

**PANORO MINERALS LTD.**

**Condensed Consolidated Interim Financial Statements**

For the three months ended March 31, 2024 and 2023

*(Expressed in United States dollars, unless otherwise stated)*

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Panoro Minerals Ltd. ("the Company") and related information presented in this financial report are the responsibility of the Company's management and have been approved by the Board of Directors. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards and reflect management's best estimates and judgments based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls through its Audit Committee, which is comprised of a majority of non-management directors. The Audit Committee reviews the results of the audit and the annual consolidated financial statements prior to their submission to the Board of Directors for approval.

These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

**"Luquman A. Shaheen" (signed)**

Luquman A. Shaheen  
President and Chief Executive Officer

**Vancouver, British Columbia**

**"Michael Malana" (signed)**

Michael Malana  
Chief Financial Officer

**Vancouver, British Columbia**

# PANORO MINERALS LTD.

Condensed Consolidated Interim Statements of Financial Position  
(Expressed in **United States dollars**, unless otherwise stated)  
*Unaudited*

	Note	March 31, 2024	December 31, 2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 1,312,388	\$ 256,533
Marketable securities		111	111
Accounts and advances receivable	5	67,025	2,294,920
Prepaid expenses		226,606	178,947
<b>Total current assets</b>		1,606,130	2,730,511
<b>Non-current assets</b>			
Property and equipment		188,552	219,265
Investment in associate	5	3,362,542	3,362,542
Exploration and evaluation assets	6	48,186,190	47,407,914
<b>Total assets</b>		\$ 53,343,414	\$ 53,720,232
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	10	\$ 1,120,579	\$ 1,058,299
Current tax liability		92,792	103,046
Current portion of lease liabilities		25,738	52,058
Liabilities under Early Deposit Precious Metals Agreement	7	12,000,000	12,000,000
<b>Total current liabilities</b>		13,239,109	13,213,403
<b>Non-current liabilities</b>			
Long- term portion of lease liabilities		90,373	100,942
Liabilities under Early Deposit Precious Metals Agreement	7	2,000,000	2,000,000
<b>Total liabilities</b>		15,329,482	15,314,345
<b>Shareholders' equity</b>			
Share capital	8(a)	69,443,360	69,443,360
Share-based expense reserve	8(b)	9,600,386	9,600,386
Accumulated other comprehensive loss		(7,258)	(7,258)
Deficit		(41,022,556)	(40,630,601)
<b>Total shareholders' equity</b>		38,013,932	38,405,887
<b>Total liabilities and shareholders' equity</b>		\$ 53,343,414	\$ 53,720,232
Going concern (Note 2)			
Commitments (Note 10)			

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Approved on behalf of the Board:

"Luquman A. Shaheen"

"William J. Boden"

# PANORO MINERALS LTD.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in **United States dollars**, unless otherwise stated and except per share data)

*Unaudited*

		Three months ended March 31,	
	Note	2024	2023
<b>Expenses</b>			
Amortization		\$ 30,713	\$ 663
Administration expenses		117,588	109,056
Audit and tax		3,760	16,741
Consulting fees		6,759	2,297
Corporate development, conferences, travel, and shareholder relations		46,423	61,519
Directors' fees	9	28,263	27,585
Legal		1,084	10,066
Property evaluation		27,464	93,136
Salaries and benefits	9	133,564	160,163
Share-based expense	8(b)	-	581,012
		(395,618)	(1,062,238)
Interest expense		(8,382)	(4,308)
Interest income		24,700	24,983
Other income	9	6,214	19,016
Foreign exchange loss		(18,869)	(2,464)
Loss and comprehensive loss for the period		(391,955)	(1,025,011)
<b>Loss per share, basic and fully diluted</b>	12	\$ (0.00)	\$ (0.00)
<b>Weighted average number of common shares outstanding</b>	12	264,375,058	264,375,058

The accompanying notes are an integral part of these condensed consolidated interim financial statements

## PANORO MINERALS LTD.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in **United States dollars**, unless otherwise stated)

*Unaudited*

	Number of shares	Share capital \$	Share-based expense reserve \$	Accumulated other comprehensive loss \$	Deficit \$	Total \$
Balance, December 31, 2022	264,375,058	69,443,360	9,019,374	(7,265)	(38,536,568)	39,918,901
Share-based expense (note 8(b))	-	-	581,012	-	-	581,012
Loss for the period	-	-	-	-	(1,025,011)	(1,025,011)
<b>Balance, March 31, 2023</b>	<b>264,375,058</b>	<b>69,443,360</b>	<b>9,600,386</b>	<b>(7,265)</b>	<b>(39,561,579)</b>	<b>39,474,902</b>
Balance, December 31, 2023	264,375,058	69,443,360	9,600,386	(7,258)	(40,630,601)	38,405,887
Loss for the period	-	-	-	-	(391,955)	(391,955)
<b>Balance, December 31, 2023</b>	<b>264,375,058</b>	<b>69,443,360</b>	<b>9,600,386</b>	<b>(7,258)</b>	<b>(41,022,556)</b>	<b>38,013,932</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# PANORO MINERALS LTD.

Condensed Consolidated Interim Statements of Cash Flows  
(Expressed in **United States dollars**, unless otherwise stated)  
*Unaudited*

		Three months ended March 31,	
	Note	2024	2023
Cash provided by (used for):			
<b>Operating activities:</b>			
Loss for the period		\$ (391,955)	\$ (1,025,011)
Items not involving the use of cash:			
Amortization		30,713	663
Share-based expense	8(b)	-	581,012
Interest expense on lease liabilities		17,568	28,272
Foreign exchange loss (gain)		423,705	(5,363)
Taxes paid		(10,254)	-
Interest income		(24,700)	(24,983)
Interest received		24,700	24,983
		69,777	(420,427)
Changes in non-cash operating working capital:			
Accounts and advances receivable		2,227,895	170,301
Prepaid expenses		(47,659)	(78,766)
Accounts payable and accrued liabilities		297,583	(140,346)
Cash provided by (used in) operating activities		2,547,596	(469,238)
<b>Investing activities:</b>			
Exploration and evaluation expenditures		(996,978)	(1,402,686)
Purchase of equipment		-	(17,534)
Cash used in investing activities		(996,978)	(1,420,220)
<b>Financing activities:</b>			
Proceeds from Early Deposit Precious Metals Purchase Agreement	7	-	750,000
Interest payment on lease liabilities		(17,568)	(28,272)
Repayment of lease liabilities		(53,490)	(54,357)
Cash provided by (used in) financing activities		(71,058)	667,371
Effect of foreign exchange on cash held		(423,705)	5,363
Increase (decrease) in cash and cash equivalents		1,055,855	(1,216,724)
Cash and cash equivalents, beginning of period		256,533	5,549,992
Cash and cash equivalents, end of period		\$ 1,312,388	\$ 4,333,268

Supplementary cashflow information is disclosed in Note 13.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# PANORO MINERALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in **United States dollars**, unless otherwise stated)

For the three months ended March 31, 2024 and 2023

*Unaudited*

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## 1. Nature of operations

Panoro Minerals Ltd. is incorporated under the *Business Corporations Act* in the Province of British Columbia. The Company's principal place of business is located at Suite 480 – 505 Burrard Street, Vancouver, BC, Canada V7X 1M3. Panoro Minerals Ltd. and its subsidiaries are referred to as “Panoro” or the “Company.”

The Company is an exploration-stage company engaged principally in the acquisition, exploration, and development of mineral properties in Perú and trades on the TSX Venture Exchange (the “Exchange”) as a Tier 2 mining issuer under the trading symbol “PML”. The Company also trades on the Bolsa de Valores de Lima under the same trading symbol, and on the OCTQB under the symbol “POROF”.

## 2. Going concern

These condensed consolidated interim financial statements have been prepared on a going concern basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has no operating revenue and recorded a loss of \$391,955 for the three months ended March 31, 2024 (2023 – \$1,025,011). As at March 31, 2024, the Company had an accumulated deficit of \$41,022,556 (December 31, 2023 – \$40,630,601) and a working capital deficiency, being current assets less current liabilities, of \$11,632,979 (December 31, 2023 – \$10,482,892).

The Company's investment in its exploration and evaluation assets comprises a significant portion of the Company's assets. Recovery of the carrying value of the investment in these assets, including the investment in Antilla Copper S.A. and its property and equipment, and the Company's ability to continue operations as a going concern are dependent upon the existence of economically recoverable reserves, confirming and maintaining legal ownership of the resource properties, the ability of the Company to obtain the necessary mining and environmental permits, the ability of the Company to obtain necessary financing to complete the exploration and development, and the attainment of future profitable production or the disposition of these assets for proceeds in excess of their carrying values.

Although the Company expects to have sufficient financial resources to cover its existing obligations and operating costs and undertake its currently planned programs, the Company will require further funding in the second half of 2024 to fund exploration and evaluation activities, and ultimately develop its properties within the next twelve months. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. These conditions create a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders, and other investors and/or achieve operating profitability and generate positive cash flows. The Company is in the business of exploring and

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developing mineral property interests, and as such, must continually seek sources of financing to further develop and explore its mineral exploration and evaluation assets and to support general and administrative expenses.

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

These consolidated financial statements do not reflect adjustments to the carrying values of its assets and liabilities, the reported income and expenses, and the classification used in the consolidated statements of financial position, which may be required should the Company be unable to continue as a going concern. These adjustments could be material.

### 3. Basis of presentation

#### (a) Statement of compliance

These condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the Company's audited consolidated financial statements for the year ended December 31, 2023 and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") in compliance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting. Accordingly, certain disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023.

These condensed consolidated interim financial statements of the Company for the three months ended March 31, 2024, were approved and authorized for issuance by the Board of Directors on May 28, 2024.

#### (b) Functional and reporting currency and foreign currency translation

##### *Functional currency*

Commencing on January 1, 2023 (the "Effective Date"), the functional currency of the Company and its subsidiaries was reassessed as a result of a change in underlying transactions, events, and conditions. As a result of this reassessment the functional currency the Canadian parent company and subsidiaries changed from the Canadian dollar to the United States dollar commencing on the Effective Date. The change in functional currency was accounted for on a prospective basis, with no impact of this change on prior year comparative information. Determination of functional currency may involve certain judgements to determine the primary economic environment.



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### *Presentation currency*

On January 1, 2023, the Company elected to change its presentation currency from the Canadian dollar ("C\$" or "CAD") to the United States dollar (" \$" or "USD"). The change in presentation currency is to better reflect the Company's business activities and to improve investors' ability to compare the Company's financial results with other publicly traded businesses in comparable industries. From January 1, 2023, the United States dollar presentation currency is consistent with the functional currency of the Company. The Company applied the change to the United States dollar presentation currency retrospectively, with prior period comparative information for each comparative period in these financial statements translated from the Canadian dollar presentation currency to the new United States dollar presentation currency at the foreign exchange rate of 1.3544 Canadian dollars per United States dollar, being the rate of exchange prevailing on January 1, 2023.

### *Transactions and balances*

Transactions in currencies other than the functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the reporting date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statement of loss and comprehensive loss.

### (c) Critical accounting estimates

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

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

Significant areas requiring the use of estimates and assumptions relate to the review of asset carrying values and determination of impairment charges relating to non-current assets if an indicator of impairment is identified. Actual results could differ from those estimates. Key estimates made by management with respect to the areas noted previously have been disclosed in the notes to the Company's audited consolidated financial statements for the year ended December 31, 2023 as appropriate.

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Notes to the Condensed Consolidated Interim Financial Statements

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## (d) Use of judgements

Significant areas requiring judgement relate to assessing exploration and evaluation assets for indicators of impairment, determining the appropriate accounting for the Wheaton Precious Metals Purchase Agreement ("Wheaton PMPA") with Wheaton Precious Metals International Ltd. ("Wheaton Metals") as disclosed in note 9, the going concern assessment as discussed in note 2, and the determination of functional currency as disclosed in note 3 (b).

## 4. Material accounting policy information

The preparation of these condensed consolidated interim financial statements is based on accounting principles and practices consistent with those used in the preparation of the Company's audited consolidated financial statements for the year ended December 31, 2023, unless otherwise indicated.

There are no new IFRS standards issued, but not yet effective, that may affect the financial statements of the Company.

## 5. Investment in associate

On December 3, 2021, the Company completed a sale of 75% of its interest in the Company's subsidiary, Antilla Copper which holds the Antilla project, an advanced stage mineral exploration project (the "Antilla Project"). The acquisition payments are staged and the acquiror, Heeney Capital Acquisition Company ("HCAC") initially acquired 75% of the shares of Antilla Copper for \$7,383,000 (C\$10,000,000) in cash, and \$2,032,540 (C\$2,753,000) (the "Second Payment"), receivable at the earlier of HCAC going public on an internationally recognized stock exchange or ten months from the closing of the transaction, being October 3, 2022. An additional 15% of the Company's shares in Antilla Copper is to be sold for a contingent \$5,293,000 (C\$7,000,000) twelve months after the earlier of drilling permits and community land use agreements being obtained or a pre-feasibility or feasibility study is completed on the Antilla Project which will result in HCAC having a 90% interest in Antilla Copper. The Company and HCAC are to contribute their pro-rata portion of all exploration and development expenditures.

The agreement also includes a further contingent payment of \$7.6 million (C\$10.0 million) if a feasibility study estimates the net present value at an 8% discount rate ("Antilla NPV8") of the Antilla Project to be above \$310 million; or up to \$37.8 million (C\$50.0 million) if the Study estimates the Antilla NPV8 to be above \$360 million.

The net smelter returns royalty ("NSR") to Panoro over the life of the Antilla Project will include an existing 2.0% NSR; and an additional 1.0% NSR if the Company's ownership in Antilla Copper is diluted to below 5%. If this occurs, the Company will have a total 3.0% NSR on the Antilla Project, subject to a buyback right for the 1.0% NSR for \$3.0 million (C\$4.0 million).

At December 31, 2023, the Company retains an interest of 21.36% in Antilla Copper, the Company's associate. At the time of the sale, the Company deconsolidated the net assets of Antilla Copper and recorded the retained interest as an equity investment, initially recorded at its fair value of \$3,199,054 (C\$4,333,000), determined based on the transaction value.

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As at December 31, 2023, included in accounts and advances receivable is \$1,807,398, the outstanding balance of the Second Payment and \$150,474, the outstanding balance of accrued interest receivable.

On March 4, 2024, Calisto paid a total of \$1,978,259 (C\$2,684,893) to Panoro in relation to the Antilla receivable, consisting of \$1,807,398 (C\$2,453,000), the balance of the Second Payment and accrued interest of \$170,861 (C\$231,893).

At March 31, 2024 and December 31, 2023, the Company retains an interest of approximately 21% in Antilla Copper.

### 6. Exploration and evaluation assets

The investment in, and expenditures on, mineral interests comprise a significant portion of the Company's assets. The realization of the Company's investment in these assets is dependent upon the confirmation of legal ownership of the properties and the attainment of successful production from the properties or from the proceeds of their disposal. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company's main mineral property interest is Cotabambas, an advanced stage exploration property. As at March 31, 2024 and December 31, 2023, the Company's other fully held mineral property interests are all in various stages of exploration. All exploration and evaluation asset interests are 100% held by the Company through wholly owned direct and indirect subsidiaries of the Company that were created to hold the various mineral property interests.

The Company performs an ongoing review of its properties, and based on the analysis of the properties, there were no indicators of impairment with respect to the mineral property interests with capitalized exploration and evaluation costs at March 31, 2024 and December 31, 2023.

#### Humamantata

At March 31, 2024 and December 31, 2023, the Company has \$0.6 million in capitalized exploration and evaluation costs with respect to the Humamantata Project.

#### Cochasayhuas

In August 2023, the Company completed the sale of its Cochasayhuas project for \$460,000 to a private Peruvian mining company and recorded a gain of \$384,874 on the sale. The transaction, transfer and registration of mineral concession ownership has been completed.

#### Kusiorcco

On December 28, 2017, the Company entered into an agreement with a subsidiary of Hudbay Minerals Inc. ("Hudbay"), whereby Hudbay acquired the Company's concessions comprising the Kusiorcco Property. Pursuant to the terms of the agreement with Hudbay, the Company initially received \$3.0 million which was recorded as proceeds and the Company was scheduled to receive

## PANORO MINERALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

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*Unaudited*

four milestone payments from Hudbay as follows: \$500,000 on the execution of agreements with local communities and surface titleholders necessary for Hudbay to access and carry out a drill program on the project (payment received in fiscal 2019); and three additional payments to be received as follows: \$500,000 upon completion of Hudbay's first drill hole; \$500,000 upon completion of Hudbay's fifth drill hole; and \$500,000 upon completion of Hudbay's tenth drill hole on the project. The Company also retains a 2.0% NSR from mineral production on the project. Hudbay has the option to buy back one-half of the 2.0% NSR (reducing the NSR to 1.0%) for \$2.0 million within five years of the acquisition, and for \$5.0 million thereafter.

During the year ended December 31, 2022, Hudbay made a payment of C\$1.9 million for the remaining three milestone payments as described above, one year in advance of the original payment date of January 2023. This amount has been recorded in the consolidated statement of loss and comprehensive loss as gain on Kusiorcco agreement. Hudbay now holds the property subject only to the NSR described above.

Exploration and evaluation assets at March 31, 2024 and expenditures for the three months then ended are as follows:

<b>Acquisition costs:</b>	<b>Cotabambas</b>	<b>Other</b>	<b>Total</b>
Balance, March 31, 2024 and December 31, 2023	\$ 3,636,153	\$ 122,837	\$ 3,758,990
<b>Exploration and evaluation expenditures:</b>			
Balance, December 31, 2023	\$43,105,187	\$ 543,737	\$43,648,924
Incurred during the period:			
Camp and site	65,434	-	65,434
Community relations	76,257	-	76,257
Drilling	22,668	-	22,668
Engineering and studies	95,018	-	95,018
Environmental	14,555	-	14,555
Geology	63,186	-	63,186
Recording and concession fees	369,796	71,362	441,158
	706,914	71,362	778,276
Exploration and evaluation expenditures capitalized at March 31, 2024	43,812,101	615,099	44,427,200
<b>Total exploration and evaluation assets at March 31, 2024</b>	<b>\$47,448,254</b>	<b>\$737,936</b>	<b>\$48,186,190</b>
Salaries and benefits allocation included in above amounts:			
Camp and site	\$ 25,162	-	\$ 25,162
Community relations	68,549	-	68,549
Drilling	1,197	-	1,197
Engineering and studies	95,018	-	95,018
Environmental	1,600	-	1,600
Geology	63,186	-	63,186
	\$ 254,712	\$ -	\$ 254,712

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Exploration and evaluation assets at December 31, 2023 and expenditures for the year then ended are as follows:

<b>Acquisition costs:</b>	<b>Cotabambas</b>	<b>Other</b>	<b>Total</b>
Balance, December 31, 2023 and December 31, 2022	\$ 3,636,153	\$ 122,837	\$ 3,758,990
<b>Exploration and evaluation expenditures:</b>			
Balance, December 31, 2022	\$38,872,085	\$ 519,479	\$39,391,564
Incurred during the period:			
Assays and sampling	107,568	-	107,568
Camp and site	462,193	-	462,193
Community relations	708,079	-	708,079
Drilling	974,658	-	974,658
Engineering and studies	871,591	-	871,591
Environmental	282,401	642	283,043
Geology	451,475	-	451,475
Geophysics	2,838	-	2,838
Recording and concession fees	372,299	98,742	471,041
Sale of Cochasayhuas	-	(75,126)	(75,126)
	4,233,102	24,258	4,257,360
Exploration and evaluation expenditures capitalized at December 31, 2023	43,105,187	543,737	43,648,924
<b>Total exploration and evaluation assets at December 31, 2023</b>	<b>\$46,741,340</b>	<b>\$666,574</b>	<b>\$47,407,914</b>
Salaries and benefits allocation included in above amounts:			
Camp and site	\$ 133,118	-	\$ 133,118
Community relations	369,645	-	369,645
Drilling	543,847	-	543,847
Engineering and studies	351,124	-	351,124
Environmental	36,678	-	36,678
Geology	425,768	-	425,768
	\$ 1,860,180	\$ -	\$ 1,860,180

Capital commitments pertaining to the Company's mineral properties are disclosed in Note 10.

### 7. Early Deposit Precious Metals Agreement

On March 21, 2016, the Company entered into the Wheaton PMPA in respect of the Cotabambas project located in Perú. The term of the Wheaton PMPA continues in effect for 20 years and automatically renews for successive ten-year periods until Wheaton Metals terminates the Wheaton PMPA. The principal terms of the Wheaton PMPA are such that Wheaton Metals will pay the Company upfront cash payments totaling \$140.0 million (the "Deposit") for 25% of the payable gold production and 100% of the payable silver production (decreasing to 16.67% of the payable gold production and 66.67% of the payable silver production), after a certain production volume has been delivered to Wheaton Metals from the Company's Cotabambas Project in Perú.

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In addition, Wheaton Metals will make production payments to the Company of the lesser of the market price and \$450 per payable ounce of gold and \$5.90 per payable ounce of silver delivered to Wheaton Metals, increasing annually by 1%, four years after commencement of commercial production, over the life of the Company's Cotabambas Project. Any excess of the market price and the fixed payments will be credited against the Deposit ("Early Deposit") until the Early Deposit is nil. If, by the expiry of the term of the Wheaton PMPA, the Company has not delivered enough production to reduce the Early Deposit to nil, the uncredited balance will be repaid to Wheaton Metals. The Wheaton PMPA provides for the Company to receive \$14.0 million of the Early Deposit prior to the Company completing a feasibility study on the Cotabambas project.

At December 31, 2023, the Company has received a total of \$14.0 million under the Early Deposit, including an accelerated payment of \$2.0 million after the successful completion of a private placement in August 2016.

The balance of \$126.0 million is payable in instalments during construction of the Cotabambas Project, should Wheaton Metals elect to proceed with the Agreement. Wheaton Metals may terminate the Wheaton PMPA at any point up to 90 days following delivery of a feasibility study on the Cotabambas project upon giving the Company three months' notice, in which case all Early Deposit amounts advanced less \$2.0 million will become repayable. Wheaton Metals can elect to be repaid in cash or shares, with the deferral of cash payments under certain conditions for up to two years. If Wheaton Metals elects to terminate the Wheaton PMPA and be repaid with cash, interest will accrue at prime plus 8% per annum if repayment has not been made within two years of notice of termination. Wheaton Metals may also terminate the Wheaton PMPA at different points during the term of the Wheaton PMPA if certain production delays occur, in which case the uncredited deposit will be repayable to Wheaton Metals.

Following a change of control, subject to certain conditions, the Company has a one-time option to repurchase 50% of the precious metals stream with a payout based on the greater of: (i) a minimum fixed return (ii) a return based on appreciation of precious metals prices over the term of the Wheaton PMPA and (iii) a return based on appreciation of the share price of the Company over the term of the Wheaton PMPA.

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Liabilities under the Wheaton WPMA at March 31, 2024 and December 31, 2023 and cash flow for the three months and year then ended respectively are as follows:

<b>Liabilities under Precious Metals Purchase Agreement</b>	<b>Balance, December 31, 2023</b>	<b>2024 Additions</b>	<b>Balance, March 31, 2024</b>
Current liabilities	\$12,000,000	\$ -	\$12,000,000
Long-term liabilities	2,000,000	-	2,000,000
	<b>\$14,000,000</b>	<b>\$ -</b>	<b>\$14,000,000</b>

<b>Liabilities under Precious Metals Purchase Agreement</b>	<b>Balance, December 31, 2022</b>	<b>2023 Additions</b>	<b>Balance, December 31, 2023</b>
Current liabilities	\$11,000,000	\$1,000,000	\$12,000,000
Long-term liabilities	2,000,000	-	2,000,000
	<b>\$13,000,000</b>	<b>\$1,000,000</b>	<b>\$14,000,000</b>

### 8. Share capital

#### (a) Authorized

Unlimited common shares without par value.

Issued and outstanding:

264,375,058 common shares as at March 31, 2024 and December 31, 2023.

#### (b) Stock options

Stock options to purchase common shares have been granted to directors, employees, contractors, and consultants at exercise prices determined by reference to the market value on the date of the grant.

The number of shares available for options to be granted under the Company's rolling stock option plan is 10% of the number of shares outstanding (the "Plan"), as amended at the Annual General Meeting held on June 22, 2022 and re-approved at the Annual General Meeting held on June 21, 2023. Options granted under the Plan vest immediately or over a period of time at the discretion of the Board of Directors.

During the year ended December 31, 2023, the Company granted 9,700,000 stock options with an exercise price of C\$0.15 exercisable up to five years from the date of grant to directors, officers and employees of the Company. The fair value of the share-based compensation recognized was \$581,012 as determined using the Black-Scholes Option Pricing Model with weighted average assumptions of a risk-free rate of return of 3.13%, expected life of 5 years, expected volatility of 73.7% and expected dividend yield of 0%.

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The following were changes to the stock options of the Company:

	Number of Options	Weighted average exercise price
Balance, December 31, 2022	11,150,000	\$0.19
Stock options granted	9,700,000	\$0.11
Stock options expired	(6,650,000)	\$0.25
Balance, December 31, 2023	14,200,000	\$0.11
Stock options cancelled	(300,000)	\$0.11
Balance, March 31, 2024	13,900,000	\$0.11

The weighted average life of exercisable options outstanding as of December 31, 2023 is 3.06 years (December 31, 2023 – 3.06 years).

The following stock options were outstanding and exercisable at March 31, 2024:

Expiry date	Number of options	Weighted average exercise price
August 16, 2024	4,000,000	\$0.11 (C\$0.15)
August 26, 2027	500,000	\$0.09 (C\$0.12)
January 11, 2028	9,400,000	\$0.11 (C\$0.15)
	13,900,000	\$0.11 (C\$0.15)

### 9. Related party transactions

Key management personnel are those persons that have the authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management includes the Company's directors and members of the senior management group and consisted of eleven individuals as at and for the three months ended March 31, 2024 and as at and for the year ended December 31, 2023.

For the three months ended March 31, 2024, key management personnel compensation included salaries, fees and benefits recorded in the statement of loss and comprehensive loss and as part of additions to exploration and evaluation assets of \$278,357 (2023 – \$276,832).

During the three months ended March 31, 2024 the Company received other income of \$6,214 (2023 – \$19,016) from Calisto with respect to support services provided in relation to the Antilla project.

As at March 31, 2024, included in accounts payable and accrued liabilities was \$nil (December 31, 2023 – \$54,188) in directors' fees payable.



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### 10. Commitments

The Company has the following commitments and payments due at March 31, 2024:

	2024	2025	2026	Total
Office lease (Vancouver)	\$ 59,446	\$ 80,663	\$ 82,065	\$ 222,174
Accrued vigencias	484,167	-	-	484,167
Accounts payable and accrued liabilities	636,412	-	-	636,412
Current tax liability	92,792	-	-	92,792
	\$ 1,272,817	\$ 80,663	\$ 82,065	\$ 1,435,545

Vigencias (or recording fees) of \$3 per hectare are not commitments, but rather the annual payments required to maintain mineral concessions in good standing with the Peruvian government. The ultimate amount to be paid is based on a formula relating to exploration costs incurred, offset against the basic fee and penalty. After the 6th year, an annual penalty must be paid per hectare, starting at \$6 per hectare, until after 12 years, the additional fee increases to \$20 per hectare. The penalties are reduced, based on exploration activity on the concessions, and the reduction is determined each year by the Peruvian government.

The Company entered into an office lease in Vancouver effective August 1, 2021 for a period of six years. The Company leases warehouses in Cusco which are renewed annually. The Company is in the process of finalizing its commitments under community agreements with respect to ongoing operations at the Cotabambas project.

### 11. Financial instruments and capital management

#### (a) Fair value of financial instruments

The fair values of the Company's cash and cash equivalents, accounts and advances receivable and accounts payable and other liabilities, including liabilities under the Early Precious Metals Agreement, approximate their carrying values because of the actual or potential short-term nature of these instruments.

At March 31, 2024 and December 31, 2023, the Company held 6,667 common shares in Fidelity Minerals Corp. ("Fidelity"), at a book value of \$10,000 and a fair value of \$111 (December 31, 2023 – \$111. These shares have been recognized at fair value in the consolidated statement of financial position with gains or losses on revaluation recognized in other comprehensive income (loss).

IFRS 13 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

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Marketable securities are determined based on a market approach reflecting the closing price of each particular security at the reporting date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security. As a result, these financial assets have been included in Level 1 of the fair value hierarchy.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, for substantially the full contract term.

Level 3: Inputs for the financial asset or liability are not based on observable market data. The Company has no financial assets or liabilities recorded in the statements of financial position included in Level 3 of the fair value hierarchy.

### (b) Financial risks

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

#### Credit risk

The Company manages its credit risk through its counterparty ratings and credit limits. The Company is mainly exposed to credit risk on its bank accounts and accounts and advances receivable. Bank accounts and short-term investments are primarily with Canadian Schedule 1 banks and Banco de Credito in Peru. The Company has accounts and advances receivable primarily related to IGV receivable from the Peruvian government. At March 31, 2024, the total of cash and cash equivalents, and accounts and advances receivable of \$1,379,413 (December 31, 2023 – \$2,551,453) represents the maximum credit exposure. The Company has not identified any significant increase in credit risk with respect to its financial assets at March 31, 2024. The Company has not identified any allowances for credit losses at March 31, 2024 or December 31, 2023.

#### Liquidity risk

The Company manages its liquidity risk by ensuring, as far as possible, that there is sufficient liquidity to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash and cash equivalents are primarily invested in bank accounts, bankers' acceptances, and US government treasury bills, which are available on demand.

Contractual commitments that the Company is obligated to pay in future years are disclosed in note 10. Accounts payable and accrued liabilities require payment within one year. See also note 2, Going Concern.

#### Market risk

The significant market risks to which the Company is exposed are foreign currency risk and interest rate risk.

## PANORO MINERALS LTD.

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### Foreign currency risk

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

The Company does not use derivatives or other instruments to manage foreign currency risk. The Company's operations in Perú make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company's operating results, and cash flows are affected to varying degrees by changes in the United States dollar exchange rate vis-a-vis the Peruvian Nuevo Sol and the Canadian Dollar.

The Company purchases foreign currencies as the need arises to fund its exploration activities. Corporate expenditures are primarily incurred in Canadian and US dollars.

The Company purchases foreign currencies as the need arises to fund its exploration activities. Corporate expenditures are primarily incurred in Canadian and US dollars.

As at March 31, 2024, a 10% change in applicable foreign exchange rates would not have a significant impact on the Company's financial results other than the effect from its cash held in Canadian dollars where a 10% strengthening or weakening of the Canadian dollar compared to the US dollar would result in a foreign exchange loss or gain respectively of approximately \$0.3 million on the Company's financial results.

### Interest rate risk

The Company's cash and cash equivalents earn interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to changes in short-term rates; however, based on the cash and cash equivalent balance at March 31, 2024, a 1% change in interest rates would not have a significant impact on the Company's financial results.

### (c) Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to pursue the exploration and development of its mineral property interests, while maintaining a flexible capital structure. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the three months ended March 31, 2024 and the year ended December 31, 2023.

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### 12. Basic and diluted loss per share

The calculation of basic and diluted income and loss per share for the three months ended March 31, 2024, was based on the loss attributable to common shareholders of \$391,955 (2023 – \$1,025,011) and the weighted average number of common shares outstanding of 264,375,058 (2022 – 264,375,058) respectively.

For the three months ended March 31, 2024 and 2023, diluted loss per share is the same as basic loss per share, as the effect of outstanding share options (see note 10 (b)) on loss per share would be anti-dilutive. Anti-dilutive instruments have not been included in the determination of fully diluted loss per share.

### 13. Supplementary cash flow information

	Three months ended March 31,	
	2024	2023
<b>Non-cash activities:</b>		
Decrease (increase) in accounts payable and accrued liabilities associated with exploration and evaluation expenditures	\$ 218,702	\$ 87,629