1,505	674,193	12,019	687,717
Environmental	-	283,038	20,556	303,594
Geology	74,873	97,947	10,852	183,671
Geophysics	-	276,393	167,870	444,263
Legal	13,674	10,505	2,184	26,364
Preliminary economic assessment	13,395	117,937	-	131,332
Recording fees and taxes	56,415	178,820	378,311	613,546
Recovery of taxes paid	(18,763)	(198,491)	-	(217,255)
Salaries and wages	30,869	992,043	162,476	1,185,387
Sampling	-	22,204	17,114	39,318
Topography and surveys	-	69,980	248,380	318,360
Travel	1,659	51,520	28,720	81,889
	191,248	2,994,220	1,102,684	4,288,152
Capitalized exploration expenditures at beginning of period	8,131,874	33,083,243	8,797,358	50,012,475
Capitalized exploration expenditures at September 30, 2015	$8,323,122	$36,077,463	$9,900,042	$54,300,627
Total exploration and evaluation expenditures at September 30, 2015	**$15,481,465**	**$41,002,498**	**$12,733,518**	**$69,217,481**

Cotabambas Project

In fiscal 2015, the Company has been focused on completing the Preliminary Economic Analysis ("PEA") in which the results were published in a news release dated September 22, 2015. The NI 43-101 Technical Report was filed on SEDAR on November 6, 2015, and can also be found on the Company's website www.panoro.com.

The company has been evaluating potential improvements to project economics identified in the PEA; including:

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

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

Field work in the period has included geological mapping, geophysics and geochemical sampling. In anticipation of continuing work, the Company has been negotiating a community agreement with the Cochapata community and has submitted an application with the Peruvian government for a new and expanded drilling permit.

To date in fiscal 2015, the Company also incurred costs related to the camp, vigencia payments and environmental monitoring. One of the requirements of receiving drilling permits from the Peruvian government is continual ongoing monitoring of the environment for air quality, noise, flora and fauna, along with water testing.

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

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

The area covered by this program was approximately 1,105 hectares over a section of the property showing copper porphyry and skarn mineralization. The program identified a mineralized target of 2.5 km by 1 km oriented in a north-south direction to the south of the current resource.

At the Chaupec prospect, the program included:

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

The area covered by this program was approximately 738 hectares over a section of the property showing skarn mineralization. The program identified three copper-gold-silver anomalies aligned along a 3 km by 1 km trend oriented in a north-east to south-west direction to the west of the existing resource.

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

Direct salaries for project employees are capitalized to the project. At the Cotabambas project, $992,044 in employee wages were capitalized during the year.

Antilla Project

Work at the Antilla project focussed on advancing the Preliminary Economic Assessment (PEA). Consultants have been contracted to review the proposed mine plan and waste and tailings storage alternatives. This work will be incorporated into the PEA, completion of which is expected sometime in 2016.

Current and Planned Exploration on Other Exploration Projects

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

	Anyo	Promesa	Kusiorcco	Humanantata	Total
Topography and surveys	$ 248,380	$ -	$ -	$ -	$ 248,380
Geophysics	167,870	-	-	-	167,870
Geology	10,852	-	-	-	10,852
Sampling	17,114	-	-	-	17,114
Environmental	1,201	19,355	-	-	20,556
Community relations	11,555	98	-	-	11,653
Camp	42,576	11,214	273	47	54,110
Salary and wages	86,886	74,483	-	1,106	162,476
Travel	17,166	9,889	-	119	27,174
Recording fees	34,019	14,175	34,166	29,372	111,732
Amortization	-	-	94	-	94
	$ 637,617	$ 129,214	$ 34,533	$ 30,644	$ 832,009

Anyo Project

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

- 58.9 km of IP survey
- 52.5 km of magnetic survey
- 46.9 km of SP survey
- Geological and structural mapping, and
- 633 rock chip samples on a 100 m by 100 m grid.

The area covered by the program was approximately 700 hectares over a section of the property showing copper porphyry and skarn mineralization. The program identified three copper-gold-molybdenum anomalies aligned along a 3.5 km by 2 km trend oriented in a north-east to south-west direction.

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

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

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

Promesa Project

The Promesa project includes a porphyry style Cu-Au-Mo mineralization. In 2012, the Company completed geophysical surveys including 75km of IP, 76 km of magnetics and 76km of SP and 787 rock chip samples, the results of which helped to define four new exploration targets exhibiting moderate to pervasive quartz stockwork and veinlets in adjacent sedimentary rocks. Three of these will each be the focus of further geochemical sampling and a planned 3,000-metre drill program. A drilling permit ("DIA") has been approved by the Peruvian authorities and the Company is currently negotiating a community agreement in order to start drilling once funds are allocated.

Kusiorcco Project

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

Humamantata Project

The Humamantata project includes typical Cu-Mo porphyry style mineralization and potentially associated Ag-Pb-Zn bearing hydrothermal breccias. Work in 2015 has included:

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

Work was carried out over a 2,800 hectare area and identified six copper-gold-molybenum-silver-lead-zinc anomalies aligned along a 8 km by 1.7 km trend, oriented in a north-south direction. Additional and more detailed sampling will be carried out over specific targets prior to planning a geophysical program.

ITEM 1.3: SELECTED ANNUAL INFORMATION

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

ITEM 1.4: RESULTS OF OPERATIONS

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

The Canadian Dollar has decreased very significantly with respect to both the USD and the Peruvian Nuevo Sole in the past year. The exchange rate from Canadian Dollars to USD was 1.1208 on September 30, 2014 compared to 1.3333 at September 30, 2015, a decrease of C$0.21. The Peruvian Nuevo Soles has increased in value from C$0.3822 to C$0.4156 during the same time period. Since most of the Company's Perú-based costs are denominated in either US dollars or Peruvian Nuevo Soles, this has resulted in significantly increased Canadian dollar costs to the Company for its operations.

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Expenses				
Salaries and benefits	$274,883	$328,875	$971,521	$ 947,464
Directors' fees	16,100	21,375	60,100	65,375
Share-based expense	-	67,511	-	520,869
Audit and tax	21,679	34,123	80,003	78,933
Consulting	-	8,795	24,166	35,403
Legal	12,902	1,861	60,625	59,707
Communications	15,831	39,161	76,815	100,586
Regulatory and transfer agent fees	13,975	27,920	59,622	76,007
Amortization	3,491	4,830	12,765	14,490
Professional dues and training	2,398	6,382	20,326	13,874
Travel	8,540	19,172	75,764	117,150
Investor relations	14,362	46,499	91,453	154,484
Rent and insurance	78,009	63,117	232,656	161,186
Office supplies	15,158	29,635	51,809	67,253
Bank charges	1,568	4,058	6,766	9,336
	478,896	703,314	1,824,391	2,422,117
Interest income	(2,827)	(26,802)	(36,927)	(60,616)
Foreign exchange loss	34,392	38,903	160,087	138,764
Loss for the period	$ 510,461	$ 715,415	$1,946,551	$2,500,265
Loss per share, basic and fully diluted	$0.00	$0.00	$0.01	$0.01

Financial Results for the Three Months Ended September 30, 2015 ("Q3 2015"), Compared to the Three Months Ended September 30, 2014 ("Q3 2014")

The Company's loss in Q3 2015 was $510,461 ($0.00 per common share) compared to $715,415 ($0.00 per common share) in Q3 2014. The Company's accounting policy is to capitalize all exploration and evaluation expenditures on the properties and the loss for the period is a reflection of administration expenses along with other items.

The Company has maintained its management and reporting infrastructure related to a TSXV Company over the past year. These infrastructure costs are reflected in the administrative expenses. Regulatory fees, auditor fees, investor relations activities, legal expenses, office rent, insurance and management salaries along with accounting and administration salaries for subsidiary offices are included in administration expenses. There has been a decrease in several administrative expenses in Q3 2015 compared to Q3 2014, in large part due to a concerted effort to reduce expenses and conserve cash. Salaries and benefits (due to both a reduction in head count and a temporary reduction of executive salaries) have decreased by $53,992. Audit and tax and have decreased by $12,444. Communications has decreased by $22,330 and Investor relations have decreased by $32,137, due to a reduction of related travel. These decreases have been slightly offset by an increase in Rent and insurance of $14,892, related primarily to in 2014 the Company leasing additional office space in Lima due to an increase in staff. Due to a subsequent decrease in staff in the Lima office, this same space has been subleased, and the increased expense will not continue.

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

The Company's loss in fiscal 2015 was $1,948,551 ($0.01 per common share) compared to $2,500,265 ($0.01 per common share) in fiscal 2014.

The primary difference between the two fiscal periods was a stock option grant incurred in fiscal 2014 of $520,869. Stock options are a non-cash expense and the amount reflected in the financial statements were estimated using the Black-Scholes option pricing model. Stock options are generally granted once a year and there is no certainty over its timing. Other items that have decreased in the year to date include a reduction of travel of $41,386, and a reduction in investor relation expenses of $63,031.

As described in the functional currency section, foreign exchange losses of $160,087 were recorded on the income statement in fiscal 2015 compared to $138,764 incurred in fiscal 2014.

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

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

	Actual	Budget[1]	Variance	Var %
Drilling	$1,798,811	$10,804,100	($9,005,289)	-83%
Environmental	937,135	2,148,240	(1,211,105)	-56%
Community relations	2,239,381	2,750,000	(510,619)	-19%
PEA & Related Studies	8,001,662	3,360,000	4,641,662	138%
Total	$12,982,989	$19,062,340	($6,085,351)	32%

1 – Budgeted amounts are the combined figures from the March 2013 and July 2014 prospectuses

Drilling –The Company drilled 756 metres on two drill holes at Ccochapata in the first two months of 2014, bringing the total metres drilled to 18,528 metres of the 22,203 budgeted metres for the drilling program. Actual drilling costs are 83% below budgeted expectations which is in line with the final number of metres drilled. The drilling program was suspended in February 2014 and will resume once the PEAs are complete and funding is available. Funds not used in drilling were diverted largely to completing the PEAs.

Environmental – The ongoing periodic environmental monitoring costs are included for a timeframe longer than the original budget. However, the scope of environmental activities were not as complex as budgeted for, due to a reduction in drilling. These reductions of budgeted cost were slightly offset by the identification of additional exploration targets, which required the expansion of the footprint of the proposed exploration areas at the Company's projects thus requiring an expanded environmental baseline assessment and submission of a new Semi Detailed Environmental Impact Assessment for Cotabambas. An environmental Impact Statement was also prepared and submitted for the Promesa Project.

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

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

The original budget was a total of $19,062,340, compared to actual expenditures of $12,982,989. The funds not spent directly on Drilling, Environmental, Community Relations and PEA & Related Studies were largely allocated to Salaries and benefits, as well as other expenses, in order to support the projects.

ITEM 1.5: SUMMARY OF QUARTERLY RESULTS

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

	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec
Revenue	-	-	-	-	-	-	-	-
Gen & admin	479	731	615	676	636	590	676	652
Share-based expense	-	-	-	-	68	-	452	-
Interest income	(3)	(12)	(22)	(30)	(27)	(11)	(23)	(36)
F/X (gain)/loss	35	-	126	(22)	39	56	44	5
Impairment	-	-	-	62	-	-	-	799
Net loss	510	719	718	686	716	635	1,149	1,420
Loss per share	0.000	0.00	0.00	0.00	0.00	0.00	0.01	0.01
Change in Exploration	1,217	1,793	1,278	1,313	1,473	1,734	1,773	896

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

ITEMS 1.6: LIQUIDITY

Liquidity risk is the risk that the Company will not be able to operate in the normal course of business for the next 12 months. The Company is considered to be in the development stage and is currently exploring mineral properties in Perú. As a development stage Company, it has no history of revenues from its operating activities and will have negative cash flow from operations in future periods until commercial production is achieved from its development projects.

The condensed consolidated interim financial statements as at September 30, 2015, and for the three and nine months ended September 30, 2015 have been 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. Several material uncertainties discussed below may cast significant doubt upon the Company's ability to continue as a going concern.

The Company has no operating revenue and incurred a loss of $1,948,551 for the period ended September 30, 2015 (2014 - $2,500,265). As at September 30, 2015, the Company has an accumulated deficit of $26,814,145, cash and cash equivalents of $1,416,035 and a working capital deficit of $10,011. 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. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or generate positive cash flows. If the Company is unable to obtain adequate financing, the Company will be required to curtail operations, exploration, and development activities and there would be significant uncertainty whether the Company would continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

The Company is currently seeking sources of financing to further develop and explore its mineral property projects and to support general and administrative expenses. These conditions are material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

The financial statements do not reflect adjustments, which could be material to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

Currently the Company does not have sufficient capital to settle its obligations for the next 12 months. In response to the capital shortfall the Company has adopted cost cutting measures in order to preserve capital. These measures include reducing the employee head count, administration expenditures, and exploration activity at Chaupec and Anyo. Wherever possible third party service agreements have been renegotiated on more favorable terms and current existing contractual obligations with the communities are being delayed. At the date of this MD&A the Company has 33 employees in Canada and Perú, reduced from 64 employees in June. Reduced staff has a corresponding impact on expenditures such as; camp service meals, fuel, travel, communications, and insurance. If sufficient capital is not secured, additional reductions to head count are planned. Along with the reduction in headcount the officers and directors of the Company have taken a significant reduction in salary and fees.

The change in cash and accounts payable is as follows:

	September 2015	December 2014	Change
Cash	$1,416,035	$7,838,816	$(6,422,781)
Short Term Investment	34,500	57,500	(23,000)
Accounts payable	(1,752,746)	(2,080,917)	328,171
Net	$ (302,211)	$5,815,399	$(6,122,262)

The change in cash and cash equivalents is due to cash used in operations of $1,934,786 (2014: $1,964,906) (primarily related to administration expenses), cash invested into exploration and evaluation of projects of $4,479,413 (2014: $5,056,643), a reduction of accounts payable of $328,171 (2014: $37,505) and a recovery of the value-added taxes in Perú of $217,254 (2014: $245,837). Cash used in operations is similar in both fiscal periods.

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

ITEM 1.7: COMMITMENTS AND CAPITAL RESOURCES

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

	2015	2016	2017	Total
Office leases	$52,417	$146,031	$ 65,811	$264,259
Warehouses Perú	2,494	-	-	2,494
Community agreements	103,581	-	-	103,581

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

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

The Company has two office leases in Lima (one of which is being subleased to another entity) and three warehouses in Cusco, Perú. The Company also has office lease in Vancouver, BC.

The community agreements have various social commitments which are only for the term of each agreement. The social commitments include such things as infrastructure, vehicles, and community storage, along with teachers and computers for schools and scholarships for students. The Company also hires local workers to perform various construction and remediation work. Projects from the community agreements are being delayed or deferred until 2016 wherever possible

ITEM 1.8: OFF-BALANCE SHEET ARRANGEMENTS

None.

ITEM 1.9: TRANSACTIONS WITH RELATED PARTIES

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

ITEM 1.10: FOURTH QUARTER

Not applicable in the interim MD&A.

ITEM 1.11: PROPOSED TRANSACTIONS

There are no proposed transactions requiring disclosure under this section.

ITEM 1.12 CRITICAL ACCOUNTING ESTIMATES

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

ITEM 1.13: CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

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

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

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

(b) Changes in IFRS not yet adopted.

IFRS 9 Financial Instruments

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

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

IFRS 15, Revenue from Contracts with Customers

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

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

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

Amendments to IAS 1, Presentation of Financial Statements

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

ITEM 1.14: FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

ITEM 1.15.A: OTHER MD&A REQUIREMENTS

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

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

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

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

Year of Expiry	Number of Options	Weighted Average Exercise Price
2016	3,950,000	0.50
2017	5,450,000	0.85
2019	3,750,000	0.36
	13,150,000	$0.60

Each option is exercisable for one common share of the Company. The weighted average life of exercisable options outstanding is 2.1 years as of the date of this MD&A.

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

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

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

At the date of this MD&A, there were 220,640,818 common shares outstanding, as well as 220,640,818 common shares fully diluted (as outstanding options and warrants are not in-the-money and therefore should not be included in the diluted figure).