PANORO MINERALS LTD

ON THE ROAD TO DEVELOPMENT

Management's Discussion and Analysis

For the Three Months Ended March 31, 2015

May 22, 2015

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ITEM 1.1: BACKGROUND & DATE

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

The Management's Discussion and Analysis ("MD&A") is a narrative explanation, through the eyes of management, of how Panoro performed and the significant factors that affected the Company during the three months ended March 31, 2015 ("Q1 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 March 31, 2015, and for the three months ended March 31, 2015.

This MD&A is prepared and dated May 22, 2015.

Forward Looking Statements

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

Cautionary Note to US Investors

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

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

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 & Antilla Projects

The following table provides a breakdown of exploration expenditures at Cotabambas and Antilla incurred during the three months ended March 31, 2015.

	Antilla	Cotabambas	Other	Total
Exploration expenditures incurred during the period, January 1, 2015 to March 31, 2015:				
PEA	$ 13,395	$ 85,089	$ -	$ 98,484
Community relations	-	102,096	5,543	107,639
Geology	4,391	20,949	6,854	32,194
Sampling	-	10,324	13,486	23,810
Environmental	-	112,587	12,893	125,480
Salaries and wages	60	370,485	72,380	442,925
Camp	5,198	140,620	29,219	175,037
Travel	904	16,213	17,582	34,699
Legal	3,773	2,899	-	6,672
Recording fees and taxes	17,315	54,438	87,145	158,898
Topography and surveys	-	3,520	162,490	166,010
Metallurgy	-	6,133	-	6,133
Geophysics	-	-	108,757	108,757
Subtotal cash costs	45,036	925,353	516,349	1,486,738
Recovery of taxes paid	(18,763)	(198,491)	-	(217,254)
Amortization	-	8,634	31	8,665
Total Incurred during the Period	$ 26,273	$735,496	$516,380	$1,278,149

Cotabambas

During Q1 2015, the Company was focused on completing the Preliminary Economic Analysis in which the results were published in a news release dated April 9, 2015. The highlights from the news release are:

Cotabambas PEA Highlights

- Pre-tax NPV(7.5%) is US$ 981.7 million, IRR is 17.3% and payback is estimated at 3.6 years
- After-tax NPV(7.5%) is US$ 627.5 million, IRR is 14.4% and payback is estimated at 4.0 years
- Conventional open pit mining and flotation processing at a design throughput of 80,000 tonnes per day with a mine life of 19 years
- Average annual payable copper of 143.4 million pounds
- Average annual payable gold of 88.0 thousand ounces
- Average annual payable silver of 967.2 thousand ounces
- Average direct cash costs (C1) of US$1.26 per pound of copper, net of by-product credits
- Initial project capital costs of US$ 1.38 billion, including contingencies
- Good potential for discovery of additional mineralization that may support resource estimation.

The full news release is available on www.sedar.com and on the Company's website at www.panoro.com. The Company has 45 days from the date of the press release to publish the full technical report.

Once the full technical report has been received and reviewed, the Company will formulate a plan to carry out its recommendations. In anticipation of continuing work, the Company has been negotiating a community agreement with the Ccalla community and has submitted an application with the Peruvian government for a new drilling permit. Field work in the period included geological mapping and sampling.

During the quarter, the Company 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 & fauna, along with water testing. The Company has remained compliant with all government requirements.

Antilla

Work on the Antilla project in fiscal 2014 involved mainly the initiation of a PEA which early in the quarter was placed on temporary hold while staff and management and staff focused on the completion of the Cotabambas PEA. With the release of the Cotabambas PEA, the current focus is on completing the Antilla PEA. During Q1 of 2015 the Company completed 1:5,000 geological mapping on the east side of the property and collected 3,050 rock chip samples. The Company's infrastructure at Antilla was maintained and expenditures were mainly related to the camp and vigencia payments.

Current and Planned Exploration on Other Exploration Projects

The following table provides a breakdown of exploration costs at Anyo, Promesa, Kusiorcco and Humanantata incurred during the three months ended March 31, 2015:

	Anyo	Promesa	Kusiorcco	Humanantata	Total
Topography and Surveys	$162,490	$ -	$ -	$ -	$162,490
Geophysics	108,757	-	-	-	108,757
Geology	6,854	-	-	-	6,854
Sampling	13,486	-	-	-	13,486
Environmental	1,201	11,692	-	-	12,893
Community Relations	5,543	-	-	-	5,543
Camp	24,342	4,877	-	-	29,219
Salary & Wages	55,662	16,718	-	-	72,380
Travel	12,612	4,526	444	-	17,582
Recording Fees	10,445	4,350	10,486	8,875	34,156
Amortization	-	-	31	-	31
	$401,392	$42,163	$10,961	$ 8,875	$463,391

Anyo

An exploration program was started in order to lay the foundation for future work at Anyo and to identify potential targets. The Company has completed topographical and other survey work over 1,126Ha. In addition, it is carrying out a geophysical program including 40.8 km of Induced Polarization ("IP"), 37.3 km of Self Potential ("SP"), and 45.7 km of magnetics. These programs, along with rock chip sampling, are expected to be completed by the fall of 2015. Although there is no community agreement in place, the Company has been supporting the community in various ways in anticipation of negotiating such an agreement.

Promesa

In 2014, the Company completed geophysical surveys including 75km of IP, 76 km of magnetics and 76km of SP, the results of which helped to define four new exploration targets. Three of these will each be the focus of further geochemical sampling and an approximate 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.

Kusiorcco

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 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 porphyries and two skarn-type mineralized occurrences.

Humanantata

At the Humanantata Project, which comprises a number of previously identified targets such as Cu-Mo porphyry mineralization and various Ag-Pb-Zn hydrothermal breccia occurrences; the Company has collected 235 rock samples and completed 1:10,000 scale geological mapping. The Company plans to carry out 1:5,000 geological mapping and collect rock chip samples in selected areas.

ITEM 1.3: SELECTED ANNUAL INFORMATION

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

ITEM 1.4: RESULTS OF OPERATIONS

Financial Results for the Three Months Ended March 31, 2015 (Q1 2015), Compared to the Three Months Ended March 31, 2014 (Q1 2014)

The Company's loss for the period was $718,474 ($0.00 per common share) compared to $1,150,909 ($0.01 per common share) in Q1 2014. The Company's accounting policy is to capitalize all exploration and evaluation expenditures ("E & E") on the properties and the loss for the period is a reflection of administration expenses along with other items.

The administrative expenses are the infrastructure costs related to a TSXV company.

Regulatory fees, auditor fees, investor relations activities, legal expenses, office rent, insurance and management salaries along with accounting and administration salaries for subsidiary offices are included in administration expenses. These expenses are relatively consistent from period to period.

	Three months ended March 31,	
	2015	2014
Administration Expenses		
Salaries and benefits	$ 334,546	$ 308,085
Directors' fees	18,500	19,000
Share-based expense	-	453,356
Audit and tax	25,812	32,603
Consulting and recruitment	2,554	6,840
Legal expenses	11,662	29,986
Telephone and computer	34,867	31,665
Regulatory fees	19,759	22,636
Amortization	3,769	4,830
Transfer agent	1,790	1,424
Professional dues and training	8,040	4,274
Travel	18,733	64,567
Investor relations	35,421	83,014
Rent and insurance	77,695	49,040
Office supplies	18,421	15,168
Bank charges	3,094	2,602
	614,663	1,129,090
Interest income	(21,766)	(22,524)
Foreign exchange loss	125,577	44,343
Loss for the period	$ 718,474	$ 1,150,909
Loss per share, basic and fully diluted	$0.00	$0.01

In general terms the Company has maintained its management and reporting infrastructure over the past year. The primary difference between the two fiscal periods was a stock option grant which was incurred in fiscal 2014. 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 are less in the current year include less investor relations activities and related travel which combine for a total reduction of $93,427. Investor relations activities are scaled back or increased depending on capital market conditions and the success of the Company's exploration programs. The Company incurred less legal expenses in the current period of $18,324.

Items that are more in the current period than the comparative include rent of $28,655 as there is an additional office being leased in Lima compared to the previous year. Salaries and benefits have increased by $26,461 as there are two additional staff in the current year and there is some increase due to salary increases and two staff members are paid in United States Dollars (USD) which translates to additional costs in Canadian Dollars (CAD) as the USD has strengthened since Q1 2014. All other items are in line with the previous year's costs.

Foreign exchange losses of $125,577 incurred in fiscal 2015 compared to $44,343 incurred in fiscal 2014 relate primarily to the decrease in the value of the Canadian dollar compared to the

United States dollar from the year ended December 31, 2014, and the timing of expenditures incurred and payments made during the period. The majority of the expenses in the Company are incurred in United States dollars and Nuevo Soles.

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 for the period from April 1, 2013, to March 31, 2015. For a discussion on the use of proceeds from these financings, please refer to the MD&A dated April 30, 2015 posted on SEDAR.

	Actual	Budget	Variance	Var %
Drilling	$1,798,811	$2,135,396	($336,585)	-16%
Camp and recording fees	7,695,444	5,817,054	1,878,390	32%
Environmental	850,229	423,611	426,618	101%
Community relations	2,191,089	2,175,863	15,226	1%
PEA & Related Studies	4,073,762	3,772,279	301,483	8%
IGV recovery	(1,913,913)	(850,000)	(1,063,913)	125%
Corporate administration	5,213,290	4,434,956	778,334	18%
Total	$19,908,712	$17,909,159	$1,999,553	11%

**Corporate Administration only includes cash costs and does not include the non-cash items: a) Stock Based Compensation of $520,869 and amortization of $42,301.*

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 which is 83% of the goal. This represents 3,675 metres less than budgeted metres. Actual drilling costs are 16% below budgeted expectations which is in line with the final number of metres drilled. The drilling program was suspended in February 2014 and will resume once the PEAs are complete and adequate financing is raised.

Camp and recording fees – As the completion date of the PEA was extended, additional and ongoing exploration costs have been included in the Actual costs. The additional and on-going exploration at the Company's projects, which include salaries for staff geologists, lab testing, camp costs and others, has been identifying additional resource expansion and exploration potential.

Environmental – The ongoing periodic environmental monitoring costs are included for a timeframe longer than the original budget. Also, the identification of additional exploration targets required the expansion of the footprint of the proposed exploration areas at the Company's projects thus requiring an expanded environmental baseline assessment and submission of a new Semi Detailed Environmental Impact Assessment for Cotabambas. An environmental Impact Statement was also prepared and submitted for the Promesa Project.

Community relations – Expenditures on the Antilla community projects was deferred from 2013 until 2015, but have been accrued. All other commitments relating to 2014 have been completed. A new agreement for the Cotabambas property for 2015 has been entered into, and additional agreements may be required.

PEA and Related Studies – The PEAs and related studies have been delayed from their original scheduled delivery in fiscal 2014. There have been cost overruns as not all required metallurgical and structural studies were identified at the time the budget for the financing was completed. This is normal for a project at the exploration stage as the results from any particular metallurgical or engineering test could necessitate further investigation or follow-up studies into one or more related areas. As a result, costs were higher than anticipated.

Corporate administrative expenses – Actual costs are higher than budgeted primarily due to the extension of the budget over a longer period of time. The Company has maintained a consistent management and reporting infrastructure over the past two years. This infrastructure is the primary driver for the corporate administrative expenses.

ITEM 1.5: SUMMARY OF QUARTERLY RESULTS

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

	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun
Revenue	-	-	-	-	-	-	-	-
Gen & admin	615	676	636	590	676	652	573	638
Share-based expense	-	-	68	-	452	-	-	-
Interest income	(22)	(30)	(27)	(11)	(23)	(36)	(44)	(56)
F/X (gain)/loss	126	(22)	39	56	44	5	19	43
Impairment	-	62	-	-	-	799	-	-
Net loss	718	686	716	635	1,149	1,420	548	625
Loss per share	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00
Change in E&E*	1,278	1,313	1,473	1,734	1,773	896	2,233	3,106

(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)
** E & E is Exploration and Evaluation Assets on the Balance Sheet*

ITEMS 1.6: LIQUIDITY

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has no history of revenues from its operating activities and will have negative cash flow from operating activities in future periods until commercial production is achieved from its development projects. With no source of operating cash flow the Company relies on third party financings (whether through the issuance of securities or debt) to fund the exploration and development of its projects. The Company has had historical success raising funds in the capital markets and anticipates future financings in order to further explore and develop its mineral projects.

The change in cash and cash equivalents is as follows:

	March 2015	December 2014	Change
Cash	$5,166,296	$7,838,816	$(2,672,520)
Accounts payable	(1,413,412)	(2,080,917)	667,505
Net	$3,752,884	$5,757,899	$(2,005,015)

The change in cash and cash equivalents is due to cash used in operations of $735,531 (2014: $638,895) (primarily related to administration expenses), cash invested into exploration and evaluation of the projects of $1,486,738 (2014: $1,871,343), a reduction of accounts payable of $667,505 (2014: $67,563) and a recovery of the value-added taxes in Perú of $217,254 (2014: $245,837). Cash used in operations is similar in both fiscal periods, other than the foreign exchange loss which has increased from $44,343 in fiscal 2014 to $125,577 in fiscal 2015, due to the decline of the Canadian dollar as compared to the United States dollar. The Company has no history of revenue from its operating activities and with no source of operating cash flow, the Company relies on financings to fund the exploration and development of its mineral property interests.

At March 31, 2015, the Company had cash and cash equivalents of $5,166,296 on hand, with $1,413,412 in accounts payable. As of December 31, 2014, the Company had cash and cash equivalents on hand of $7,838,816 and accounts payable of $2,080,917.

In fiscal 2015 cash used in investing was $1,936,989 (fiscal 2014: $1,693,069) principally to fund the exploration and evaluation activities of the Company, including the PEAs on the Cotabambas and Antilla projects. Cash used (invested) in exploration expenditures of $1,486,738 (fiscal 2014: $1,871,343) in fiscal 2015 was partially offset by the recovery of IGV of $217,254 (fiscal 2014: $245,837) in fiscal 2015. There were no financing activities in the same period of either fiscal 2015 or fiscal 2014.

Financing, whether through the issuance of securities or debt, will be required to continue the development of the Company's properties. Management anticipates that the Company will continue to raise adequate funding through equity or debt financings, although there is no assurance that the Company will be able to obtain adequate funding or funding on favorable terms. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties.

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.

All dollar amounts set forth in the tables and financial section of this MD&A are expressed in Canadian dollars and referred to as "$" and recorded under IFRS unless otherwise specifically indicated. There are also references in this MD&A to Perúvian Nuevos Soles ("S/.") and United States dollars (US$). As at March 31, 2015, the closing rate for one Canadian dollar in S/. was

C$1.00 = S/. 2.4414, and the closing rate for one Canadian dollar in US$ was C$1.00 = US$0.7885 as reported by the Bank of Canada.

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	2018	Total
Office lease Vancouver	$ 52,692	$ 35,128	$ -	$ -	$ 87,820
Office leases Perú	US$113,612	US$156,027	US$49,135	-	US$318,774
Warehouses Perú	S/.28,000	-	-	-	S/.28,000
Community agreements	S/.1,282,655	-	-	-	S/.1,282,655

Currently, there are no commitments or obligations relating to fiscal 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 was US$647,258 (2013 - US$625,362). The ultimate amount to be paid is based on a formula and is determined separately each year by the Perúvian government. The Company estimates the annual costs to be approximately US$650,000.

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

The community agreements have various social commitments which are only for the term of each community 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.

ITEM 1.8: OFF-BALANCE SHEET ARRANGEMENTS

None.

ITEM 1.9:– TRANSACTIONS WITH RELATED PARTIES

During the three months ended March 31, 2015 and 2014, 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.

ITEM 1.11: PROPOSED TRANSACTIONS

There are no proposed transactions requiring disclosure under this section.

ITEM 1.12 CRITICAL ACCOUNTING ESTIMATES

Not required. The Company is a venture issuer. Information on annual estimates may be find 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 months ended March 31, 2015, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended December 31, 2014.

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

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

(b) Changes in IFRS not yet adopted.

IFRS 9 Financial Instruments

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

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

IFRS 15, Revenue from Contracts with Customers

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

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

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

Amendments to IAS 1, Presentation of Financial Statements

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

ITEM 1.14: FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

ITEM 1.15.A: OTHER MD&A REQUIREMENTS

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

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

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

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

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

Each option is exercisable for one common share of the Company. The weighted average life of exercisable options outstanding is 2.24 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 24, 2014. Options granted under the plan vest immediately or over a period of time at the discretion of the board of directors. Pursuant to the terms of the Company's stock option plan, any options that expire during a trading blackout will be extended until ten (10) business days after the trading blackout is lifted.

On August 19, 2014, a trading blackout was put in effect over all officers, directors and insiders, as the Company was in the midst of preparing PEAs on the Cotabambas and Antilla projects. The trading blackout is due to be lifted after a news release relating to a PEA on the Antilla project is publicly disseminated. Subsequent to period end 2,050,000 options ($0.30) with an original expiry date of April 11, 2015, were extended until ten (10) business days after the blackout is lifted. At the date of this MD&A, there is no anticipated date for completion of the Antilla PEA and therefore no date for lifting the trading blackout.

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

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

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