

PANORO MINERALS LTD.

Management's Discussion and Analysis – Quarterly Highlights

As at and for the Three Month Periods
Ended March 31, 2020 and 2019

May 28, 2021

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Background & Date

The Management's Discussion and Analysis – Quarterly Highlights (“MD&A”) should be read in conjunction with the condensed consolidated interim financial statements of Panoro Minerals Ltd. (“Panoro” or the “Company”) for the three months ended March 31, 2021 (“Q1 2021”) and March 31, 2020 (“Q1 2020”), and the Company's audited financial statements as at and for the year ended December 31, 2020 (“fiscal 2020”), as filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”) website. This report has been dated as at May 27, 2021, and was approved by the Board of Directors on May 27, 2021.

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

Additional Sources of Information

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should be read together with the Company's Audited Financial Statements for the years ended December 31, 2020 and 2019, the 2020 Annual Information Form, 2020 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 Peruvian Nuevo Soles (“S/.”) and United States dollars (“US”). On March 31, 2021, the closing rate for one Canadian dollar in S/. was C\$1.00 = S/. 2.9878, and the closing rate for one Canadian dollar in USD was C\$1.00 = US\$0.7952 as reported by the Bank of Canada.

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
- 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;
- risks relating to Panoro's ability to raise funding to continue its exploration, development and mining activities; and
- Risks related to Covid-19 and the impact on the world's economy.

Qualified Person

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

Description of Business

Panoro holds a portfolio of ten mineral properties in Perú of which two, the Cotabambas and Antilla projects, are at an advanced stage of exploration and make up the core concession blocks for the Company.

Q1 2021 Activities and Highlights

Field activity was suspended temporarily at various times during the 2020-2021 exploration period at Humamantata in accordance with Peruvian Covid-19 regulations and other factors beyond the control of the Company.

In June 2020 the Company entered into an agreement for sale of the Cochasayhuas Gold Project to Mintania S.A.C. ("Mintania") of Perú for a total of US\$2.45 million to be paid in instalments, plus a 5% Net Smelter Return royalty ("NSR") for 15 years from the commencement of commercial production.

The initial US\$450,000 payment was received in June 2020, with a payment of US\$500,000 to be received in June 2021 pursuant to the agreement for sale.

In Q1 2021 the twelfth payment of \$947,325 (US\$750,000) was received from Wheaton Precious Metals International Ltd. ("Wheaton Metals"), pursuant to the Precious Metals Purchase Agreement ("PMPA"), bringing the total received under the Early Deposit US\$10.75 million. An additional US\$3.25 million is payable by Wheaton Metals to the Company in semi-annual payments to fiscal 2023, if the Company continues to meet the terms of the PMPA.

The Company has funding in place to weather the current headwinds being encountered from the COVID-19 pandemic. Panoro's corporate and operations are funded through its financing arrangement with Wheaton Metals. Exploration at the Humamantata project plus management fees to Panoro in Peru are being funded by the Company's partner JOGMEC. Milestone payments to be received from Hudbay when Holes 1, 5 and 10 have drilled at the Kusiorcco Project will be directed towards exploration at the Cotabambas Project.

The Company is pursuing additional strategic financing alternatives for the Antilla, Promesa and Anyo Projects and the two gold projects, Sancapampa and Morosayhuas.

Humamantata Exploration Activities

Exploration at the Humamantata property has identified four exploration targets exposing attractive features of Cu, Au, Ag mineralization have been found and there is evidence that copper porphyry stock could be hidden under the lithocap sediments.

Two areas with features of porphyry copper mineralization, Targets 1, 2 and 4, are located approximately 4 kilometers (km) apart and will be the subject of a proposed drilling program. Panoro and its joint venture partner, JOGMEC, completed geophysical surveys over approximately 1200 hectares of the 3600 hectares of mineral concessions of the Humamantata Projects. A total of 53 km of Induced Polarization ("IP") surveys and 55 km of Magnetometric ("Mag") Surveys were completed in December 2020 on the north side of the property with a line

spacing of approximately 200 meters (“m”) with an IP of 100 m pole-dipole spacing. The geophysical survey results in conjunction with the detailed mapping, structural geology, lithology, alteration and surface geochemistry have identified the potential extension, both laterally and at depth, of porphyry, skarn and hydrothermal breccia mineralization which outcrop at surface. A proposed nine-hole drilling program of up to 2400 m of diamond drilling is summarized below that will commence when all permits have been received.

Target	Drillhole	Priority	Azimuth (degrees)	Dip (degrees)	Target Depth (meters)	Objective
Target 1	DDH-1	1	277	-55	400	T1-2
	DDH-2	1	250	-55	400	T1-3
	DDH-3	1	250	-55	350	T1-2
	DDH-4	2	250	-55	250	T1-1
Target 2	DDH-5	3	200	-75	200	T2
	DDH-6	3	200	-75	200	T2
	DDH-7	3	200	-75	200	T2
	DDH-8	3	200	-75	200	T2
	DDH-9	3	200	-75	200	T2
Total					2,400	

Target 1: Cu, Au, Ag Porphyry Mineralization

The first stage of the diamond drilling program of 1,400m, will be comprised of four drill holes to explore the Anomalies T1-1, T1-2 and T1-3 from east to west (see press release of October 27, 2020). The drill hole collars in the current program will be aligned along 600 m of strike in Northwest direction. The mineralized porphyry outcrops at the T1-2 and T1-3 anomalies with potassic alteration and primary copper mineralization, where the spectrometry study reports chlorite-Fe, illite-Fe and is intruded by the same Andesite porphyries dikes found over the Breccias #7 and #8 in Target 2. The environmental and archaeological permits were obtained from the government entities and now Panoro is in the process of obtaining the social permits with the local surface owners.

Target 2: Ag Hydrothermal Breccias Mineralization

The Hydrothermal Breccias hosting high silver grades (see Breccias #4 to #9 in the Company’s press release dated October 27, 2020) are located along 2 km an East-West direction into the forelimb of the main overthrust folding of the sediments, where a Porphyry Andesite Dikes

hosting intensive potassic alteration occur. The advanced argillization alteration is identified into and around the silicified breccias, where the spectrometry study identified chlorite-Fe, illite-Fe and alunite-K as indicators of the possible closeness of a porphyry stock covered at surface. Finally, the IP survey identified a polarized body below this area, hosting the highest chargeability (>20 mV/V) extended over an area of 800 m by 1,400 m in a North-South direction. The Skarn mineralization and the copper anomalies above 100 ppm (see press release of November 30, 2020) are also located over this structural feature.

The proposed exploration program is being further refined as additional exploration work is completed, however it was proposed that the first drilling program of 2,000m be distributed in five drill holes located over the best locations where porphyry stock may be found below the lithocap. The first exploration drilling program has been outlined and ready to commence as soon as permitting is completed.

In summary, phases 1 and 2 of the drilling plan include 3,400m distributed in 9 drill holes; four holes in Target 1 and 5 holes in Targets 2 and 4. All drilling will be executed with a portable rig that will be moved by hand between the platforms.

On a regional scale, the porphyry style mineralization in Humamantata is hosted in the same structural control in a East-West direction containing the same copper porphyries occurring to the east in the Hudbay concessions (Constancia pit, Pampacancha project, and their 4 brownfield targets), and to the west in the former BHP Billiton and the current Rio Tinto Concessions.

All office staff in Lima, Peru, are currently working from their homes and most will continue to do so for the next few months. Likewise, Panoro's staff in its Vancouver headquarters are working at home and go to the office when necessary.

Cotabambas Project

Work at the Cotabambas Project during Q1 2021 and to the current date has focussed on the maintaining the project area during the COVID-19 pandemic. A Preliminary Economic Assessment ("PEA") at the Cotabambas Project was completed in 2016. Subsequent to the completion of the PEA From 2017 to 2019 exploration at the Cotabambas has focussed on areas of potential mineral resource expansion in the areas of Maria Jose, Petra-David and Chaupec. Mapping, sampling, geophysical survey and exploration drilling in these areas have intersected zones of porphyry sulphide and oxide mineralization as well as Skarn- type mineralization. Future exploration plans are being developed for additional drilling in these areas as well as at newly identified areas such as Guacile. The newly identified areas have been the subject of mapping and sampling campaigns during 2018-2019.

Antilla Project:

The Company is reviewing strategic alternatives to advance the Antilla Project ("Antilla") through feasibility studies, permitting and development. In the year ended December 31, 2018 ("fiscal 2018") the Company completed a Preliminary Economic Assessment, prepared by Moose Mountain Technical Services Ltd. in accordance with the definitions in Canadian National

Instrument 43-101. The PEA is based on a Mineral Resource estimate completed by Tetra Tech Inc. ("Tetra Tech") in December 2013, based on 2,919 metres of drilling from legacy campaigns (2003-5), 9,130 metres of drilling by Panoro (2008), and 2,242 metres of drilling during a joint venture agreement with Chancadora Centauro SA in 2010. The Mineral Resource estimate includes primary and supergene sulphides, as well as mixed hypogene and supergene copper mineralization. The PEA is considered preliminary in nature, and was filed on SEDAR on June 26, 2018, and is available on the Company's website.

Financial:

During Q1 2021, the Company received the first semi-annual payment of US\$750,000 from Wheaton Metals PMPA.

JOGMEC has funded \$321,360 in exploration activities in Q1 2021.

Results of OperationsExploration

During Q1 2021, the Company expended \$688,548 on exploration and evaluation expenditures, \$67,735 on Antilla; \$176,926 on Cotabambas; \$350,720 on Humamantata and \$93,167 on its other projects. A total of \$320,150 has been accrued for recording and concession fees, and is included in the exploration costs.

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

Administration Expenses

The Company's loss in Q1 2021 of \$194,112 (\$0.00 per common share) compares to loss of \$1,652,350 (\$0.01 per common share) in Q1 2020. The discussion below is based on a comparison of Q1 2021 and Q1 2020.

Overall, the change in the Company's expenditures reflects a decrease in exploration and corporate activity in both fiscal periods, due to the suspension of almost all exploration activity during the COVID-19 pandemic.

Areas of significant changes in administration costs between Q1 2021 and Q1 2020 include the following:

- The US to Canada exchange rates in Q1 2021 changed from a rate of \$0.7854 at December 31, 2020, to \$0.7952, an increase in the Canadian dollar.
- An exchange loss in Q1 2021 of \$1,193, compared to an exchange loss of \$229,810 in Q1 2020. The largest impact in Q1 2020 compared to Q1 2021 was the change in fair value of the PMPA financial liability had a significant change from a decrease in the fair value of \$161,200 in Q1 2021 compared to an increase in the fair value of the PMPA liability of \$1,019,150 in Q1 2020. This was due to the change in the USD:CAD exchange rates in the two comparative periods. In each Q1 fiscal period the Company received the first semi-annual payment under the Wheaton Metals PMPA.

- A decrease in travel costs from \$11,122 in Q1 2020 to \$2,686 in Q1 2021, as there has been no corporate travel due to COVID-19.
- An increase in corporate development, marketing and shareholder communications' activity from \$14,424 in Q1 2020 to \$28,323 in Q1 2021, as the Company transitioned from travel and personal contracts with investors to webinars and other types of marketing meetings.
- Regulatory and transfer agent fees increase from \$14,557 in Q1 2020 to \$39,338 in Q1 2021 due to the OTCQB listing fees incurred.
- An increase in legal fees from \$11,170 in Q1 2020 to \$29,646 in Q1 2021, due to reviews of agreements during the period. Other expense categories in Q1 2021 remain at relatively the same level as Q1 2020. Variable costs of the Company's administrative expenses are usually in the area of legal, travel and investor relations and corporate development, and often correspond to the level of exploration and development activity.

The Company reduced directors' fees, salaries, and other costs in fiscal 2020, and directors' fees remain at the same level to assist the Company to continue operations throughout the period of the COVID-19 pandemic and the related impacts on the Company's operations. At December 31, 2020, the Company had eight directors. Directors' fees also include fees paid to a director of a subsidiary of the Company. At the date of this MD&A the Company has seven directors, as a director of the Company resigned in January 2021.

Currently, the Company does not have an office in Lima, Peru, as the lease expired in May 2020 shortly after the COVID-19 pandemic started, and no new office premises have been leased. Employees remain working from home, or in the field.

Liquidity and capital resources

Liquidity risk is the risk that the Company will not be able to operate in the normal course of business for the next 12 months. The Company is considered to be in the exploration and development stage and is currently exploring mineral properties in Perú. The Company has no history of revenues from operating activities and will have negative cash flow from operations in future periods until commercial production is achieved from its advanced exploration stage projects. The Company 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\$10.75 million to the date of this MD&A. An additional US\$3.75 million is payable by Wheaton Metals to the Company in semi-annual payments to fiscal 2023;
- the Company's agreement with JOGMEC for the Humamantata Project includes the initial funding of US\$3.0 million in the first 3 years of the agreement for investment into the project, and for the Company's costs as the operator. An additional US\$5.0 million of project investment after Year 3 is also included in the agreement. The initial payments are expected to be received to fiscal 2021;
- the Company's agreement with Hudbay Minerals Inc. ("Hudbay") on the Kusiorcco Project includes milestone payments to the Company of US\$2.0 million. The first

milestone payment of US\$500,000 was received early 2019 as Hudbay advised the Company that they had completed surface rights agreements on the Kusiorcco Project. The agreement calls for three additional payments of US\$500,000 each on the completion of drill holes 1, 5 and ten on the project.

As at March 31, 2021, the Company has an accumulated deficit of \$43,550,548 (December 31, 2020 – \$43,356,436), and has a working capital deficiency of \$10,063,966 (December 31, 2020 – working capital deficiency of \$9,499,481), with the inclusion of the current portion of the PMPA which is presented as a current liability, and is restated to fair value by the conversion of the liability to Canadian dollars at the period end rate, under IFRS. Without the current portion of the PMPA included in the working capital deficiency noted above, the Company has working capital of \$939,159 at March 31, 2021 (December 31, 2020 - \$686,119).

Based on its financial position at March 31, 2021, the Company believes that it has sufficient funds to meet operational expenditures over the ensuing twelve-month period, providing that payments from Wheaton Metals continue as per the PMPA, and other scheduled payments are forthcoming. The Company will continue to review planned investment expenditures, primarily at the Cotabambas and Antilla Projects, but also its overhead expenditures, in order to meet changes in working capital estimates.

Commitments

In the normal course of business, the Company enters into contracts that result in commitments for future payments. The following table summarizes the remaining contractual maturities of the Company's operating and capital commitments: The Company has the following commitments and payments due under the leases payable:

	2021	2022	2023	2024	Total
Office lease (Vancouver)	\$22,572	\$ -	\$ -	\$ -	\$ 22,572
Accrued Vigencias	\$1,296,543	\$ -	\$ -	\$ -	\$1,296,543
Accounts payable	\$128,043	\$ -	\$ -	\$ -	\$ 128,043
Accrued liabilities	\$122,777	\$ -	\$ -	\$ -	\$ 122,777

Key management personnel and related parties

Employment contracts have been entered into with each of the President and Chief Executive Officer (“CEO”), the Vice-President Exploration (“VP-Ex”), the Senior Vice-President, South America (“VP-SA”) and the Vice-President, Operations (“VP-Op”) and the Chief Financial Officer (“CFO”). Key management personnel compensation for the three months ended March 31, 2021 totalled \$283,871 (2020-\$310,675). The Company had no transactions between directors and officers and/or companies controlled by directors or officers in common with the Company. At March 31, 2021, \$1,168 was payable to an officer of the Company for expenses incurred on behalf of the Company and \$7,250 (2020 - \$23,333) was payable to two directors for directors fees.