PANORO MINERALS LTD.

Annual Information Form for the Year Ended December 31, 2016

Contents

Item 1: Preliminary Notes

1.1 AIF and Incorporation of Financial Statements and Reports

Information has been incorporated by reference in this Annual Information Form ("AIF") for Panoro Minerals Ltd. ("Panoro" or the "Company") from documents filed with the various securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at Suite 1610 – 700 West Pender Street, Vancouver, British Columbia V6C 1G8 (phone: (604) 684-4246), and are also available electronically at www.sedar.com.

The following documents, filed by the Company with the various securities commissions or similar regulatory authorities in the provinces of British Columbia, Alberta and Ontario, are specifically incorporated by reference into, and form an integral part of this AIF are:

(i) the audited financial statements for the Company for the period ending December 31, 2016, together with the auditor's report thereon;
(ii) the Management's Discussion & Analysis for the year ended December 31, 2016;
(iii) a report titled "Preliminary Economic Assessment Technical Report for the Antilla Copper-Molybdenum Project, Perú" ("Antilla PEA") dated June 16, 2016.
(iv) a NI 43-101 Technical Report titled "Updated Preliminary Economic Assessment on the Cotabambas Project", with an effective date of September 22, 2015 ("Updated PEA"), prepared by AMEC and Moose Mountain Technical Services ("Moose Mountain") and the Company;
(v) a National Instrument 43-101 ("NI 43-101") Technical Report titled "Preliminary Economic Assessment on the Cotabambas Project", with an effective date of April 9, 2015 ("Initial PEA"); prepared by Amec Foster Wheeler ("AMEC") and Tetra Tech WEI Inc. ("Tetra Tech"), with others,
(vi) a report prepared by Tetra Tech titled "Technical Report and Resource Estimate of the Cotabambas Copper-Gold Project, Perú", dated October 29, 2013; and amended July 7, 2014 ("Cotabambas Resource Estimate");
(vii) a report titled "Technical Report and Resource Estimate of the Antilla Copper-Molybdenum Project, Perú", dated December 16, 2013, and amended July 7, 2014 ("Antilla Resource Estimate"); and

All financial information in this Annual Information Form is prepared in accordance with International Financial Reporting Standards ("IFRS") and reported in Canadian Dollars, unless otherwise specified.

1.2 Forward Looking Statements

This Annual Information Form contains "forward-looking information" which may include, but is not limited to, statements with respect to future financial or operating performance of the Company, its subsidiaries and their respective projects, the future price of minerals, the estimation of mineral resources, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, timing and prospects of obtaining required permits, requirements for additional capital, currency exchange rates, government regulation of mining operations, environmental risks, reclamation and rehabilitation expenses, title disputes or claims, limitations of insurance coverage and regulatory matters. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations of such words and phrases), or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur" or "be achieved".

In making the forward-looking statements in this Annual Information Form, the Company has applied certain factors and assumptions that it believes are reasonable, including that there is no material deterioration in general business and economic conditions; that there are no adverse changes in relevant laws or regulations; that the supply and demand for, deliveries of, and the level and volatility of prices of metals and minerals develop as expected; that the Company receives any regulatory and governmental approvals for its projects on a timely basis; that the Company is able to obtain financing on reasonable terms; that the Company is able to procure equipment and supplies in sufficient quantities and on a timely basis; that engineering and exploration timetables and capital costs for the Company's exploration plans are not incorrectly estimated or affected by unforeseen circumstances and that any environmental and other proceedings or disputes are satisfactorily resolved.

However, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, those factors discussed or referred to in the section entitled "Risk Factors" in this Annual Information Form. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained or incorporated by reference herein are made as of the date of this Annual Information Form or the date of the document incorporated by reference herein based on the opinions and estimates of management at that time. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except as required by applicable securities laws.

1.3 Date of Information

All information in this AIF is as of December 31, 2016, with information updated until April 28, 2017, unless otherwise indicated.

1.4 Currency and Exchange Rates

The Canadian dollar is the reporting currency and currency of measurement of the Company. All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Item 2: Corporate Structure

2.1 Name and Incorporation

Panoro Minerals Ltd. ("Panoro" or the "Company") was incorporated pursuant to the laws of British Columbia on September 28, 1994, under the name, Anaconda Minerals Corporation, by Memorandum and Articles filed with the Registrar of Companies for British Columbia. On February 28, 1997, the Company changed its name to Panoro Resources Ltd. The Company was amalgamated in British Columbia on June 6, 2003, under the Company Act of British Columbia (the predecessor of the Business Corporations Act) and changed its name to Panoro Minerals Ltd.

The head office of Panoro is located at Suite 1610, 700 West Pender Street, Vancouver, British Columbia V6C 1G8. The registered and records offices of Panoro are located at Suite 1750, 1185 West Georgia Street, Vancouver, British Columbia, V6E 4E6.

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) and ("PZM" on the Frankfurt Exchange). The Company is an exchange issuer as that term is defined in the Securities Act (British Columbia). The Company is a reporting issuer as defined under applicable securities legislation in British Columbia, Alberta and Ontario.

2.2 Intercorporate Relationships

The Company is incorporated under the laws of the Province of British Columbia and at April 28, 2017, has ten wholly owned direct and indirect subsidiaries:

Panoro Holdings Ltd., incorporated pursuant to the laws of the Province of British Columbia, on March 11, 2016, and holds one share of Panoro Apurimac, S.A.;

Panoro Trading (Caymans) Ltd., incorporated pursuant to the laws of Cayman Islands on February 18, 2016;

Panoro (Cayman) Ltd., incorporated pursuant to the laws of Cayman Islands on March 2, 1998.

Minera Panoro (Perú) S.A.C., incorporated pursuant to the laws of Perú on June 9, 1998, is a wholly-owned subsidiary of Panoro (Cayman) Ltd.

Panoro Pacific Minerals, Inc., incorporated pursuant to the laws of the Philippines on April 18, 2006;

Panoro Apurimac S.A. (formerly Cordillera de las Minas SA), incorporated on August 15, 2002, under the laws of Perú. Panoro Apurimac S.A.'s head and registered office is located at Av. Pardo and Aliaga 699, Suite 803, 8th Floor, San Isidro, Lima 27, Perú;

Cordillera Copper Ltd., incorporated pursuant to the laws of the Bahamas on November 27, 2006, was continued to Canada on December 22, 2016, and was dissolved in Canada on January 25, 2017, with all holdings transferred to Panoro Minerals Ltd., prior to dissolution.

0995683 B.C. Ltd., incorporated under the British Columbia Business Corporations Act on March 5, 2014.

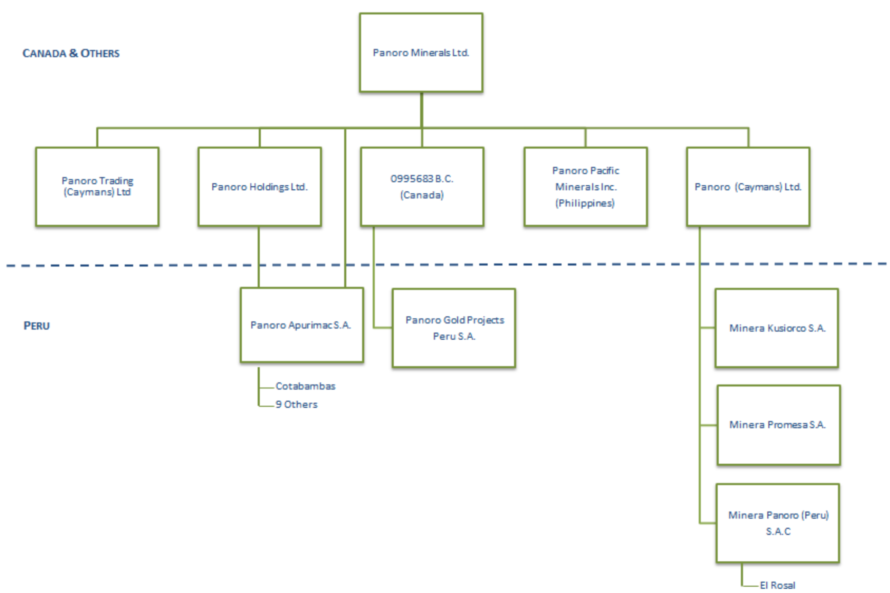
Minera Kusiorco S.A., incorporated on March 20, 2014, under the laws of Perú.

Minera Promesa S.A., incorporated on March 20, 2014, under the laws of Perú; and

Panoro Gold Projects Perú S.A. incorporated on March 20, 2014, under the laws of Perú.

The following chart sets forth the Company's corporate structure, including all of its subsidiaries, as at the date of this AIF:

Corporate Structure at April 28, 2017



a) Panoro Apurimac S.A. - Panoro Minerals Ltd. holds 170,777,286 shares of the 170,777,287 outstanding shares and Panoro Holdings Ltd. holds 1 share. The 31,331,899 common shares held by Cordillera Copper Ltd. have been transferred to Panoro Minerals Ltd. as of January 25, 2017. At that date, 170,277,286 shares are held in the name of Panoro Minerals Ltd., and one share in the name of Panoro Holdings Ltd.

b) Panoro Gold Projects Perú S.A. - 0995683 BC Ltd. holds 999 of the 1,000 outstanding shares while Panoro Minerals Ltd. holds the remaining 1 outstanding share.

c) Minera Promesa S.A. – Prior to the dissolution of Panoro (Cayman) Ltd., the 999 shares held by Panoro (Cayman) Ltd., were transferred to Panoro Minerals Ltd. One share is held by Panoro Holdings Ltd.

d) Minera Kusiorco S.A. - Prior to the dissolution of Panoro (Cayman) Ltd., the 999 shares held by Panoro (Cayman) Ltd., were transferred to Panoro Minerals Ltd.

e) Panoro (Cayman) Ltd. – Panoro (Cayman) Ltd. holds the shares of Mineral Panoro Perú S.A.C.

f) Minera Panoro (Perú) S.A.C. - Christian Pilon, Senior VP in South America and Director of the Company, held one (1) of the 10,000 shares outstanding.

g) Panoro Pacific Minerals Inc. - Five of the 10,242,628 outstanding shares are held by individual shareholders while the remaining 10,242,623 outstanding shares are held by Panoro Minerals Ltd.

h) Panoro Trading (Caymans) Ltd. - Avalon Ltd. holds one common share, in trust, issued February 18, 2016, and Panoro Holdings Ltd. holds 3,628,557 preferred shares.

i) Cordillera Copper Ltd. – Panoro Minerals Ltd. held the two common shares issued, which were absorbed by Panoro Minerals Ltd. on dissolution of Cordillera Copper Ltd.

j) 0995683 B.C. Ltd. – Panoro Minerals Ltd. hold the one common share issued.

The Company’s executive head office is located in Vancouver, Canada, while its Perú operations are run from Panoro’s Lima office. The Company also has exploration camps at the Cotabambas and Antilla projects and warehouses for drill core storage located in Cusco, Perú. With the exception of short-term operational requirements for its Perú operations, funds are maintained and controlled in Vancouver, in both Canadian (“CA”) and United States Dollars (“US”). In addition to its staff located in Vancouver and Perú, the Company engages consultants when necessary, to provide geological, metallurgical and other corporate consulting services.

At the date of this AIF, a partial restructuring of the Company has been completed. All of the subsidiaries are under the control of Panoro. The objective of the restructuring was to transfer the Antilla Project and early stage projects to separate corporate entities in order to proceed with exploration and evaluation activities, while facilitating potential spinouts, joint ventures or divestiture. Under the plan, in addition to 0995683 B.C. Ltd., Panoro Holdings Ltd., both wholly-owned subsidiaries, and three indirect wholly-owned subsidiary companies were incorporated in Perú: Panoro Gold Projects Perú S.A., Minera Promesa S.A., and Minera Kusiorco S.A.

All subsidiaries incorporated are 100% controlled by the Company and the accounts are consolidated in the Company’s annual financial statements for the years ended December 31, 2016 and 2015.

Item 3: General Development of the Business

3.1 Information Regarding Perú

<u>Overview</u>
Perú is a democratic republic in South America, bordered by Ecuador, Colombia, Brazil, Bolivia, Chile, and the Pacific

Ocean. It is the third-largest country in South America. The land mass encompasses arid coastal plains, tropical forests and mountainous terrain. Perú is the fifth most populous country in Latin America (after Brazil, Colombia, Argentina and Venezuela). The population of over 30 million is multiethnic, but the main spoken language is Spanish. Perúvian territory once belonged to the Incan Empire and even older civilizations that became part of the Spanish Empire in the 16th century. Perú achieved independence in 1821, but its post-colonial era was marked by political and economic instability under both democratic and dictatorial governments.

In the 20th century, political debate was highly polarized between left-wing and right-wing ideologies, resulting in policies that shifted between socialism and capitalism. State intervention in the economy was frequent, along with controls on prices, exchange rates, and local and foreign investment, and trade.

Current Central Government

Perú is a multi-party democratic republic governed by an elected president and congress. Perú is divided into 25 regions, also referred as "departments", subdivided into provinces which are made up of districts. Perú's constitution, approved by a national referendum in 1993, increased the president's powers and reduced Congress to 130 members from 240 under the previous 1979 constitution. The president is elected for a five-year term and can only seek re-election after standing down at least one full term. A majority vote of over 50 per cent of the votes is needed in the first ballot in elections in Perú, and if a majority vote is not attained, there will be an additional runoff vote.

On June 5, 2016, Pedro Pablo Kuczynzki, was elected as President, and the change of government took place on July 28, 2016. He is leader of the political party Perúanos Por el Kambio, or PPK.

Economy

Perú's economy has shown strong growth over the past decade, triggered by market-oriented economic reforms, privatizations during the 1990s and measures taken to promote trade and attract investment. Economic expansion in recent years has been driven by construction, mining, private investments, exports, and domestic consumption. Perú's economy is well managed, and better tax collection and growth have been increasing revenues, with expenditures keeping pace. Perú's economic growth slowed in 2014 to 2.4%, which was well below the 5.8% growth seen in 2013 and marked the slowest growth since 2009, 3.3% in 2015, and decreased to 3.0% in 2016. In 2016, despite a slowdown in the economy on a global level, lower prices of commodities, and a context of political change in Perú, the Perúvian economy is one of the most solid in South American and is friendly towards investment. Latin Focus Consensus Forecast panelists expect the economy to grow 3.8% in 2017. Falling investment and subdued private consumption dragged on growth, although a large fall in exports was the main factor behind the deceleration. Weak global demand and low prices for commodity exports exerted significant pressure on the external sector last year, although a modest recovery in the mining industry is expected in 2016. Perú had a trade surplus of US$1.7 billion in 2016, compared to a trade deficit of US$2.9 billion in 2015 and US$1.3 billion in 2014, partly due to lower metals prices and the price of natural gas, and an increase in import volumes has also affected the trade balance negatively.

Gross Domestic Product ("GDP")

Perú has one of the strongest GDP growth rates and compared to its South American neighbors, Perú has one of the fastest growing economies in Latin America. GDP grew at a rate of 3.9% in 2016 (3.3% in 2015; 2.4% in 2014; 5.8% in 2013; and 6.0% in 2012), and is estimated to be 3.0% in 2017. Of this GDP, mining contributed 21.2% to the GDP growth by industry, and was the highest contributor to the GDP in 2016. Overall, mining contributed 10% to GDP in 2016.

Perú's major exports are fish products, minerals (gold, silver, copper, zinc, and lead), agricultural products (coffee, asparagus), petroleum products, and textiles. Perú's main export partners are China, United States, Switzerland, Canada and South Korea. Perú signed free trade agreements with both the United States (ratified in December 2007 by US Congress) and Canada (signed in January, 2008). Exports have grown at 6.3% annually since 2000, and totaled US$36.8 billion in 2016, with copper and gold exports at US$17.5 billion of the total. In the same period imports have expanded at an average 8.5% annually, thus outpacing the strong performance in exports in nominal terms.

Inflation

The annual inflation rate in Perú for 2016 was recorded at between 3 and 4%. The annual inflation rate was 4.4% in 2015; 3.3% in 2014; 2.64% in 2012 due to declining food and energy prices and 4.7% in 2011/ Perú is expected to have one of the lowest inflation rates in Latin America in 2017, and is expected to remain within the Perúvian Central Bank's target inflation range of 1% to 3%. Recent flooding has increased food prices on 2017, bringing the year on year inflation rate from March 2016 to March 2017 to 3.97%.

Monetary
Perú's official monetary unit is the Nuevo Sol ("S/."). It currently is not subject to any exchange restrictions and has been freely floating since March 27, 1991. The official exchange rates for closing in Perú as of December 31, 2016, was S/.3.352 to the US dollar for purchases, and for sales was S/.3.360 soles to the US dollar.

Fiscal and Trade Policy
The improvement of Perú's government debt burden is attributable to positive trends in public finances strengthened by high commodity prices in addition to a cautious fiscal administration. Debt was at 25.2% of GDP in in 2016, reduced from 44.3% of GDP in 2004. Investment as a percentage of GDP is 25.4%, the highest in Latin America, and as noted above, mining is a significant part of this growth.

Mining and Mineral Exploration
Perú is the world's second-largest producer of silver, tin, zinc and copper. Mineral exports have consistently accounted for the most significant portion of Perú's export revenue, comprising almost 60% in 2016. The mining industry in Perú contributes resources to the country by means of the payment of taxes and mining royalties to the Central Government. Additionally, it transfers resources to the regions where it operates through the mining fee, royalties and other validity rights. Mining investment in Perú totaled US$5,444 million in 2016, down from a high of US$9,934 million in 2013. Mining contributed approximately 10% to the GDP of Perú in 2016, and accounted for 58.8% of exports, 5.4% of taxes collected and represented 12.4% of private investment in 2016.

Types of taxes in the mining industry include:

Corporate Income Tax
Mining titleholders must comply with their corporate tax obligations, just like any other entity doing business in the country. Perú taxes mining companies with the same taxes applicable to other economic activities. The Perúvian government passed a major tax reform law on December 31, 2014. The law was to decrease the corporate income tax rate from 30% to 26% over a four year-period, but is now set at 29.5% for 2017 onwards. Mining companies can enter into stabilization agreements allowing for accelerated depreciation at a 2% premium to the corporate tax rate. Mining contributed S/.1,063.27 million soles in taxes in 2016, from a high of S/.1,967.71 million in 2012 when copper prices were higher.

The Perúvian mining tax system was revised during 2011 and two new mining taxes came into effect. The two laws applicable to the Company may be summarized as:

Special Mining Tax ("SMT") - The SMT is applied on operating mining income based on a sliding scale with progressive marginal rates ranging from 2.0% to 8.40%. The tax liability would be determined and payable on a quarterly basis. This tax is calculated based on the operating profit based on the income from the sale of mineral resources.

Mining Royalty Based on Operating Income ("MR") - The MR is applied on a company's operating income, rather than sales, and is payable quarterly (the previous royalty was payable monthly). The amount payable is determined on a sliding scale with marginal rates ranging from 4% to 13.12% applied to operating margin. As a company's operating margin increases the marginal rate of the royalty increases. If a company has a zero or negative operating margin, a minimum royalty of 1% of revenue is payable. The basis of the royalty (operating income) and the effective royalty rate would be calculated by following the same rules used to determine the tax liability under the SMT.

Mining companies are obliged to pay a workers participation of 8% on the net profits of the company. The amount paid is allowed as a deduction for corporate tax purposes.

Laws and Regulations
Mining in Perú is primarily regulated by national laws and regulations enacted by the Perúvian Congress and the

executive branch of government. The principal legal framework on mining is set forth in the 1992 General Mining Law and its amendments. The mining sector is regulated by its Law and Regulations on Organization and Functions, pursuant to which the Ministry of Energy of Mines ("MEM") was created. It is the principal government entity that, together with its various offices, departments and agencies, is responsible for the mining sector in Perú. The MEM is a member of the executive branch of government, and is responsible for putting in place specific policies and rules governing the matters in its jurisdiction, namely energy, hydrocarbon and mining activities.

The MEM is not the only authority enacting mining-related regulation; there are in fact several government bodies with authority over specific matters that are relevant to the mining industry, as follows:

Environmental and tax:

- the Environmental Evaluation and Supervisory Authority (OEFA);
- the Ministry of the Environment (MINAM);
- the Agency for the Supervision of Investments in Energy and Mining (OSINERGMIN);
- the Ministry of Agriculture (MINAG);
- the National Service of Protected Areas (SERNANP);
- the General Directorate of Coastguards (DICAPI);
- the National Institute for the Development of Andean, Amazonian and Afro-Perúvian (INDEPA); and
- the National Authority of Water (ANA), and the local governments.
- the National Tax Authority (SUNAT); and
- the Ministry of Finance (MEF).

Administrative:

- the Mining and Metallurgical Geological Institute (INGEMMET);
- the Ministry of Transport and Communications (MTC);
- Ministry of Culture (MC);
- National Port Authority (APN);
- DICAPI; General Directorate of Arms, Ammunition and Explosives (DICSCAMEC); and
- the Public Registry (SUNARP).

Labour:

- the Ministry of Labour (MINTRA).
- Safety and Security:
- Organismo Supervisor de la Inversion en Energy and Mines (OSINERGMIN);
- APN;
- MINTRA;
- the National Institute of Civil Defence (INDECI); and
- the General Directorate of Environmental Health (DIGESA).

The MEM is also responsible for decentralizing and transferring some of its responsibilities to the local governments. Local governments may put in place rules regarding mining to be applicable in their respective jurisdiction, so long as such rules and local laws do not conflict with MEM rules or other laws and regulations.

It is illegal in Perú for a public official or employee to accept any type of outside remuneration for the performance of his or her official duties. Perú has ratified both the UN Convention against Corruption and the Organization of American States Inter-American Convention Against Corruption. Perú is not a member of the Organization of Economic Cooperation and Development ("OECD"). It has not signed the OECD Convention on Combatting Bribery, although it has participated as an observer in the Working Group. The Contraloría General is the responsible government agency for combatting corruption.

<u>Investment in Perú for Foreign Company Involvement in Mining Projects</u>
Foreign investors in Perú have the same rights and obligations as Perúvian investors. There are generally no restrictions on the involvement of foreign investors in any business activities, including mining. However, the

Perúvian Constitution provides that no foreign person may directly or indirectly acquire or otherwise possess, among other things, land or mining properties within 50 kilometers of Perú's national borders without obtaining express, prior governmental authorization in the form of a Supreme Decree.

Stability Agreements - In addition, Perú offers legal stability agreements that can be entered into by private investors with the Perúvian government for 10 or 15-year terms to protect their investments and enjoy a number of benefits. Mining investors with stability agreements will benefit from tax stability (including income, export, labour and certain tax exemptions), free disposition of currency generated by exports, non-discrimination with respect to the exchange rate, accelerated depreciation for certain assets and the option of maintaining accounting in a foreign currency. Also, mining concession title-holders that have projects in the exploration stage may apply to have the right of early recovery of sales tax paid during the exploration phase. The Company applied for and has recovered sales tax paid during the exploration (pre-development) stage on its mineral projects.

Perú has entered into treaties and agreements with various countries, some of which relate directly to mining, and others which relate to foreign investment, dispute resolution, double taxation and inter-country relations, all of which are relevant for mining in Perú. Generally, these do not change the role of the local government authorities in mining transactions, nor do they require any direct relationship between the investor and the government.

Specifically, Perú has entered into free trade agreements with the Pacific Alliance, European Union, Japan, Costa Rica, Panama, Mexico, South Korea, European Free Trade Association (Iceland, Liechtenstein, Norway and Switzerland), China, Canada, Chile, Singapore, the United States of America, MERCOSUR (Argentina, Brazil, Paraguay, Uruguay), and Thailand. It has entered into BITs for the reciprocal protection and promotion of foreign investment with Australia, the UK, Ecuador, Argentina, Bolivia and Colombia, among others, thereby establishing a solid legal framework that provides for the protection of investment and guarantees national treatment for foreign investors from those countries. The bilateral conventions Perú has entered into with Canada, Chile and Brazil, as well as with the Andean Community prevent double taxation. Perú is also a signatory to certain environmental treaties relevant to mining, and the convention and agreements it has entered into with Ecuador facilitate cross-border mining projects in their common border areas.

Perú is also a member of the World Trade Organization, the Multilateral Investment Guarantee Agency, the Andean Community and the UN Convention on the Recognition and Enforcement of Foreign Judgments, all of which have relevance with respect to foreign investment in mining in Perú, and Perú is committed to the arbitration of investment disputes under the World Bank's International Centre for the Settlement of Investment Disputes.

Mining Concessions

INGEMMET grants title to mining concessions through an administrative process that verifies land has not been previously claimed. It is open to all companies. There are no contract negotiations, but companies can sign voluntary investment contracts in exchange for tax breaks.

There are four types of concession titles:

- mining concessions, which are granted in order to allow exploration and exploitation activities of metallic or non-metallic minerals (type of concessions held by the Company);
- processing concessions, which allow the title-holder to process and purify the minerals;
- general labor concessions, which allow the title-holder to provide ancillary services to mining concession title-holders; and
- mining transport concessions.

In applying for concessions, the applicant is required to provide public notice, by publishing information in local newspapers, indicating the concession being requested and the area in which it is located. In order to maintain title to mining concessions, title-holders have to pay certain annual mining fees and extract minerals or reach certain investment requirements within a certain period of time.

Mining concession title-holders are required to pay certain mining annual fees in order to maintain their concessions. The first payment is made when the concession is formally requested, and subsequent payments are due annually thereafter. The mining annual fees are US$3 per hectare under the general mining regime and US$1 per hectare if the titleholder is classified as a small mining producer. Payment of fees can be made one year in arrears, but if the title-holder fails to make the payment for two consecutive years, the respective concession will expire.

There is also an obligation on title-holders to reach an Annual Minimum Production ("AMP") per hectare prior to the end of the 10th year of ownership, calculated from one year after the date on which the concession was granted. If the title-holder fails to comply with the AMP requirement, an annual penalty must be paid per hectare, starting at the 6th year there is an additional fee of US$6 per hectare, until after 12 years, the additional fee increases to US$20 per hectare. If AMP is not reached by the 15th year from 2008, the respective concessions will expire under the current law in 2028, with increases in the annual penalties based on minimum production after the 15th year, and are calculated on the basis of estimated Tax Reference Units (UIT) and increase each year. These AMP requirements are to change in 2019, and to be extended to 2039. The penalties are to increase based on a percentage of the UIT, of 2% to a maximum of 10%, depending on the time the concession has been held. The basic fee of US$3 per hectare remains, with penalties starting after the sixth year.

OSINERGMIN regulates the mining industry. Companies pay the government taxes, royalties and fees at rates fixed by legislation. The Superintendencia Nacional de Administracion Tributaria (SUNAT), the national Tax agency, collects mining royalties and taxes, and places them in the treasury; INGEMNET collects fees.

3.2 Historical Information

Financings

2014

On July 14, 2014, the Company closed a short-form prospectus equity financing of 13,800,000 common shares of the Company issued at a price of $0.42 per common share for gross proceeds of $5,796,000. The underwriters received a cash commission equal to 6% ($347,760) of the gross proceeds of the offering. Total share issue costs were $613,841. Concurrent with the short form prospectus financing, the Company closed a private placement with Hudbay Minerals Inc. on July 16, 2014. A total of 1,734,897 common shares of the Company were issued at a price of $0.42 per common share for total proceeds of $728,657. The total share issue costs related to Hudbay's private placement were $4,994.

2015

There were no financings completed by the Company in fiscal 2015.

2016

In fiscal 2016, the Company completed a private placement and entered into an Early Deposit Precious Metals Agreement with Silver Wheaton (Caymans) Ltd., in respect of the Cotabambas project located in Perú.

Early Deposit Precious Metals Agreement (the "Agreement")

On March 21, 2016, the Company entered into the Agreement with Silver Wheaton (Caymans) Ltd., in respect of the Cotabambas project located in Perú.

The principal terms of the Agreement are such that Silver Wheaton will pay the Company upfront cash payments totalling US$140.0 million for 25% of the payable gold production and 100% of the payable silver production from the Company's Cotabambas Project in Perú. In addition, Silver Wheaton will make production payments to the Company of the lesser of the market price and US$450 per payable ounce of gold and US$5.90 per payable ounce of silver delivered to Silver Wheaton over the life of the Company's Cotabambas Project.

The Agreement includes provisions to accelerate certain payments, whereby Silver Wheaton will pay an additional payment in an amount equal to the amount of funds raised in any offering of equity securities for the purpose of exploration of the Cotabambas Project during the period January 27, 2016, to March 21, 2018, up to a maximum of US$3.5 million for all such offerings. At December 31, 2016, the Company received an accelerated payment of US$2.0 million, in addition to the two scheduled payments for a total of US$4.0 million by the end of December 2016. The accelerated payment was made after the successful completion of a private placement in August 2016. An additional payment of US$0.75 million was received from Silver Wheaton in March 2017, pursuant to the terms of the agreement.

As of December 31, 2016, the Company is entitled to receive an additional US$10.0 million spread over a period up to seven years, at US$1.5 million annually, in semi-annual payments, of which US$0.75 million was received in March 2017, providing the Company meets terms of the Agreement. This includes an early payment of US$1.5 million that may be received if the Company is able to raise that amount of funds in an offering of equity securities up until March 21, 2018. The third payment received in December 2016 resulted in security agreements being completed between the Company and Silver Wheaton for all advances after the first US$2.0 million received by the Company.

The balance of US$126.0 million, should Silver Wheaton elect to proceed with the Agreement, is payable in instalments during construction of the Cotabambas Project.

Silver Wheaton will have the option to terminate the Agreement either 90 days following delivery of a Feasibility Study or at any time upon giving the Company three months' notice, other than the first two payments totalling US$2.0 million. Silver Wheaton can elect to receive a portion of the early deposit either as cash or shares upon termination, with the Company having rights to defer cash payments for up to two years. If Silver Wheaton elects to terminate the Agreement, repayment with interest at 8% per annum, will be required, within two years of notice of termination. This includes a repayment of one-third of the net proceeds of any form of financing.

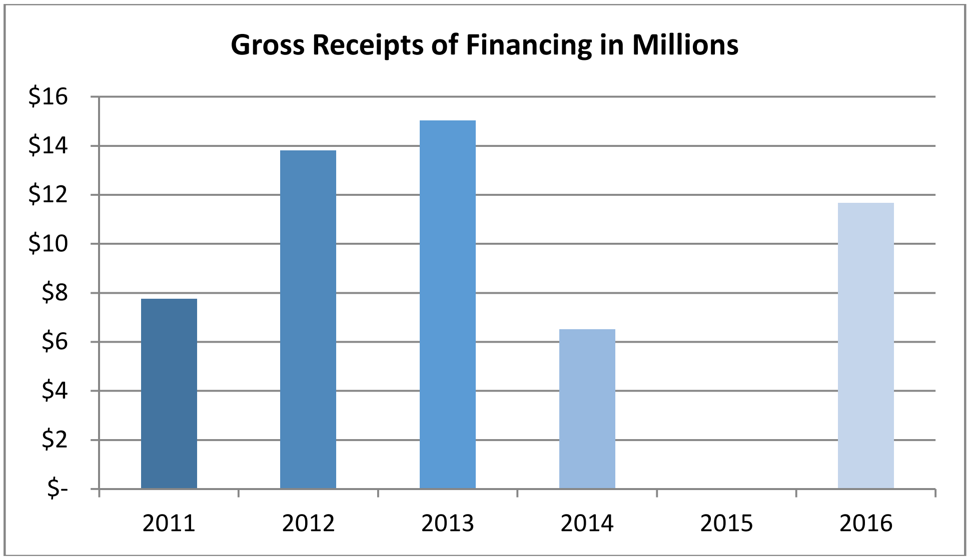
Following a change of control, subject to certain conditions, the Company has a one-time option to repurchase 50% of the precious metals stream with a payout based on the greater of: (i) a minimum fixed return (ii) a return based on appreciation of precious metals prices over the term of the Agreement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

Financial Advisory Services Agreement

On June 20, 2016, the Company issued 790,130 common shares to Macquarie Capital Markets Canada Ltd. ("Macquarie"), pursuant to a Financial Advisory Services Agreement between the Company and Macquarie dated January 27, 2016. Macquarie acted as financial advisor to the Company in connection with the Agreement. The shares issued to Macquarie comprise a portion of the fees due to Macquarie and the number of shares issued was at an average deemed price of $0.1326 per share, based on the average discounted market price of the Company's shares on April 15 and May 30, 2016, being the dates immediately before which the Company announced the receipt of the two early deposit payments under its agreement with Silver Wheaton. Under IFRS, the shares have been recorded at $52,401. The shares were subject to a hold period expiring October 18, 2016. The Company has agreed to pay a fee to Macquarie in an amount equal to 6% of the payments up to, but not including, the final payment to be received by the Company from Silver Wheaton due to construction at the Cotabambas project. The Company had the option to pay the fee to Macquarie by making a payment of 4% in cash and 4% in common shares, up until March 21, 2017. Thereafter, the fee is payable in cash. The fees must be paid from funds other than those received pursuant to the Agreement.

Private placement

On August 26, 2016, the Company completed a non-brokered private placement of 36,717,817 units (the "Units") at a price of $0.18 per unit for gross proceeds of $6,609,207. Share issue costs of $234,449, including a finder's fee of 6% on a portion of the proceeds were paid, for net proceeds of $6,374,758. Each Unit consists of one common share of the Company and one-half of a non-transferable common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder thereof to purchase one common share at an exercise price of $0.27 for a period of 24 months from the date of closing. At December 31, 2016, there were 18,358,905 Warrants outstanding.



Acquisitions and Disposals

Acquisition of Cordillera de las Minas S.A., Perú (now Panoro Apurimac, S.A.)

On June 7, 2007, the Company completed the acquisition of 100% of the issued and outstanding shares of Cordillera de Las Minas S.A. ("CDLM"), a Perúvian corporation, from CVRD International S.A. and El Tesoro (SPV Bermuda) Limited, a wholly-owned subsidiary of Antofagasta PLC. On April 7, 2008, the name of CDLM was changed to Panoro Apurimac S.A. ("PA").

Purchase Price	
6,000,000 common shares of Panoro	$ 2,655,000
Cash	13,407,024
	16,062,024
Fair value of net assets acquired	
Cash	5,804
Accounts receivable	245
Prepaid expenses	2,603
Mineral interests	16,638,190
Equipment	4,349
Taxes payable	(2,631)
Accounts payable and accrued liabilities	(586,536)
	$16,062,024

In August 2007, the Company acquired two additional, 300-hectare concessions located internally to its Antilla interest for $170,436.

Alicia Project

On September 25, 2009, the Company entered into an agreement with Strait Gold Corporation ("Strait") whereby Strait could earn up to 100% in the Company's early stage Alicia copper-gold property in Southern Perú, and on March 1, 2013, the Alicia Project was fully transferred to Strait, subject to the Company retaining a 2% Net Smelter Returns royalty ("NSR"). On December 8, 2011, Teck Perú SA entered into an agreement with Strait whereby they could earn-in 75% of the Alicia project by spending up to $30 million on exploration or delivering a pre-feasibility study. Drill results for ten drill holes on the Alicia project were released on January 21, 2014. On February 13, 2014, Teck Perú SA notified Strait they did not intend to exercise its option to earn an interest in the Alicia project. Based on these events, the Company impaired all capitalized expenditures for the Alicia project and an impairment charge of $798,666 was recorded in the year ended December 31, 2013 ("fiscal 2013"). In 2015, Strait and Montan Capital Corp. completed a plan of arrangement and commenced trading as Montan Mining Corp. ("Montan"). Pursuant to the transaction, a consolidation of one new for ten old common shares was completed. As a result, the Company now holds 100,000 common shares of Montan. The Company's investment is classified as "available for sale". The original cost of these shares was $72,000 and the book value and the fair market value at December 31, 2016, was $6,000 (2015: - $2,000). Montan did not make the concession payments for the Alicia property for the 2014 year due in 2016, and as of December 31, 2016, the concession was returned to the Government of Perú. The Company no longer retains a royalty interest in the Alicia project.

Mindoro

In 2004 the Company entered into an agreement with Mindoro Resources Ltd. ("Mindoro") to earn a 40% interest in six mineral properties located in Surigao Province, Mindanao, Republic of the Philippines. The Company would earn its interest by incurring $2,000,000 in exploration costs. The Company earned their 40% interest in the formed Surigao Joint Venture on October 20, 2006 at which point the Company had invested a total of $2,396,003 in cash and shares.

At the beginning of 2007 the Company decided that it would focus its exploration projects exclusively on Perú, and entered into negotiations with Mindoro to sell its 40% interest in the Surigao Joint Venture to Mindoro. A Purchase and Sale Agreement was signed on March 14, 2007.

Pursuant to the Purchase and Sale Agreement, April 16, 2007, Mindoro paid the Company $750,000 cash and issued 500,000 Mindoro common shares valued at $0.75 per share. Mindoro made a second payment of $500,000 cash and issued an additional 500,000 Mindoro common shares on April 8, 2008.

At the time of disposition, the likelihood of the nickel laterite prospect going into production was unknown, and the final two payments were not recorded as a receivable. The nickel laterite prospect has commenced production, but the ability of Mindoro to make the payments is uncertain and is not probable at this time, and therefore, the Company will record any proceeds from Mindoro in operations when received.

In accordance with the Mindoro Agreement, the two payments are to be made as follows:

- $500,000 on the fifteenth business day following the loading on board a ship or other conveyance for transport to a purchaser of an aggregate one million wet metric tonnes of nickel laterite, which became due on August 28, 2015, and was not paid by Mindoro to the Company; and
- $500,000 on the first anniversary of the loading on board a ship or other conveyance for transport to a purchaser or treatment facility of an aggregate one million wet metric tons of nickel laterite, or August 28, 2016.

Item 4: Description of the Business

The Company is in the business of acquiring resource properties in Perú, exploring those properties for commercially viable mineral reserves of copper and gold and other minerals and developing these properties. These properties are held through the Company's various Perúvian subsidiaries. As at April 29, 2017, the Company and its subsidiaries has a total of 27 (April 30, 2016:7) employees and consultants.
The Company is continuing to advance its two key projects, Cotabambas and Antilla. The financial position of the Company improved significantly in 2016. The completion of the Agreement with Silver Wheaton, the finalization of the Antilla PEA and the closing of a private placement financing in August 2016 are significant milestones.

The Agreement provides the Company with minimum working capital for the foreseeable future. This Agreement, and its US$2.0 million matching of Cotabambas investment funding received in December 2016, for a total of US$4.0 million ($5.3 million) to December 31, 2016, and the closing of the private placement of a net of $6.4 million in

August 2016, has provided the Company with the financial resources to invest up to US$4.6 million into the Cotabambas Project over the twelve months following the closing of the financing. The Company expects to use US$0.10 million of the financing for exploration and analysis of the Antilla Project and other areas.

Panoro's principal focus is on exploring and developing its advanced Cotabambas project (up to US4.6 million) where the Company has completed two PEAs, the Initial PEA and the Updated PEA. The Company also reviewing the recommendations on the Antilla PEA filed in June 2016 and may use up to US$0.10 million for furthering of the recommendations or additional studies.

Other properties held by the Company in Perú include Kusiorcco, El Rosal, Cochasayhuas, Checca, Promesa, Sancapampa, Humamantata, Anyo, and Morosayhuas. The Company has a 4% interest in the Huaquirca joint venture between Minera IRL and Alturas Minerals Corp which includes the Chapi-chapi and Utupara projects in Perú. The Company held a 2.0% NSR royalty on the Alicia Project owned by Montan until December 31, 2016.

In 2015, the Company determined that it may not renew the concessions forming the Pataypampa and Pistoro Norte projects, and is planning to review certain non-core blocks of concessions forming part of the El Rosal, Checca, Cochasayhuas and Humamantata projects, and as a result, the costs incurred relating to the projects of $2,266,865 were written off in fiscal 2015. There were no write-downs in fiscal 2016. The remaining concessions in the current projects will be retained. The Company reviews its projects and holdings on a regular basis before any write-downs are recorded.

Current information concerning the Company's Cotabambas Project is contained in the NI 43-101 reports listed at the beginning of this AIF, and also any news releases issued by the Company throughout the fiscal year.

This AIF incorporates the results of the Company's activities on the Cotabambas property up to April 28, 2017. A summary of the technical reports for the Cotabambas project are contained in section 4.2 of this AIF.

Current information concerning the Company's Antilla Project is contained in section 4.1 of this AIF.

Detailed background information concerning the Company's other properties is summarized in a March 9, 2007, report prepared by SRK Consulting (Canada) Inc. ("SRK") and entitled "Independent Technical Report on the Mineral Exploration Property of Cordillera de las Minas S.A. – Andahuaylas-Yauri Belt, Cuzco Region Perú" (the "SRK Report").

All of the Company's technical reports can be found at www.sedar.com and on the Company's website at www.panoro.com.

4.1 Cotabambas Copper/Gold Project

4.1.1 Exploration History

The Cotabambas Project is an exploration-stage property that has been explored intermittently over the last 15 years. The property is located immediately west of the town of Cotabambas, in the District of Cotabambas, Province of Abancay, Department of Apurimac, approximately 135 km west of the City of Cusco in the Perúvian Andes. The Company acquired the Cotabambas Project in 2007 with 9,923 meters of historical drilling by previous owners. The Company resumed exploration at the Cotabambas Project in late 2010 with an initial mapping, sampling, geophysical survey and 5,500-meter drill program. Later the drill program was increased to 56,813 meters of drilling by Panoro. In total, between late 2010 and early 2014, the Company completed more than 60,000 meters of drilling.

4.1.2 Resource Statements

The results of Panoro's drilling, together with the historical drilling by previous owners, were used to complete updated resource estimates, as stages of the drilling campaigns were completed. The initial resource estimate commissioned by Panoro was completed in 2007 as part of the due diligence for the acquisition of the project. In

2012, Panoro commissioned an update to the resource statement to include drilling data completed to that point. The resource estimate was updated with results of additional drilling in 2013. The 2013 Cotabambas Resource Estimate was used in the Initial PEA and the Updated PEA completed and filed in 2015.

The Cotabambas Resource Estimate includes an inferred resource of 603.5 million tonnes at 0.31% Cu, 0.18 g/t Au, 2.33 g/t Ag and 0.0019% Mo at a cut-off of 0.20 % CuEq; and indicated resource of 117.1 million tonnes at 0.42% Cu, 0.23 g/t Au, 2.74 g/t Ag and 0.0013% Mo at a cut-off of 0.20% CuEq. The Cotabambas Resource Estimate recommended additional infill and exploration drilling together with geotechnical investigations, database management work to lead into a resource model update and as a result, the Initial PEA and Updated PEA were completed and filed in 2015.

4.1.3 Preliminary Economic Assessments

The highlights of the Initial PEA included:

- 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) (1) 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.

(1) C1 net direct cash costs as defined by Brook Hunt – a Wood Mackenzie Co represents the cash cost incurred at each processing stage, from mining through to recoverable metal delivered to market, less net by-product credits (if any).
(2) C2 production cost is the sum of C1 costs and depreciation, depletion and amortization.

The Initial PEA results were based on assumed long term metal prices of $US 3.25/lb for copper, $US 1,300/oz for gold and $US 20.50/oz for silver. The Initial PEA included recommendations for a number of areas to be investigated to further enhance and expand the project's technical and economic parameters. The recommendations included:

- Optimization of the mine plan;
- Addition of copper oxide leach and SX/EW circuit;
- Improve metallurgical recoveries;
- Reduce grinding;
- Addition of gravity circuit;
- Optimize tailings thickening;
- Use of south pit for waste storage; and
- Addition of a Molybdenum circuit.

After the completion of the Initial PEA, the Company completed an internal review of the recommendations and commissioned independent consultants to investigate the highest priority potential modification to the project, an improved mining plan to increase head grades to the mill in the early part of the mine life.

Moose Mountain revised the mine plan included in the Initial PEA in April and AMEC integrated this mine plan into the Updated PEA in September. Due to the changes in the commodity markets from the time the Initial PEA was initially completed, the commodity prices in the Updated PEA were revised to include $US 3.00/lb for copper, $US 1,250/oz for gold and $US 18.50 for silver.

The results of the Updated PEA were announced via press release on September 22, 2015, and the Updated PEA was filed on SEDAR on November 6, 2015.

The highlights of the Updated PEA included:

- After tax economic metrics of:
    - NPV(7.5%) of $US 683.9 million, increased from $US 379.4 million;
    - IRR of 16.7%, increased from 11.8%; and
    - Payback of 3.6 years, decreased from 4.8 years

- Pretax economic metrics of:
    - NPV(7.5%) of $US 1,052.6 million, increased from $US 647.9 million;
    - IRR of 20.4%, increased from 14.2%; and
    - Payback of 3.2 years, decreased from 4.4 years

- Decreased average direct cash costs (C1) to $US1.22 per pound of copper, decreased from $US1.26, net of by-product credits

- Increased average annual payable metal of:
    - Copper - 155.1 million pounds, increased from 143.3 million pounds;
    - Gold - 95.1 thousand ounces, increased from 88.0 thousand ounces; and
    - Silver - 1,018.4 million ounces, increased from 967.2 thousand ounces.

Project Economics

The table below summarizes updated base case economic metrics for the project as well as their sensitivity to the prices of copper and gold:

Table: Sensitivity of Pre-Tax Project NPV (Million $US) & IRR (%)

Cu Price (US$/lb)	**Gold Price ($US/oz)**				
	1,100	**1,200**	**1,250**	**1,300**	**1,400**
2.75	612.4 / 15.5	692.9 / 16.4	733.1 / 16.9	773.3 / 17.3	853.1 / 18.2
3.00	933.1 / 19.1	1,012.7 / 19.9	**1,052.6 / 20.4**	1,092.3 / 20.8	1,171.5 / 21.6
3.25	1,251.1 / 22.4	1,330.1 / 23.3	1,369.6/ 23.7	1,408.9 / 24.1	1,487.5 / 24.9

Note: base case at Cu=$US 3.00, Au=$US 1,250, Ag=US$18.50 in bold

Table: Sensitivity of After-Tax Project NPV (Million $US) & IRR (%)

Cu Price (US$/lb)	**Gold Price ($US/oz)**				
	1,100	**1,200**	**1,250**	**1,300**	**1,400**
2.75	351.7 / 12.6	412.9 / 13.4	443.4 / 13.8	473.8 / 14.2	534.3 / 14.9
3.00	594.5 / 15.6	654.1 / 16.4	**683.9 / 16.7**	713.7 / 17.1	773.0 / 17.8
3.25	832.8 / 18.4	891.6 / 19.1	921.0 / 19.5	950.3 / 19.8	1,008.8 / 20.5

Note: base case at Cu=$US 3.00, Au=$US 1,250, Ag=US$18.50 in bold

For comparative purposes only, the following table summarizes changes to after tax project economic metrics with the former and now superseded base case commodity prices from the Initial PEA, namely, copper at $3.25/lb, gold at $1,300/oz and silver at $20.50/oz.

Table: Changes to Economics at Constant Commodity Prices

After Tax Economics	Initial PEA	Updated PEA	Change
NPV (Million $US)	627.5	961.1	+333.6
IRR (%)	14.4	19.9	+5.5
Payback (years)	4.0	3.1	-0.9

Updated PEA Improvements

The improved project economics have been achieved principally with mine planning improvements and optimization of cut-off grade strategy. There has been no change to the resource classification from the Initial PEA nor has there been a change to the proposed processing throughput of 80,000 tonnes per day. The more significant improvements are listed below:

Optimized Mine Plan

- Speedier ramp up of process plant to design capacity
- Processing of higher grade mineralization early in mine life;
- Stockpiling of low grade mineralization for processing near end of mine life; and
- Elimination of low margin mineralization from processing plan, resulting in;
  - Higher head grades in early part of mine life;
  - Higher average life of mine grades;
  - Reduced mineral processing tonnes; and
  - Reduced mine life.

The Updated PEA mine plan has 10% less mill feed tonnes at 7% higher copper grade, 6% higher gold grade and 4% higher silver grade than the April PEA. There are 10% more waste tonnes in the Updated PEA than in the Initial PEA.

Modified Wasterock Storage Plan

- Replacement of crusher, conveyor, tunnel and stacker for wasterock transport with truck haulage along surface roads resulting in reduced risk of operations disruptions from downtime of crusher, conveyor and stacker.

Tailings Management

- Tailings dam construction reduced near end of mine life with reduction in mineral resources included in mine plan, resulting in;
  - Reduced sustaining capital for tailings dam construction.

Capital Costs

The initial capital costs have increased from US$1.38 billion to US$1.53 billion principally due to the increased mine fleet size to accommodate the haulage of the low grade mineralization to the stockpile. The impacts on the financial metrics from this increase are offset by the:

- Reduced capital cost due to the elimination of the crusher/tunnel/conveyor/stacker arrangement for waste rock;
- Reduction in sustaining capital costs for the mine and tailings management; and most significantly,
- Increased revenues earlier in the mine plan which has significantly improved payback.

Cotabambas Resource Estimate

The Updated PEA was completed based on the Cotabambas Resource Estimate prepared by Tetra Tech. The estimate utilized all drill and assay results available to June 20, 2013, including 56,813 meters of drilling by Panoro and 9,923 meters of drilling from legacy campaigns. The mineral resource estimate includes hypogene and supergene sulphides and oxide copper and gold mineralization from the Ccalla and to a lesser extent the Azulccacca zones.

Table: Mineral Resources, Tetra Tech, October 2013

Resources Category	Zone	Cut-Off Grade% CuEq	Million Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)	Cu (Blb)	Au (Moz)	Ag (Moz)	Mo (Mlb)
Indicated	Hypogene Sulphide	0.2	84.2	0.37	0.21	2.73	0.0018	0.69	0.58	7.39	3.43
	Supergene Sulphide	0.2	8.9	0.73	0.31	3.07	-	0.14	0.09	0.88	0.01
	Oxide Copper-Gold	0.2	23.8	0.49	0.24	2.63	-	0.26	0.18	2.01	0.01
	Oxide Gold	Na	0.2	-	0.66	3.74	-	-	0	0.02	-
	Total		117.1	0.42	0.23	2.74	0.0013	1.09	0.86	10.3	3.45
Inferred	Hypogene Sulphide	0.2	521	0.29	0.18	2.41	0.0021	3.36	2.94	40.35	24.22
	Supergene Sulphide	0.2	7.4	0.73	0.18	1.93	0.0007	0.12	0.04	0.46	0.11
	Oxide Copper-Gold	0.2	75.8	0.41	0.15	1.82	0.0003	0.68	0.37	4.44	0.5
	Oxide Gold	Na	1.2	-	0.61	3.27	-	-	0.02	0.12	-
	Total	0.2	605.3	0.31	0.17	2.33	0.0019	4.16	3.38	45.37	24.83

*Mineral Resources have an effective date of June 20, 2013, and were estimated by Qualified Person Robert Morrison, P.Geo. (APGO, 1839). The estimate is based on 56,813 meters of drilling by Panoro and 9,923 meters of drilling from legacy campaigns. Copper equivalent (CuEq) is calculated using the equation: CuEq = Cu + 0.4422 Au + 0.0065*Ag, based on the differentials of long range metal prices net of selling costs and metallurgical recoveries for gold and copper and silver. Mineralization would be mined from open pit and treated using conventional flotation and hydrometallurgical flow sheets. Rounding in accordance with reporting guidelines may result in summation differences. CuEq cut-offs were used to report almost all of the resource. These cut-offs are a function of metal price and recoveries. In the in situ resource, estimated gold, silver and molybdenum are then converted to US dollars and combined. The combined funds are re-converted to copper and added to the in situ copper values. The following metal prices are used: copper - $US3.20/lb; gold - $US1,350/troy oz; silver - $US23.00/troy oz; molybdenum - $US12.50/lb. The following metal recoveries were applied to the in situ resource: molybdenum - 40%; gold - 64%; silver - 63%. As the resource is reported as in situ, no recovery is applied to copper.*

Subsequent to the publication of the Cotabambas Resource Estimate, a reclassification of oxide material for leach amenability, according to an AMEC study, was undertaken by Tetra Tech. Inside the Oxide Copper-Gold Zone, sub-zones of Mixed, Oxides Copper and Oxide Copper-Gold were identified using information from sequential copper assay results and the results were announced in April 2015. The model was regularized and extra fields were calculated to report the resources with new categories for this specific zone, to guide future mining studies such as the current Updated PEA. This recoding of the oxide zone did not constitute a material change to the published Cotabambas Resource Estimate.

The subset of the Cotabambas Resource Estimate contained within the Azulccaca and Ccalla open pits that are included in the Updated PEA mine plan is shown in the table below.

Table: Subset of Mineral Resources Contained in the Updated PEA Mine Plan

Classification	In-situ Tonnes (Million)	NSR ($US/tonne)	In-situ (undiluted) grades		
			Cu (%)	Au (g/t)	Ag (g/t)
Indicated	127.3	21.1	0.37	0.21	2.58
Inferred	355.8	17.8	0.30	0.17	2.30

1 The Updated PEA mine plan is preliminary in nature as it includes Inferred Mineral Resources which are considered too speculative to have the economic considerations applied that would enable classification as Mineral Reserves. There is no certainty that any of the resources will be upgraded to Reserves. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

*2 The cut-off grade used to calculate the in-pit resources is NSR>=6. NSR is calculated using the following formula NSR = [Cu (%) * Cu Recovery (%) * 22.046 * 2.48] + [Au (g/t) * Au Recovery (%) * 36] + [Ag (g/t) * Au Recovery (%) * 0.5]*

Total waste in the Updated PEA mine plan is 604.2 million tonnes for an average LOM strip ratio of 1.25. The Updated PEA mine plan uses a variable cut-off grade strategy to increase the mill feed grade in the earlier parts of the schedule by stockpiling marginal economic material. The stockpiled material is processed towards the end of the mine life. The mine plan supports a mine life of 17 years.

Projected production of payable metals and operating costs are summarized in the tables below.

Table: Summary of Annual Average and Life of Mine Payable Metals

Metal	Initial PEA		Updated PEA		Changes	
	Annual Average	Life of Mine	Annual Average	Life of Mine	Annual Average	Life of Mine
Copper (Mlbs)	143.4	2,725	155.1	2,638	+11.7	- 87
Gold (koz)	88.0	1,671	95.1	1,618	+7.1	- 53
Silver (koz)	967.2	18,377	1,018.4	17,314	+51.2	- 1,063

Table: Cotabambas Operating Costs ($US per tonne milled)

	Initial PEA	Updated PEA	Changes
Mining Cost	3.33	3.59	+ 0.26
Processing Cost	4.47	4.38	- 0.09
G&A Costs	0.41	0.41	-
Total Operating Cost	8.22	8.38	+ 0.16

C1 and C2 cash costs (as defined by Brook Hunt) per pound of payable copper are listed in the table below.

Table: Cotabambas Average Cash Costs ($US) per lb Payable Copper

	Initial PEA	Updated PEA	Changes
C1 - Direct Cash Cost	1.26	1.22	- 0.04
C2 - Production Cost	2.02	1.92	- 0.10

<u>Mining and Processing</u>

The Updated PEA contemplates an 80,000-tonne per day plant throughput rate with mill feed coming from two open pits, Ccalla and Azulccaca. Mining will be by conventional truck and shovel removal of mill feed to the processing plant that will be located 0.5 km to the north side of the Ccalla pit limits. Waste rock will be placed in a storage area in Guaclle creek adjacent to the north side of the Ccalla pit. The waste will hauled via surface and in-pit haul. Low-grade mineralization will be stockpiled near the waste rock area for processing towards the end of mine life.

The material will feed one primary gyratory crusher and then fed to a SAG Mill and two ball mills, with classification by hydro cyclones. The flotation circuit will consist of a rougher flotation stage, regrinding, a primary cleaning stage followed by a cleaner-scavenger stage and two stages of re-cleaning using conventional flotation cells.

The flotation tailings will be thickened to 62% solids and pumped to the Tailing Storage Facility by positive displacement pumps. The final flotation concentrate will contain copper, gold and silver, free of deleterious elements. After thickening and filtering, the concentrate will be transported by truck to the Matarani seaport in Arequipa, along existing road networks.

The treatment of oxide copper subzone is not included in either the Initial PEA or the Updated PEA. Metallurgical testing to date has shown that copper recoveries from this material in the flotation circuit are low and insufficient tonnes have been outlined to date to warrant a separate heap leach and SX/EW circuit. However, as mentioned previously, there is some potential to expand the extent of known existing oxide copper mineralization with more drilling, and the addition of such a circuit remains a future opportunity.

Metallurgical studies have estimated recoveries from the mill feed material as shown in the table below.

Table - Summary of Metallurgical Recoveries Estimated in the Initial PEA and Updated PEA

Ore Type	Subzone	Cu Recovery (%)	Au Recovery (%)	Ag Recovery (%)	Mo Recovery (%)
Hypogene Sulphide		87.5	62.0	60.4	-
Supergene Sulphide		87.5	62.0	60.4	-
Oxide Copper-Gold	Oxides Copper	-	-	-	-
	Mixed	60.0	55.0	-	
	Oxide High-Gold	-	65.0	-	-
Oxide Gold		-	-	-	-

Metallurgical test work in 2014 was carried out at Certimin Laboratories in Lima, Perú in a program designed and supervised by AMEC personnel. Constant metallurgical recoveries were estimated over the life of mine. The current mine plan includes mining of higher grade zones in the early life of mine where higher recoveries may be demonstrated with further test work. No recovery of molybdenum has been included in the current estimate. Metallurgical test work in 2014 demonstrated the potential for molybdenum recovery, however it was not included in the mine plans. The inclusion of molybdenum recovery will be investigated in subsequent studies.

<u>Opportunities for Project Growth and Enhanced Economics</u>

- Copper-Gold Oxide mineralization that will be stockpiled for potential future processing
- Good potential to expand the resource base at the Ccalla and Azulccaca deposits with additional drilling
- The potential for a gravity circuit and on-site production of doré will be investigated with additional metallurgical testing
- Potential to increase recoveries with additional metallurgical testing and to improve discrimination between metallurgical types within the deposit
- Higher grades of molybdenum have been intersected below and lateral to the current PEA pit limits and with continued exploration success, there is potential to add molybdenum as a third byproduct to the operation
- As detailed in a June 23, 2014, news release, eight other mineralized prospects have been identified in the general vicinity of the known deposits and represent excellent upside potential to add to the known Mineral Resources with additional drilling.

Both the Initial PEA and Updated PEA were prepared by AMEC in accordance with the definitions in NI 43-101. All dollar amounts are US currency. A PEA is considered preliminary in nature. It includes Inferred Mineral Resources that are considered too speculative to have the economic considerations applied that would enable classification as Mineral Reserves. There is no certainty that the conclusions within the PEAs will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Tetra Tech completed the mineral resource estimate for the Cotabambas project utilizing all drill and assay results available to June 20, 2013, including 56,813 meters of drilling by Panoro and 9,923 meters of drilling from legacy campaigns. The mineral resource estimate includes hypogene and supergene sulphides and oxide copper and gold mineralization from the Ccalla and to a lesser extent the Azulccacca zones.

The Company believes that the results of the Initial PEA and Updated PEA demonstrate that the Cotabambas Project studies should continue into the prefeasibility and feasibility stages with the view to advancing the project towards a development decision. There are a number of enhancements and potential expansions to the project that may be investigated as standalone scoping studies prior to a pre-feasibility study or as a part of the pre-feasibility study The principal technical areas of mining, processing, infrastructure and concentrate transport and marketing all demonstrate very achievable solutions for the construction of the next key copper project in one of the most active copper development regions of the world. The economics of the project look strong with a number of potential enhancements still to be achieved.

The exploration potential at the Ccalla and Azulccaca deposits looks compelling with another eight targets still to be evaluated. Prior to October 2012, the Cotabambas project contained a small, inferred resource with less than 10,000 m of total drilling exploration completed. Since then and through a very tough period in the exploration business, the project resource has grown significantly with investment into past drilling campaigns and now the PEAs have demonstrated the potential positive economics for the project. The PEAs provide a positive snapshot of the current technical and economic metrics of the project and identifies potential for growth and optimization.

At the Cotabambas Project, exploration work has been carried out in five main campaigns:

1. Antofagasta 1995-2000: Anaconda Perú S.A., a Perúvian subsidiary of Antofagasta Minerals PLC (“Antofagasta”), carried out regional prospecting, geochemistry, geophysics and diamond drilling on the property. Drilling intersected copper-gold mineralization at the Azulccacca, Ccalla and Huaclle areas and totaled 8,538 meters in 24 diamond drill holes.

2. CDLM 2003-2006: Antofagasta and Companhia do Rio Vale Doce (CVRD) formed a joint venture company called Cordillera de las Minas (“CDLM”) to explore Cotabambas and other properties in the district. Additional mapping, geochemistry, geophysics was carried out to define additional drill targets on the property. Ten diamond drill holes totaling 3,252 meters were drilled to test anomalies in the Ccalla, Cayrayoc and Huaclle areas.

3. Panoro 2007-2010: In mid-2010, an agreement was reached allowing Panoro to begin surface mapping and geochemical sampling over the Azulccacca, Ccalla and Huaclle areas. A short drill program was executed to confirm results of drilling by previous operators, drilling two drill holes at Azulccacca for a total of 427.49 meters.

4. Panoro 2011-2012: Following the conclusion of the 2010-2011 drill program, Panoro began the application for a Category II exploration permit allowing them to drill up to 200 drill holes on the property. A drill program was initiated in mid-2011 and is scheduled to conclude by the end of June 2013. By July 10, 2012, Panoro had drilled 42 diamond drill holes totaling 26,698.35 m. From July 11, 2012, to December 31, 2012, Panoro drilled 40 diamond drill holes totaling additional 17,822.60 meters. In this period, Panoro also carried out further mapping, geophysics prospecting, and geochemical sampling in parallel with the diamond drill program.

5. Panoro 2013: following the Category II exploration permit, the drilling was continued from January 1, 2012, to early 2014, completing 35 diamond drill holes totaling 17,494.65 meters. The surface mapping and

geophysics survey were extended over the property.

In summary, from November 1, 2010, to early 2014, Panoro drilled more than 70,000 meters distributed over more than 140 drill holes. The surface mapping and geochemistry identified new targets next to the current mineral resources and in other areas inside the property.

Exploration Potential

The Cotabambas Project has a number of areas with significant exploration potential:
Ccalla – Azulccacca Deposit Area

The Ccalla zone, which has been the focus of drilling to date and hosts the current mineral resources at Cotabambas, is located in the northeast part of the property where late-phase porphyry mineralization is hosted by earlier diorites and andesite of the middle Eocene to early Oligocene Andahuaylas-Yauri batholith.

The stated Mineral Resources at 0.2% CuEq cut-off are a pit-constrained subset of the mineralization block model. Substantial copper and molybdenum mineralization, including higher grades, extends well below this conceptual pit shell and there is potential to include some or most of it in the project resource with deeper drilling.

The Ccalla and Azulccaca deposits form a 2.1 km northeast-southwest trend. Surface mapping and sampling have shown that this trend extends an additional 3 km to the northeast through the newly outlined Cochapata and Maria Jose mineralized porphyry centres. About 2 km to the west, two additional mineralized porphyries named Huaclle and Buenavista form another northeast-southwest trend, parallel to the Calla and Azulccacca trend with the Cochapata porphyry located in the middle of both trends. Detailed surface mapping and systematic rock chip sampling in this 5-km by 3-km area, including 2,365 samples to date, have defined new mineralized exploration targets for follow up surveys and drilling.

Cochapata Zone

The area between the Maria Jose, Ccalla, Buenavista and Huaclle zones is known as Cochapata. It is conspicuous for its red soils and colluvium. In some places, quartz monzonite porphyry with pervasive weathering, advanced argillization, limonite and relicts of hydrothermal quartz veins with breccia texture is found in outcrop, suggesting the possibility of a leached cap over porphyry-style mineralization. Geophysical surveys show a strong magnetic anomaly overlapping a low chargeability zone bordered by a high chargeability halo, similar to the signature at the Ccalla deposit. It is quite possible that the Maria Jose, Cochapata, Ccalla, Azulccacca, Huaclle and Buenavista zones are all part of a single, continuously mineralized system.

Geologic mapping, trenching and geophysical surveys in the Cochapata Zone during 2016 and 2017 have identified two drill targets which will be investigated as part of the 2017 drill program, namely:

1. Petra-David Target; and
2. Breccia Target

The Petra-David target is located to the west side of the proposed North Pit. The target contains near surface relatively high-grade oxide copper mineralization.

The Breccia Target is located to the north side of the proposed North Pit. The target contains near surface gold oxide mineralization as announced by the Company in April 2017. Fourteen zones of anomalous gold values in oxide mineralization have been identified by mapping and trenching.

Maria Jose Zone
The Maria Jose zone is situated along the same mineralized trend as the Ccalla and Azulccaca deposits. It includes two separate prospects consisting of both oxide and primary copper mineralization associated with quartz monzonite porphyry intruding monzodiorite and andesite. Mineralization is characterized by differing proportions of chrysocolla, cuprite, goethite, hematite, and minor chalcocite and chalcopyrite associated with quartz stockwork veinlets. The

mineralized porphyries exhibit potassic and phyllic alteration while the host rocks show differing levels of propylitic alteration, sometimes overprinted by a pyrite-chalcopyrite-quartz stockwork.

Within the Maria Jose area, the MJ-1 prospect is defined by 25 rock chip samples with greater than 500 ppm Cu over an area of 300m by 900m. A higher grade "core" area of 130m x 500m in size is defined by 17 samples that assayed from 0.11% Cu to 0.39% Cu, 0.01 to 0.05 Au g/t, and 0.3 to 3.1 g/t Ag.

The MJ-2 prospect is defined by 70 rock chip samples with greater than 500ppm Cu over an area of 250m by 1,100m. A 200m x 350m higher grade "core" area within this anomaly is defined by 25 samples containing 0.20% Cu to 0.44 %Cu, 0.01g/t Au to 0.07g/t Au and 0.2g/t Ag to 3.0 g/t Ag. A second and smaller "core" within the larger prospect area is defined by 8 samples grading from 0.52% Cu to 1.56% Cu, 0.03g/t Au to 0.47g/t Au and 1.5g/t Ag to 7.9g/t Ag.

Several trenches were excavated where outcrop was available. All showed mineralization and alteration. The best two are situated more or less end to end and exhibit an average of 1.02% Cu, 0.21 g/t Au, 4.75 g/t Ag and 4.24 ppm Mo over approximately 58 meters. The MJ-1 and MJ-2 anomalies are open to the east and west and represent attractive targets for both drilling of exposed mineralization and geophysics to test for extensions under cover to both sides.

The area between the Maria Jose and Ccalla zones is known as Cochapata. Most of this area is covered by soils and colluvium, but in some places, quartz monzonite porphyry with pervasive advanced argillization, limonite and relicts of hydrothermal quartz veins with breccia texture is found in outcrop, suggesting the possibility of a leached cap over porphyry style mineralization. This in turn suggests that the Maria Jose and Ccalla zones may be connected.

Additional mapping, trenching and geophysical surveys in 2016 and 2017 have provided drill s. The MJ-2 target is included in the 2017 drill program to commence in May 2017.

<u>Huaccle-Buenavista Trend</u>
A second mineralized trend is situated immediately northwest of the Maria Jose-Ccalla-Azulccacca trend and includes the Buenavista and Huaclle zones. It is characterized by both oxide and primary copper mineralization associated with potassically altered quartz monzonite porphyry intruding propylitically altered diorite. Mineralization is similar to that in the Ccalla area but may be somewhat more eroded and phyllic alteration is less common. In some places, roof pendants of limestone show prograde and retrograde skarn alteration with iron and copper mineralization.

Six holes have been drilled in the Huaclle area, two of which include numerous intervals of oxide and supergene-enriched copper mineralization ranging from six meters grading 1.32% Cu to 12 meters grading 0.76% Cu. The results of surface chip sampling in the Buena Vista area were more anomalous than those at Huaclle but this zone has not yet been drilled.

<u>The Chaupec Target</u>
Mineralization at Chaupec consists of a polymetallic skarn developed at the contact between Cretaceous diorite and carbonate rocks of the Lower Tertiary Ferrobamba Formation. Work completed to date includes geological mapping at 1:1,000, 810 rock chip samples (1-2 sq metres each) on a 100 m by 100 m grid and geophysical surveys including 71.6 km of Induced Polarization, 63.7 km of magnetics and 45.1 km of Self Potential.

Of the three main mineralized zones defined at Chaupec, two consist of outcropping garnet skarns that have in part been retrograded to epidote and chlorite. Porphyry-style mineralization has also been observed in outcrop and there is some evidence that it may continue to the north under the limestone and colluvial cover. The skarn contains variable amounts of chalcopyrite, pyrite, bornite, chalcocite and copper oxides along with massive magnetite in places.

Values of copper and gold in the rock chip samples from these two zones range from 0.21% Cu to 8.15% Cu and 0.005 g/t Au to 2.69 g/t Au. Table 1 summarizes the extent of and average values found in the two anomalies. The complete sampling data set is summarized on the Company’s website.

Table 1: Sampling results in the skarn mineralization.

Anomaly	Grade Contour	# Samples	Area		Arithmetic Average Grade (*)				
	Cu ppm		Length m	Width m	Cu %	Au g/t	Ag g/t	Pb ppm	Zn ppm
1	2,000	40	**1500**	**530**	**1.11**	**0.058**	**22.00**	596	852
Including	5,000	20	940	170	1.55	0.064	25.50	612	923
2	2,000	19	**950**	**470**	**1.11**	**0.305**	**6.30**	49	183
Including	5,000	10	590	215	1.70	0.525	10.10	45	221

(*) Grades capped at percentile 90.

The third prospect consists of outcropping quartz-monzonite porphyry with stockwork quartz veining that is situated at the contact between the diorite and limestone. The rock chip sampling program covered an area of 1 km by 1 km, where 18 samples contained copper and gold values ranging from 0.21% Cu to 1.52% Cu and 0.005 g/t Au to 0.255 g/t Au. Table 2 summarizes the areal extent of and average values found in this area.

Table 2: Sampling results in the porphyry mineralization.

Anomaly	Grade Contour	# Samples	Area		Arithmetic Average Grade (*)				
	Cu ppm		Length m	Width m	Cu %	Au g/t	Ag g/t	Pb ppm	Zn ppm
3	2,000	18	**540**	**415**	**0.72**	**0.031**	**23.90**	1726	133
Including	5,000	11	380	193	0.98	0.041	13.20	2542	133

(*) Grades capped at percentile 90.

In general, the skarn mineralization in Chaupec has the highest grades found yet at the Cotabambas project. Skarn-type mineralization plays an important role in other major deposits in the region, including Las Bambas, Constancia, Antapaccay and Coroccohuayco, where higher grades in the skarn in the first years of mining can contribute to more rapid payback. For more information about Chaupec, see Panoro's website.

Property-Scale Exploration Potential

Elsewhere on the property, similar late-phase porphyries intrude clastic and carbonate strata of the Jurassic Yura Group and Cretaceous Ferrobamba Formation and are associated with recently discovered porphyry- and skarn-type mineralization at the Jean Louis, Ccarayoc and Chuyllullo showings. At the Cullusayhua target, sampling of hydrothermal breccia hosted by iron oxide stained quartzite returned anomalous gold and silver values. Other skarn mineralization is being mapped and sampled in the Chaupec and Añarqui areas.

Geological mapping and chip sampling on the property have continued to outline a number of porphyry-style copper-gold mineralized zones outside of the main Ccalla resource. The presence of multiple intrusions and zones of porphyry and skarn mineralization with anomalous copper, gold, silver, molybdenum and other elements suggests the possibility of a cluster of porphyry centres similar to the situation at Las Bambas and other significant porphyry camps.

Structural and geological mapping suggest that these new zones are aligned in two main northeasterly trends. Other than the main Ccalla and nearby Azulccacca zones, most of these targets have not been drilled as yet and all represent prime targets for continued exploration with the potential to significantly increase the property resource base.

4.2 Antilla Copper/Molybdenum Project

Property Description and Location

The Antilla Project is located near the small town of the same name in the District of Sabaino, Province of Antabamba, Department of Apurimac, Perú. The centre point of the exploration concession lies at UTM coordinates 8,414,000N, 718,500E between elevations 3300 and 4100 metres above sea level. The Company holds a total of 12 concessions with an area of 7400 hectares.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The area is at present most easily accessible from Cuzco via the 366 km Cuzco-Abancay-Antilla road. In the future, access from either Lima or Cuzco will be improved with construction of a 6-8 km link to the southwest to the road between Antabamba and the paved highway between Lima and Cuzco. The total road distance between the Antilla project and the Lima-Cuzco highway will then be approximately 33 km. The nearest harbour is at Marcona and the nearest smelter is at Ilo.

Physiographically, the area is characterized by steep terrain with deeply incised valleys on the eastern slope of the Western Cordillera of the Andes. Drainage flows to the Atlantic Ocean via the Chalhuanca and the Antabamba rivers. The climate is mild and moderately rainy, characterized by long winters between June and November and abundant summer rains from December to March.

History

In 1999, Southern Perú Copper S.A. ("SPCC") carried out exploration work, including drilling on an optioned property immediately to the east of what was later to become the Antilla project. Anaconda evaluated the same adjoining property in 2000. In 2002, CDLM investigated geochemical anomalies to the west of the SPCC property and subsequently staked the first 2800 hectares comprising the Antilla project.

In 2003 and 2004, CDLM completed 1:5000 scale geological mapping on the central part of the property consisting of the so-called East and West Blocks and carried out reconnaissance mapping on the remainder of the property and on adjacent third party claims. Systematic rock and soil geochemical sampling was carried out on a 100-m by 50-m line grid approximately over a part of the West Block during which time 734 rock samples and 1,727 soil samples were taken. In addition, 214.2 line km of magnetic survey and 43.6 km of IP survey were completed. Towards the end of this exploration campaign, CLDM drilled 19 holes totaling 4,012 meters.

On April 8, 2010, the Company entered into a joint venture agreement ("JV") with Chancadora Centauro SAC ("Centauro") for the development of the Antilla copper molybdenum project in Perú. Under the terms of the agreement, Centauro committed to making cash payments of US$8 million and spending US$17 million over a 30-month period. A payment of US$1 million on signing was received by the Company from Centauro.

Centauro received the following from the Company:

- A right to match any offer by a third party on Panoro's 100% owned Cotabambas project and a US$1,000,000 (CAD$1,064,600) credit towards any such offer accepted by Centauro, provided they maintain an interest in Antilla.

- Equipment at the Antilla project including trucks, tents, computers, and a generator.

On July 17, 2010, the scheduled second cash payment from Centauro due under the Antilla agreement was not received. The Company subsequently provided Centauro with the required notifications relating to the lack of receipt of payment and the fact that this constituted a breach of the agreement.

On September 23, 2012, the Court of Arbitration of the Lima Chamber of Commerce issued a final ruling, which stated the Joint Venture between Centauro and Panoro had been legally terminated. Therefore the Antilla concession is owned 100% by Panoro. The Court of Arbitration did not award damages to either party in this dispute.

In January 2013, the Company regained access to the Antilla property, drill core and equipment. Equipment provided to the JV and valued at $82,663 was entered as a receivable in the financial statements but was not found to be in useable condition upon gaining access to Antilla. As a result, the Company wrote off the equipment receivable to exploration and evaluation assets.

On December 16, 2013, Panoro announced the results of an updated resource estimate prepared by TetraTech's which included the exploration data from the 2010 drill program.

Antilla PEA

The Antilla project is a copper-molybdenum porphyry deposit, located 140 km south west of the city of Cusco, in the Apurimac region in Southern Perú. On May 2, 2016, the Company issued a news release announcing the results of a Preliminary Economic Assessment of the Antilla Project ("Antilla PEA") and a Technical Report was filed on SEDAR on June 16, 2016.

Highlights of the Antilla PEA, directly excerpted from the May 2, 2016, news release, include:

- Pre-tax NPV(7.5%) is US$ 491 million, IRR is 22.1% and payback is estimated at 3.3 years
- After-tax NPV(7.5%) is US$ 225 million, IRR is 15.1% and payback is estimated at 4.1 years
- Conventional open pit mining and flotation processing
- Design throughput of 40,000 tonnes per day with an operational life of mine of 24 years
- low waste to mill feed ratio of 0.85:1
- Average annual payable copper of 81 million pounds
- Average annual payable molybdenum of 1.9 million pounds
- Average direct cash costs (C1) of US$1.83 per pound of payable copper, net of byproduct credits
- Initial project capital costs of US$ 603 million, including contingencies
- Good potential for discovery of additional mineralization adjacent to the current mineral resource area.

The Antilla PEA was prepared by SRK Consulting (Canada) Inc. ("SRK") and Moose Mountain Technical Services Ltd. ("MMTS") in accordance with the definitions in NI 43-101. The Antilla 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 (CHC) in 2010. The Mineral Resource estimate includes primary and supergene sulphides, as well as oxide copper.

A PEA is considered preliminary in nature. It includes Inferred Mineral Resources that are considered too speculative to have the economic considerations applied that would enable classification as Mineral Reserves. There is no certainty that the conclusions within the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Economics

The table below summarizes base case economic metrics for the project as well as its sensitivity to the price of copper:

Table 1.Summary of PEA estimates of NPV, IRR, and Payback

	Before Tax*					**After Tax**				
Copper Price ($/lb)	**NPV 5% (million USD)**	**NPV 7.5% (million USD)**	**NPV 10% (million USD)**	**IRR (%)**	**Payback (Years)**	**NPV 5% (million USD)**	**NPV 7.5% (million USD)**	**NPV 10% (million USD)**	**IRR (%)**	**Payback (Years)**
2.75	389	261	161	16.2	4.0	163	78	11	10.5	4.8
3.00	**676**	**491**	**350**	**22.2**	**3.3**	**348**	**225**	**131**	**15.1**	**4.1**
3.25	964	721	538	27.7	2.7	529	369	248	19.0	3.6

* Note: base case at Cu=$US 3.00 in bold, all cases include Mo=$US 12.00; excludes Perú statutory charges, i.e. profit sharing, regulatory fees, mining royalty, special mining tax, and income tax

Project economics were estimated on the basis of long term metal price forecasts derived from prices periodically published by large banking and financial institutions and included copper at $3.00/lb, and molybdenum at $12.00/lb.

Mineral Resources

The Antilla PEA was based on a Mineral Resource model prepared by Tetra Tech, which is documented in a technical report filed on SEDAR, dated December 16, 2013.

A block model was generated with grade estimation constrained by modeled mineralization wireframes. Mineralization is mined from an open pit and treated using conventional flotation and hydrometallurgical flow sheets. Copper equivalent (CuEq) cut-offs were used to report the mineral resource. Metal prices: copper - US$3.25/lb and molybdenum – US$9.00/lb and metallurgical recoveries: copper - 90% and molybdenum – 80% were applied in the equivalency calculation.
During the preparation of the Antilla PEA, Tetra Tech re-classified the mineral resources and also revised the pit shell used to constrain the mineral resource for reporting, using more current pit optimization parameters. The estimation parameters for the 2015 mineral resource model are identical that of 2013.

The updated Mineral Resource has an effective date of October 19, 2015, and is tabulated in Table 2.

Table 2. Mineral Resource Statement*, Antilla Project, Perú, Tetra Tech Inc., October 19, 2015

Domain	Quantity	Grade		
	'000 tonnes	Cu %	Mo %	CuEq%
Indicated				
Overburden/Cover	5,600	0.25	0.01	0.28
Leach Cap	13,400	0.25	0.01	0.27
Supergene	168,900	0.41	0.01	0.42
Primary Sulphides	103,900	0.24	0.01	0.26
Total Indicated	**291,800**	**0.34**	**0.01**	**0.36**
Inferred				
Overburden/Cover	500	0.22	0.009	0.24
Leach Cap	13,400	0.21	0.008	0.22
Supergene	25,900	0.34	0.008	0.36
Primary Sulphides	50,700	0.24	0.007	0.25
Total Inferred	**90,500**	**0.26**	**0.007**	**0.28**

* Reported at a cut-off grade of 0.175 CuEq%; assuming an open pit extraction scenario, a copper of US$3.25 per pound and a molybdenum price of US$ 9.00 per pound, and a metallurgical recovery of 90 percent for copper and 80 percent for molybdenum.

The revised reporting methodology for the 2015 Mineral Resource statement has resulted in a positive and significant net redistribution of material from Inferred to Indicated compared to the 2013 mineral resource statement. A detailed analyses of the 2013 to 2015 mineral resource reconciliation will be provided in the technical report being prepared to support the Antilla PEA. Primary reasons for the change include a revised pit shell used to constrain mineral resource reporting, a drop in reporting cut-off grade from 0.20 CuEq% to 0.175 CuEq% and the unique distribution of grade within the deposit.

Table 3 tabulates the variance between the 2013 and 2015 mineral resource statements, which highlights the net increase in Indicated mineral resources at the expense of Inferred mineral resources. The small decreases in metal grades, due to the lower cut-off grade, are offset by large increases in tonnage; therefore this update reports a net increase in metal over previous estimates.

Table 3. Reconciliation* Table Comparing the December 2013 and October 2015 Mineral Resource Statements

Domain	Quantity	Grade		
	'000 tonnes	Cu %	Mo %	CuEq%
Indicated				
Overburden/Cover	22%	-7%	0%	-7%
Leach Cap	54%	-11%	10%	-10%
Supergene	27%	-9%	-20%	-9%
Primary Sulphides	144%	-20%	-10%	-19%
Total Indicated	**55%**	**-16%**	**-15%**	**-15%**
Inferred				
Overburden/Cover	101%	-8%	-10%	-8%
Leach Cap	59%	-5%	-20%	-8%
Supergene	-47%	3%	-20%	6%
Primary Sulphides	-42%	-8%	-30%	-7%
Total Inferred	**-38%**	**-6%**	**-26%**	**-5%**
* Reconciliation: 22% = (2015-2013)/2013				

Mining and Processing

The Antilla PEA incorporates an open pit mining operation using conventional truck and shovel methods. The estimated 24 year life of mine includes 350 million tonnes of mill feed plus 297 million tonnes of waste rock resulting in an average waste:mill feed ratio of 0.85:1. The average life of mine mill feed grade is 0.31% copper and 0.009% molybdenum. The mill throughput is planned at 40,000 tonnes per day through the processing plant that will be located approximately 1 km to the West of the Antilla ultimate pit limit. Approximately half of the wasterock will be used for construction of the Tailings Storage Facility ("TSF") with the remaining wasterock placed in storage areas around the pit limit and within the pit.

The sub-set of the Mineral Resources contained within the ultimate pit and included in the mine plan is 291.1 million tonnes averaging 0.322% Cu and 0.0089% Mo classified as Indicated Resources and 59.8 million tonnes averaging 0.249% Cu and 0.0071% Mo classified as Inferred Resources. Inferred Resources are included in the mine plan but are considered too speculative geologically to have economic considerations applied to them that would enable categorization as Mineral Reserves. There is no certainty that Inferred Resources will be upgraded to Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Table 4 summarizes the production parameters:

Table 4. Projected Production Summary

Total Mill Feed Material*	350.4 million tonnes*	
Average Processing Rate	40,000 tonnes per day	
Life of Mine (LOM) Strip Ratio	0.85	
	Copper	**Molybdenum**
Average Mill Feed Grade	0.31%	0.009%
Average Process Recoveries	84.5%	67.4%
* The cut-off grade used to calculate the mill feed is NSR>=6.1 NSR is calculated using the following formula: NSR = [Cu grade (%) * Cu process recovery (%) * 57.76] + [Mo grade (%) * Mo process recovery (%) * 203.93]. The total mill feed tonnes do not include 0.5 Mt of stockpiled material that will not be processed at the end of the mine life since this material forms the base of the stockpile pad.		

The run of mine mineralized material will feed a gyratory crusher ahead of a conventional SAG and ball mill grinding circuit. A bulk copper-molybdenum concentrate will be recovered in rougher and scavenger flotation stages. Following regrinding, molybdenum will be separated from the bulk concentrate in three or more stages of cleaner flotation. Both concentrates will be thickened and filtered while the tailings will be thickened prior to being pumped to the TSF.

For the two main zones (Supergene and Primary Sulphide), the copper concentrate will be 20% to 30% Cu, a clean concentrate free of penalty elements and precious metal content below payable levels. The molybdenum concentrate will be 32% to 40% Mo; future testwork will determine if further processing is required to reduce the copper and zinc levels. Both concentrates will be transported off site via truck with the copper concentrate shipped out of the port of Marcona, in Nazca province.

Metallurgical testwork was completed in 2013 by Certimin Laboratories S.A. in Lima, Perú on individual samples of Supergene and Primary Sulphide mineralised material. No metallurgical testwork has been conducted on the Cover or Leach Cap domains.

Table 5 summarizes the expected recoveries of the four mineralized domains, with the Cover and Leach Cap performance assumed to follow the main domains based on similar copper mineralogy/speciation.

Table 5. Summary of Metallurgical Recoveries Estimated in the PEA

Mineralized Domain	Cu Recovery (%)	Mo Recovery (%)
Cover*	80	65
Leach Cap*	75	65
Supergene	85	70
Primary Sulphide	85	65
* QP estimates - no supporting testwork completed		

Projected production of payable metals is summarized in Table 6.

Table 6. Summary of Annual Average and Life of Mine Payable Metals

	Annual Average	Life of Mine
Copper (Mlbs)	81.0	1,944
Molybdenum (Mlbs)	1.9	44

Tailings

Flotation tailings will be pumped as a low solids content slurry to the TSF and discharged via spigots. The TSF containment dam will be constructed predominantly from wasterock produced from the mining activities and will include a geomembrane liner on the upstream face. Additional zones within the containment dam will be constructed with borrow material. Dam construction will be staged over the life of the mine using the downstream construction method. Reclaimed water from the TSF will be circulated back to the mill. At closure, the tailings surface will be covered with a geosynthetic membrane liner and a growth medium, and the downstream face of the containment dam will be covered with a growth medium.

Capital and Operating Costs

The projected capital and operating costs for Antilla over a 2 year construction period and 24 year operating mine life are summarized in the tables below.

Table 7. Summary of Antilla Initial Capital Cost Estimates (US$ millions)

Item	**Cost (US$ million)**
Mine Equipment	51
Mine Development	55
Process Plant	187
Tailings Storage Facility	18
Infrastructure	85
Subtotal	**396**
Owners Cost	28
Indirect Costs	82
Subtotal	**506**
Contingencies	97
Total Initial Capital Cost	**603**

Power will be supplied via a 50 km long power line connected to the national grid at the Cotaruse substation in the district of Chalhuanca to the southwest of the Antilla project. Copper concentrate will be trucked by contractor from the mine site to the port of Marcona, in Nazca province, along existing road networks.

Table 8. Antilla Sustaining Capital and Mine Closure Costs (US$ millions)

Item	**Cost (US$ million)**
Mine Equipment	133
Tailings Storage Facility	181
Infrastructure	10
Total Sustaining Capital Cost	**324**
Mine Closure	92
Sustaining Capital and Closure Cost	**416**

Table 9. Antilla On-site Operating Costs (US$ per tonne milled)

Item	**Cost (US$ million)**
Mining Cost	3.57
Processing Cost	4.78
G&A Costs	0.75
Total On-site Operating Cost	**9.10**

C1 and C2 cash costs (as defined by Brook Hunt) per pound of payable copper are listed in the table below.

Table 10. Antilla Average Cash Costs (US$) per lb Payable Copper

Item	**Cost (US$ million)**
C1 - Direct Cash Cost	1.83
C2 - Production Cost	2.35

Opportunities for Project Growth and Enhanced Economics

- Tetra Tech recommends that further investigation of the Antilla deposit is warranted and necessary. There is potential to add new mineral resources at depth and in the Northeast and Southeast sides of the pit shell. Tetra Tech recommends that additional drilling be carried out to reduce the drill spacing ion those zones with copper mineralization, where drill spacing distances are greater than 100 m. Additional drilling will determine, with greater confidence, both the continuity and extents of copper mineralization within and outside of the known deposit.
- Tetra Tech recommends an extension of the current exploration grid to include the West Block, North Block, Middle Block and Chabuco exploration targets. Tetra Tech recommends continued geochemical sampling and geophysical surveys over these areas located next to the current mineral resources.
- Mill feed hardness could be consistently soft through mine life and lower crushing and grinding power requirements or alternately allow the plant to operate at higher capacity
- Potential to use a contractor mining fleet and reduce initial capital costs
- Potential to use larger equipment sizes and reduce mining costs
- Considering the very preliminary metallurgical testwork undertaken on the project to date, there is potential to increase recoveries with additional metallurgical testing and to improve discrimination between metallurgical types within the deposit

Future Work

Further work leading to a Pre-Feasibility Study on Antilla is recommended and will include drilling, mineral resource modeling, metallurgical testwork, engineering and marketing studies, hydrological and geotechnical analysis, as well as various baseline environmental and archeological studies. In addition, exploration work will be recommended over the other targets in the vicinity of the known deposits.

Tailings

Comprehensive tailings and waste rock geochemical testing is required to confirm whether additional control and mitigation measures may be required and whether there may be an opportunity to eliminate the need for a geosynthetic membrane in the closure cover system.

Geotechnical characterization of the tailings storage facility dam foundation and basin are required to confirm the proposed design. Borrow material and waste rock geotechnical characterization studies are also required. There are alternative areas for tailings storage inside and outside the property and a study of analysis of alternatives will be developed.

Environment & Permitting

Existing environmental liabilities associated with the project are restricted to those expected to be associated with an exploration-stage project, and include drill sites and access roads. Additional Environmental Baseline studies should be conducted to collect site data including surface water quality, archeology, aquatic and terrestrial biology, flora, fauna, and additional geochemical characterization of mine waste materials. This information will inform a comprehensive Environmental Impact Study.

The Company is currently reviewing the results of the Antilla PEA to assess the potential to reduce project scale, capital cost and operating costs before advancing with additional studies or exploration.

Technical Reporting

The complete technical report documenting the Antilla PEA will be filed within 45 days of the news release on May 2, 2016, and will be available on Panoro's website and on SEDAR. The technical report will be authored by the following Qualified Persons:

Qualified Person	Firm	PEA Area	**Professional Affiliation** (and registration number)
Paul Daigle, PGeo	Tetra Tech Inc.	Geology, resources	APGO (#1592)
Jesse Aarsen, PEng	Moose Mountain Technical Services Ltd.	Mining	APEGBC (#38709) APEGA (#74969)
Adrian Dance, PEng	SRK Consulting (Canada) Inc.	Mineral processing	APEGBC (#37151)
Maritz Rykaart, PEng	SRK Consulting (Canada) Inc.	Tailings, environmental	APEGBC (#28531)
Goran Andric, PEng	SRK Consulting (Canada) Inc.	Infrastructure	PEO (#100103151)
Brian Connolly, PEng	SRK Consulting (Canada) Inc.	Economic analysis	PEO (#90545203)
Luis Vela, CMC	Panoro Minerals Ltd.	Exploration, mineral tenure, permits	CMC (#0173)

Exploration Potential

Current mineral resources at Antilla are located in the eastern part of the property where copper and molybdenum mineralization are associated with quartz-monzonite porphyries of the middle Eocene to early Oligocene Andahuaylas-Yauri batholith which have intruded quartzites and arenites of the Cretaceous Soraya formation. In the western part of the property, similar late phase porphyries intrude arenites, shales and limestones of the Jurassic Piste formation. The potential to increase the resource at the Antilla project includes a number of possibilities, as follows:

Local-Scale - Drilling to date indicates that supergene mineralization extends both north and south of the current resource as well as, in places, to depth. Additional drilling could add to the resource in these areas.

District-Scale - Systematic geochemical sampling and geological mapping suggest that the current limits of the mineral resource are located in the center of an east-west structural trend some 2.5 km wide and 5 km long. The trend is characterized by significant anomalous copper, molybdenum and gold, and includes outcropping quartz monzonite porphyry exhibiting copper mineralization and potassic alteration as well as an apparent leached cap zone developed in the arenites of the Soraya formation. The zones including geochemistry anomalies located around the current resources are named: Chabuca, North block, the Intermedium block, West block I and West block II.

The extensive copper anomaly in Chabuca has an area of 1.3 km by 1.5 km, located to the east of the current resource and the Intermedium block is located next to the west side of the conceptual pit over an area of 1.0 km by 2.0 km. In both zones, anomalous copper and molybdenum are associated with outcropping copper-mineralized and potassically altered quartz monzonite porphyry that remains unexplored. The North block is located over the hill from the pit and the copper and molybdenum anomalies are hosted by the same arenite package containing the supergene copper mineralization comprising the known mineral resource. The West block I and West block II are located from 2 km to 4 km to the west of the current resource and copper, molybdenum and gold anomalies have been defined outside of the areas already drilled. Detailed mapping and geophysics will be needed to refine targets for drilling.

Property-Scale - In the western extreme of the property, a new exploration target named Piste was recently discovered. It consists of outcropping porphyry and skarn-type mineralization hosted by limestones, arenites and shales. A program of rock chip sampling and detailed geological mapping is in progress.

A second extensive copper anomaly occurs in the 1.3 km by 1.5 km Chabuca zone located to the east of the current resource. Here, anomalous copper and molybdenum are associated with outcropping copper-mineralized and potassically altered quartz monzonite porphyry. The possibility of underlying hypogene porphyry copper mineralization in both the East and West Blocks largely remains to be tested. Additional systematic geochemical sampling is currently in progress in the north and western parts of the property.

4.3 Kusiorcco Copper Project

The Kusiorcco project is located near HudBay Minerals' Constancia project (Indicated resources of 256 million tonnes at 0.50% copper; Inferred resources of 156 million tonnes at 0.33% copper) and the historical Katanga Mine formerly operated by Mitsui Mining and Smelting. It consists of strong, coincident 1-km by 2-km induced polarization and resistivity anomalies overlying a 300m by 500m alteration zone characterized by an intensive stockwork of quartz veins with the weathered out voids filled by iron oxides after sulphides. Management believes this to be a leached outcrop of part of an altered porphyry system. The leached outcrop also suggests the possibility of a supergene enriched zone at depth. The potential of this system to host a significant porphyry copper deposit is further supported by the presence of a number of copper skarn occurrences located at the periphery of the Kusiorcco intrusive stockwork which are currently being exploited on a small scale by local artisanal miners.

The Company is currently evaluating options for advancing this property, including joint venture and/or option opportunities.

4.4 El Rosal Project

The Company has a 100% interest in the El Rosal property consisting of twelve mineral concessions totaling 8,200 hectares located in the Province of Chiclayo, Department of Lambayeque, Perú. The project has been explored in several drilling campaigns, the latest of which was in 2008. In that campaign, both porphyry copper and replacement-style silver-zinc mineralization were identified in the La Ramada area. Details of the geology and exploration on the property through 2006 may be found in a 2006 technical report entitled "2006 Summary Report on the El Rosal Property", which is available on the Company's website.

The Company is currently evaluating options for advancing this property, including joint venture and/or option opportunities.

4.5 Cochasayhuas Project

The 1,836-hectare (formerly 5,836 hectares, as four non-core concessions will be left to lapse) Cochasayhuas property is located about 20 kilometers west of Xstrata Copper's Las Bambas project. It includes the historic San Fernando mine which was in continuous operation from 1912 to 1952 and is reported to have produced 401,000 ounces of gold and 480,000 ounces of silver (SRK, 2007). Although more than one vein system is known on the property, historical production was derived from only one shoot within the so-called Cochasayhuas vein.

Various brief reconnaissance sampling and mapping exercises have been carried out by the Company and have returned values of up to 4.7 g/t of gold in the Cochasayhuas vein and up to 2.2 g/t gold in the San Lucas vein where artisanal mining is currently concentrated. Mineralization is interpreted as consisting of an early mesothermal phase of quartz veining with associated base metals on which a second episode of epithermal activity has been superimposed.

In 2013, the Company drilled 1,688m in 10 shallow holes with an average length of 169 meters, targeting the San Fernando Vein that outcrops at surface for 5km. The more significant mineralized intersections are listed in the table below:

Hole	From	To	Length	Au g/t	Ag Ounces/t	%Cu	%Pb	%Zn	Type
2	70.73	70.95	0.22	0.83	40.0	9.00	7.31	13.98	Primary
6	67.10	68.50	1.40	1.50	2.5				Primary
4	60.10	61.10	1.00	0.58	4.5				Primary
4	63.20	63.40	0.20	0.88	4.3	1.50			Primary
7	178.10	178.70	0.60	0.24	1.0	0.48	1.51	1.57	Primary

Mineralization generally consists of massive quartz, cut by veinlets of chalcopyrite, pyrite, galena and sphalerite to various degrees. Further exploration is planned on the property. A technical report will be prepared once exploration has concluded.

4.6 Alicia Project

Effective December 31, 2016, Montan no longer had an interest in the Alicia property, and as a result, the Company no longer retains a 2.0% NSR in the property.

4.7 Promesa Project

The Promesa property comprises of three concessions covering 3,000 kms located at an elevation between 3,800m to 4,400m above sea level. It is approximately 360 kms by road from Cusco on paved highway along the Lima-Nazca highway where it turns off to the property for a further 7.2 km of rugged road. The topography in the area is generally gentle with deep valleys.

A summary of the geology taken from the SRK 2007 report describes it as follows:

“At Promesa, a composite, north-oriented, hornblende and quartz-eye bearing porphyry stock of granodiorite composition intrudes a dominantly clastic sequence of quartz-arenite and pelite of the Early Cretaceous Soraya Formation. Hydrothermal alteration is dominated by biotite and K-feldspar bearing potassic assemblages that affect the intrusive units and certain pelitic horizons of the country rock, whereas quartz-sericitic alteration is locally present in transgressive veins of D-type and more commonly occupies a peripheral position in quartz-arenite country rock. Copper mineralization accompanies moderate to weak quartz-stockworks with chalcopyrite primarily hosted by the composite porphyry stock near its contact with the host sedimentary sequence. Minor supergene chalcocite is present at the redox front in quartz-sericite altered country rock."

The work that has been done on the property consisted of geological mapping, 908 grid soil samples and 706 of rock samples. Ground geophysical surveys consisted of 95.3 line-km of magnetometer and 8.2 line-km of Induced polarization surveys that were done on May 2003. The following year, four drill holes totaling 1,540m were drilled on the property. The table below lists the more significant mineralized intercepts:

Drill hole No.	From (m)	To (m)	Intercept (m)	%Cu	g/t Au
PRO-01	242	250	8	0.39	0.09
	368	384	16	0.49	0.14
PRO-02	12	28	16	0.54	0.03
	314	376	62	43	0.09
PRO-03	236	244	8	0.40	0.07
	250	252	2	2.15	0.42
PRO-04	164	188	24	0.52	0.12
	234	238	4	0.50	0.22

The presence of mineralized intervals grading above 0.4%Cu and up to 0.42g/t Au indicates that the property has the potential to host a porphyry copper-gold deposit in addition to possibly hosting supergene copper mineralization as shown by the presence of incipient chalcocite enrichment in PRO-02.

In 2012 and 2013 Panoro completed geological mapping and geophysical surveys (IP & magnetics) over 40% of the property. Results are being evaluated and a systematic geochemical survey and exploration drilling are being considered for follow up.

4.8 Other Projects

The Company's other properties, including Checca, Pistoro Norte, Sancapampa, Humamantata, Pataypampa, Anyo, and Morosayhuas have not received any significant work since the date of the 2007 SRK report and the reader is directed to that report for a more detailed description of each. During the year ended December 31, 2015, the Company determined that it will let the concessions forming the Pistoro Norte and Pataypampa projects lapse.

In addition to the Pistoro Norte and Pataypampa projects, additional non-core concessions forming part of the projects that have not had any significant exploration work in recent years may not be renewed. El Rosal has not received any significant exploration activity in several years. The Company has until the end

As the Company may forego its rights to portions of these projects, certain capitalized exploration and evaluation costs related to the non-core concessions were written off in fiscal 2015 in the amount of $2,266,865. At the date of this AIF, the Company has no plans to pay the concession fees for the 2014 and 2015 fiscal years on the concessions written down in fiscal 2015.

Item 5: Risk Factors

The risk factors for the Company are the same risk factors that all exploration stage companies operating globally have in common. This AIF lists the major risks and uncertainties that may have a material adverse effect on the Company's securities. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial may also impair the Company's business operations. If the Company is unable to prevent events that have a negative effect from occurring, then its business, results of operations and financial condition and the market price of its securities could be materially and adversely affected. These risk factors should be carefully considered by investors when evaluating an investment in the Company.

5.1 Risks Inherent to the Exploration Industry

The business of exploration for minerals involves a high degree of risk which even a combination of experience, hard work, knowledge and careful evaluation may not be able to overcome. Few properties are developed into producing mines. Unprofitable efforts result not only from the failure to discover mineral deposits, but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. There is no assurance that the Company's future exploration and development activities will result in any discoveries of commercial bodies of ore. The marketability of minerals discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on invested capital.

5.2 Financing Risks

The Company has no history of revenues from its operating activities and currently does not have sufficient funds on hand to carry out the completion of all proposed activities. With limited resources and no source of operating cash flow the Company will require additional funding, whether through the issuance of securities or debt, in order to remain a going concern, satisfy contractual obligations, and to continue the development of the Company's properties even if the Company's exploration program is successful.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and evaluation of its projects, the delay or indefinite postponement of construction, development or production on any or all such mineral property interests, or even loss of mineral property interests, the failure to meet contractual obligations as they become due, and impair its ability to remain a going concern or bankruptcy.

The Company and its wholly-owned subsidiary entered into a definitive Early Deposit Precious Metals Purchase Agreement (the "Cotabambas Early Deposit Agreement") signed on March 21, 2016, with Silver Wheaton (Caymans) Ltd. ("Silver Wheaton"), in respect of the Cotabambas project located in Perú.

The principal terms of the Cotabambas Early Deposit Agreement are such that Silver Wheaton will pay the Company upfront cash payments totalling US$140 million for 25% of the payable gold production and 100% of the payable silver production from the Company's Cotabambas Project in Perú. In addition, Silver Wheaton will make production payments to the Company of the lesser of the market price and US$450 per payable ounce of gold and US$5.90 per payable ounce of silver delivered to Silver Wheaton over the life of the Company's Cotabambas Project. During the year ended December 31, 2016, the Company received US$4.0 million pursuant to the agreement. An additional US$0.750 million was received in March 2017. The remaining US$9.25 million in payments in payments should be sufficient for the Company's minimum working capital for the foreseeable future.

On August 26, 2016, the Company completed a non-brokered private placement of 36,717,817 units (the "Units") at a price of $0.18 per unit for gross proceeds of $6,609,207. Each Unit consists of one common share of the Company and one-half of a non-transferable common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder thereof to purchase one common share at an exercise price of $0.27 for a period of 24 months from the date of closing. At December 31, 2016, there are 18,358,905 warrants outstanding.

5.3 Exploration and Mining Risks

Title to mineral Properties - In those jurisdictions where the Company has mineral property interests, the Company undertakes searches of mining records and obtains title opinions from reputable counsel in accordance with mining industry practices to confirm satisfactory title to properties in which it holds or intends to acquire an interest, but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims, prior unregistered agreements or transfers, and title may be affected by undetected defects or native land claims. The ownership and validity of mining claims are often uncertain and may be contested. The Company is not aware of any challenges to the location or area of its mineral claims. There is, however, no guarantee that title to the Company's properties will not be challenged or impugned in the future as the properties may be subject to prior unregistered agreements or transfers.

There is also an obligation on title-holders to reach an Annual Minimum Production ("AMP") per hectare prior to the end of the 10th year of ownership, calculated from one year after the date on which the concession was granted. If the title-holder fails to comply with the AMP requirement, an annual penalty must be paid per hectare, starting at the 6th year there is an additional fee of US$6 per hectare, until after 12 years, the additional fee increases to US$20 per hectare. If AMP is not reached by the 15th year from 2008, the respective concessions will expire under the current law in 2028, with increases in the annual penalties based on minimum production after the 15th year, and are calculated on the basis of estimated Tax Reference Units (UIT) and increase each year.

Mineral Resource Estimates - The Company's properties are in the exploration stage and are without a known body of commercial ore. The mineral resources contained in this AIF are estimated quantities of measured, indicated and inferred mineral resources. There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of, among other things, the quantity and quality of available data, the assumptions made and judgments used in engineering and geological interpretation. Mineral resource and mineral reserve estimates are also uncertain because they are based on limited sampling and not the entire ore body.

5.4 Permitting Risks

In general, existing and possible future environmental legislation, regulations and actions could give rise to additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Regulatory requirements and environmental standards are subject to constant evaluation and may be significantly increased, which could materially affect the business of the Company or its ability to develop its properties. Before exploration can commence on any of its mineral properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals will be obtained, or if they are obtained, if they will be granted on a timely basis. The cost of compliance with changes in governmental regulations has the potential to delay exploration, reduce the profitability of operations or preclude entirely the economic development of a property.

As exploration permits are subject to the discretion of government authorities, there can be no assurance that the Company will be successful in maintaining such permits for the Cotabambas Project, or the Antilla Project, which are the Company's most advanced stage properties. There can be no assurance that all permits which the Company may require for future exploration activities or any construction of mining facilities or conduct of mining operations will be obtainable on reasonable terms or at all, or that the terms of such permits or applicable laws and regulations will not have an adverse effect on any exploration or mining project which the Company might undertake.

Surface Rights - Obtaining title to mining concessions does not ensure permission to use surface lands. Permits for surface land use must be obtained from the individual landowners via agreements entered into between the concession title-holder and the landowner before the Company can commence the exploration and evaluation work in order to advance the projects. In the event that the owner is a local community, such communities are recognized by the Perúvian government as legal entities, so the agreement must be approved by a minimum vote of the assembly of the members of the community, as further provided in specific legislation on the matter.

The Company will require additional community agreements with local communities in order to secure the surface rights to its projects. Although past local community agreements have been successfully negotiated and completed to the satisfaction of all parties, there is no assurance that a local community agreement can be negotiated by the Company, or that the terms of an agreement will be favorable to the Company. There is also no assurance any community will honor their side of the agreement before expiry without demanding additional concessions. The timing for negotiating and completing such agreements is unpredictable. The process of obtaining such agreements may also be affected by the two-year election cycle for the councils of the local communities. While the Company believes it can successfully negotiate agreements in the future, failure to obtain a community agreement could delay or postpone indefinitely exploration and evaluation activities.

The Company has entered into a local community agreement with the residents of Cochapata which will ultimately be for the purchase of land in another area that is satisfactory to the current residents. This will give the Company the use of the surface rights for at the current local community of Cochapata which can be incorporated into mine planning of the Cotabambas project.

Environmental Matters - All of the Company's exploration, development and any production activities will be subject to regulation under one or more environmental laws and regulations, which can make operations expensive or prohibit them altogether. Many of the regulations require the Company to obtain permits for its activities.

The Company may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development and production.

All phases of the Company's operations are subject to environmental regulation. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for the Company and its officers, directors and employees. There is no assurance that future changes in environmental regulations, if any, will not adversely affect the Company's business, conditions or operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at this time.

5.5 Risks Associated with Trading on a Stock Exchange

Volatility of Share Price and Trading Volume - The market price of the Company's securities has experienced wide fluctuation which may not necessarily be related to the operating performance, underlying asset values or prospects of the Company. Factors such as announcements of mineral discoveries or discouraging exploration results, changes in financial results, and other factors could have a significant effect on share price. The market price of a publicly traded stock, especially a resource issuer like Panoro, is affected by many variables in addition to those directly related to exploration or development successes or failures. Such factors include the general condition of markets for resource stocks, the general strength of the economy, the availability and attractiveness of alternative investments, and the breadth of the public markets for the stock. The effect of these and other factors on the market price of the Company's common shares suggests continued volatility. Therefore, investors could suffer significant losses if the Company's shares are depressed or relatively low trading volumes could reduce the liquidity of an equity investment. There can be no assurance that even though the Company reaches project milestones in development of its projects and publicly releases good news will result in an increase in the price of its securities.

Concentration of Shareholdings – Concentrations of shares held with a small number of investors could impact the ability of the Company to perform corporate actions. As the shares are widely held, a shareholder with a significant amount of shares could be able to influence the outcome of matters submitted to the Panoro shareholders for approval, which could include the election and removal of directors, amendments to Panoro's incorporation documents and business combinations. Panoro's interests and those of a shareholder may at times conflict, and these conflicts might be resolved against Panoro's interests.

Sales of a large number of the common shares on the open markets, or the potential for such sales, could decrease the trading price of the common shares. If any significant shareholder decides to liquidate all or a significant portion of its position, it could adversely affect the price of the common shares.

5.6 Global Financial Conditions

Global Markets – There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any mineral occurrences discovered. The price of commodities has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the control of the

Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the USD relative to the CAD), interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

Metal Prices - Changes in the market price of copper, gold and other metals, which are volatile and have fluctuated widely, affect the operations of the Company. The long-term viability of the Company depends, in large part, upon the market price of metals, primarily copper, but potentially gold and other metals and minerals. The market price of copper is volatile and is affected by numerous factors beyond the control of the Company. The effect of these factors cannot be accurately predicted.

5.7 Risks of Operating in Perú

Potential Political, Social and Economic Instability in Perú - The Company's mineral property assets are all located in Perú, South America. Although the Company believes that the current conditions in Perú are stable and conducive to conducting business, the Company's current and future mineral exploration and mining activities could be impacted by adverse political, social or economic developments. The adverse developments may include widespread civil unrest and rebellion, the imposition of unfavorable government regulations on foreign investment, production and extraction, prices, exports, income taxes, expropriation of property, environmental compliance and worker safety. Additional regulations may apply to Panoro and may adversely affect its ability to operate and its results of operations.

Social conflicts in Perú have significantly increased over the past several years. Local opponents to mining activities have occasionally become violent. Labour in Perú is customarily unionized and labour union activities can be severely disruptive. Roadblocks by community members, the unemployed and labour unions are not uncommon. Where good relationships exist with local communities and employees, there is no certainty that such relationships will continue. The risk of social, labor and civil unrest may adversely affect Panoro.

Bureaucracy and Corruption – Inefficient government bureaucracy is a problematic factor for doing business in Perú which can lead to delays in obtaining materials and government permits. Commercial regulations can be sometimes inconsistent, and the lack of transparency may increase start-up and overall operational costs. The difficulties that companies experience when trying to deal with Perú's extensive bureaucracy has led some companies to make use of facilitation payments or to contract local agents whom they hope can expedite business transactions. The government procurement processes and the judicial sectors are susceptible to corruption.

Extractive Sector Transparency Measures Act ("ESTMA") in Canada
ESTMA was enacted on December 16, 2014, and brought into force on June 1, 2015. The Act delivers on Canada's international commitments to contribute to global efforts to increase transparency and deter corruption in the extractive sector by requiring extractive entities active in Canada to publicly disclose, on an annual basis, specific payments made to all governments in Canada and abroad. Extractive businesses subject to the Act must report annually on certain payments to all levels of government in Canada and abroad for financial years beginning after June 1, 2015. Payments reportable under the Act must be made in relation to the commercial development of oil, gas or minerals and total at least $100,000 in one of seven payment categories:

- Taxes (other than consumption and personal income);
- Royalties;
- Fees (including rental fees, entry fees and regulatory charges as well as fees or other consideration for licences, permits or concessions);
- Bonuses (including signature, discovery and production bonuses);
- Dividends (other than dividends paid as ordinary shareholders);
- Production entitlements; and
- Infrastructure improvement payments.

5.8 Other

Foreign currency risk - The Company maintains its financial statements in Canadian dollars. Financings are in CAD and exploration expenditures are typically in USD and Perúvian Nuevo Sol. As a result, the Company is subject to foreign exchange risks relating to the relative value of the CAD as compared to the USD and the Perúvian Nuevo Sol. An increase in the USD would result in an increase in the real value of the Company's exploration expenditures and adversely impact the Company's financial performance as it did in fiscal 2015, with the increase in the USD as compared to the CAD. The exchange rate has varied substantially over time, and have varied approximately 5% in fiscal 2016. Fluctuations in exchange rates may give rise to foreign currency exposure, either favorable or unfavorable, which will impact financial results. The Company does not engage in currency hedging to offset any risk of exchange rate fluctuation.

Qualified Personnel - Recruiting and retaining qualified personnel in the future is critical to the Company's success. As the Company explores and develops its Cotabambas Project and other properties, the need for skilled labour will increase. The number of persons skilled in the exploration and development of mining properties is limited and competition for this workforce is intense. The development of the Cotabambas Project and other initiatives of the Company may be significantly delayed or otherwise adversely affected if the Company cannot recruit and retain qualified personnel as and when required. The success of the Company and its ability to continue to carry on operations is dependent upon its ability to attract and retain the services of certain key personnel. The loss of their services to the Company may have a material adverse effect on the Company. The Company will be dependent on the continued services of its senior management team, and its ability to retain other key personnel. The loss of such key personnel could have a material adverse effect on the Company. There can be no assurance that any of the Company's employees will remain with the Company or that, in the future, the employees will not organize competitive businesses or accept employment with companies competitive with the Company. The Company has been able to hire and retain qualified personnel.

Insurance - Hazards such as unusual or unexpected geological formations and other conditions are involved in mineral exploration and development. The Company may become subject to liability for pollution or hazards against which it cannot insure. The payment of such liabilities could result in an increase in operating expenses which could, in turn, have a material adverse effect on the Company's financial position and its results of operations. Although the Company maintains liability insurance in an amount that the Company considers adequate, the nature of these risks is such that the liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant liabilities and costs that could materially increase operating expenses.

Competition - The resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than the Company. Competition could adversely affect the Company's ability to acquire suitable producing properties or prospects for the exploration in the future.

Conflicts of Interest - There are potential conflicts of interest to which all of the directors, officers, insiders and promoters of the Company may be subject in connection with the operations of the Company. All of the directors, officers, insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the Company. Accordingly, situations may arise where all of the directors, officers, insiders and promoters will be in direct competition with the Company. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors of the Company, any director in a conflict situation will be required to disclose his or her interest and abstain from voting in connection with the matter giving rise to the conflict. In determining whether or not the Company will participate in any project or opportunity, its directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the relevant time. The Company has a process to identify and declare any conflicts. Conflicts, if any, will be subject to the procedures and remedies as provided under the Business Corporations Act of British Columbia.

Item 6: Dividend Record and policy

The Company has not paid dividends since incorporation and it has no plans to pay dividends in the immediate future, as the Company is in the exploration and development stage and has no source of income at this time. The directors of the Company will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. All of the common shares of the Company are entitled to an equal share in any dividends declared and paid. To the knowledge of the Company, there are no restrictions that would prevent the Company from paying dividends.

Item 7: Description of Share Capital

7.1 General Description of Share Capital

The authorized share capital of the Company consists of unlimited common shares without par value. The Company has only one kind and class of shares and there are no unusual rights or restrictions attached to that class. As of April 28, 2017, the Company had a total of 258,148,765 common shares issued and outstanding. All of the issued common shares of the Company are fully paid and not subject to any future call or assessment.

In the event of the liquidation, dissolution or winding-up of the Company or other distribution of its assets, the holders of the common shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the Company has paid out its liabilities. Distribution in the form of dividends, if any, will be set by the board of directors.

All of the common shares of the Company rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and the entitlement to dividends. The holders of the common shares are entitled to receive notice of all meetings of shareholders and to attend and vote the shares at the meetings. Each common share carries with it the right to one vote.

Item 8: Market for Securities

8.1 Trading Price and Volume

The Company is a reporting issuer in British Columbia, Alberta and Ontario, and its common shares are listed on the TSX Venture Exchange (“PML”), the Frankfurt Exchange (“PZM”) and on the Junior Board of the Bolsa de Valores de Lima (“PML”). Trading on the TSX Venture exchange is in Canadian Dollars; on the Frankfurt Exchange in Euros; and on the Bolsa de Valores in United States Dollars. The price ranges and volume traded of the Company’s common shares for the three exchanges on a monthly basis for the recently fiscal years are:

PANORO MINERALS LTD. – Trading volume in 2014									
	TSX-V			Lima			Frankfurt		
	Hi	Low	Vol.	Hi	Low	Vol.	Hi	Low	Vol.
January	C$0.39	C$0.30	415,900	US$0.31	US$0.30	1,675,676	€0.26	€0.20	2,700
February	0.32	0.27	479,800	0.28	0.27	1,503,219	0.22	0.19	17,000
March	0.34	0.25	10,752,075	0.27	0.26	1,718,955	0.21	0.17	41,000
April	0.32	0.28	635,480	0.28	0.27	946,878	0.22	0.19	27,300
May	0.40	0.28	551,406	0.30	0.29	1,788,863	0.25	0.17	30,500
June	0.60	0.32	1,828,597	0.36	0.35	2,460,713	0.38	0.22	39,730
July	0.46	0.40	3,523,010	0.41	0.40	2,321,844	0.30	0.27	30,000
August	0.48	0.41	4,879,003	0.42	0.41	3,846,181	0.32	0.27	40,550
September	0.47	0.33	5,557,611	0.40	0.39	1,392,934	0.33	0.28	20,150
October	0.41	0.25	2,074,020	0.30	0.29	2,136,725	0.25	0.22	25,000
November	0.30	0.23	808,069	0.23	0.22	1,127,355	0.17	0.17	66,841
December	0.30	0.15	1,679,336	0.20	0.19	1,801,947	0.16	0.15	33,500
Total Volume for 2014			33,184,307			22,721,290			374,271

PANORO MINERALS LTD. – Trading volume in 2015									
	TSX-V			Lima			Frankfurt		
	Hi	Low	Vol.	Hi	Low	Vol.	Hi	Low	Vol.
January	C$0.30	C$0.18	823,840	US$0.20	US$0.20	701,766	€0.20	€0.13	23,000
February	0.21	0.17	18,548,318	0.16	0.16	556,435	0.15	0.11	53,700
March	0.22	0.17	1,821,920	0.15	0.15	1,558,138	0.15	0.11	45,800
April	0.25	0.14	6,540,760	0.15	0.15	1,816,414	0.16	0.10	35,500
May	0.17	0.14	602,070	0.14	0.14	627,233	0.13	0.09	45,000
June	0.17	0.14	743,956	0.12	0.12	844,381	0.12	0.10	10,500
July	0.15	0.12	4,196,876	0.11	0.11	169,920	0.11	0.07	48,500
August	0.14	0.10	1,991,113	0.08	0.08	666,813	0.08	0.06	0
September	0.14	0.11	2,161,030	0.10	0.09	1,790,209	0.08	0.06	3,200
October	0.13	0.11	1,314,874	0.10	0.10	651,025	0.07	0.06	20,000
November	0.14	0.09	1,519,294	0.10	0.09	4,628,539	0.12	0.06	22,500
December	0.13	0.11	547,990	0.10	0.10	35,078	0.08	0.06	2,000
Total Volume for 2015			40,812,041			14,045,951			309,700

PANORO MINERALS LTD. – Trading volume in 2016									
	TSX-V			Lima			Frankfurt		
	Hi	Low	Vol.	Hi	Low	Vol.	Hi	Low	Vol.
January	C$0.12	C$0.11	642,652	US$0.09	US$0.07	431,871	€0.10	€0.08	68,000
February	0.12	0.11	4,141,533	0.12	0.07	5,709,587	0.08	0.07	13,000
March	0.16	0.12	465,575	0.11	0.10	856,147	0.11	0.10	19,000
April	0.19	0.12	2,141,847	0.15	0.09	2,703,173	0.12	0.10	26,400
May	0.21	0.15	3,524,079	0.17	0.13	4,242,854	0.14	0.14	1,953
June	0.20	0.16	748,206	0.16	0.13	667,243	0.13	0.12	31,100
July	0.20	0.17	2,403,005	0.15	0.13	3,397,658	0.19	0.18	9,500
August	0.20	0.17	1,204,823	0.16	0.14	3,393,698	0.14	0.14	49,600
September	0.18	0.16	643,241	0.14	0.13	919,483	0.13	0.11	11,940
October	0.17	0.13	658,178	0.12	0.11	558,468	0.12	0.10	6,000
November	0.21	0.15	975,044	0.16	0.11	2,395,979	0.13	0.12	48,200
December	0.21	0.17	1,172,356	0.15	0.14	1,841,416	0.12	0.12	2,783
Total Volume for 2016			18,720,539			27,117,577			287,476

Item 9: Directors and Officers

9.1 Name and Occupation

The following is a list of the current directors and officers of the Company, their municipalities of residence, their current positions with the Company, and their principal occupations during the past five years.

Name, Municipality of Residence	Principal Occupation for the Past Five Years	Position with the Corporation	Director or Officer Since
William J. Boden(1) British Columbia Canada	Chartered Professional Accountant, Chartered Accountant; Businessman	Director, Chairman of the Board	Director since June 1998 Chairman, February 2010 Interim CFO November 2015 to May 2016
Ronald Hall British Columbia Canada	Retired Engineer	Director	Director, December 2016
Christiaan F. Staargaard(1) British Columbia Canada	Professional Geoscientist; Businessman; President and CEO, InZinc Mining Ltd., from 2002 to 2016	Director	Director, February 2005
Lorne A. Torhjelm British Columbia Canada	President of L.C.T. Management Corp.	Director	Director, April 2002
Luquman A. Shaheen British Columbia Canada	Professional Engineer. President and Chief Executive Officer of the Company since April 16, 2008.	President, Chief Executive Officer, Director	President, CEO and Director since April 2008
Christian G. Pilon Lima, Perú	Consulting Geophysicist, President of Geoinstruments SAC since 2005, President and General Manager of Boxiplast SAC since 2007, President of Procaltest SAC since 2009,	Senior Vice President, South America and Director	Director, June 1998

Name, Municipality of Residence	Principal Occupation for the Past Five Years	Position with the Corporation	Director or Officer Since
	President of Grupo Bernacelli SAC and Geoinstruments International SAC since 2010, and Partner in Estudio Pilon Galvez SAC since 2012.		
Anthony Laub(1) Lima, Perú.	Lawyer Partner in Laub & Quijandría	Director	Director, July 2014
Shannon Ross British Columbia Canada	Chartered Professional Accountant, Chartered Accountant; Contract Accountant, Panoro Minerals Ltd. 2014 to 2016; CFO, Tigray Resources Ltd. and Canaco Resources Ltd., 2010 to 2013	Chief Financial Officer	CFO since May 2016

(1) Member of the Company's Audit Committee.

The directors of the Company are elected by the shareholders at each annual general meeting and typically hold office until the next annual general meeting at which time they may be re-elected or replaced. The articles of the Company permit the directors to appoint directors to fill any casual vacancies that may occur on the board. The articles also permit the directors to add additional directors to the board between successive annual general meetings so long as the number appointed does not exceed more than one-third of the number of directors appointed at the last annual general meeting. Individuals appointed as directors to fill casual vacancies on the board or added as additional directors hold office like any other director until the next annual general meeting at which time they may be re-elected or replaced.

9.2 Shareholdings of Directors and Officers

To the best of the Company’s knowledge, as at the date of this AIF, directors and officers, as a group, beneficially owned, directly or indirectly, or exercised control over 16,281,249 common shares (not including common shares issuable upon the exercise of stock options) of the Company, representing 6.3% of the outstanding common shares.

9.3 Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the Company’s knowledge no director, officer, Insider or promoter of the Company or a shareholder anticipated to hold a sufficient number of securities of the Company to affect materially the control of the Company is, or within 10 years before the date of this AIF, has been a director, officer, insider or promoter of any other person or company that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the Company’s knowledge, no proposed director, officer, insider, or promoter of the Company nor a shareholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such person has been subject to any penalties or sanctions imposed by a court relating to securities legislation, or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

To the Company's knowledge no director or proposed director, officer, insider, or promoter or a shareholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such person has, within the ten years prior to the date of the AIF, as applicable become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

9.4 Audit Committee Information

Multilateral Instrument 52-110 ("MI 52-110") requires the Company to disclose annually in its Annual Information Form certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

The Audit Committee is responsible for Company's financial reporting process and the quality of it financial reporting. The Audit Committee is charged with the mandate of providing independent review and oversight of the Company's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Company's external auditors. The Audit Committee also assists the board of directors in fulfilling its responsibilities in reviewing the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Audit Committee maintains effective working relationships with the board of directors, management, and the external auditors and monitors the independence of those auditors. The Audit committee is also responsible for reviewing the Company's financial strategies, its financing plans and its use of the equity and debt markets.

The full text of the charter of the Company's Audit Committee is attached hereto as Schedule "A".

Composition of the Audit Committee

The Audit Committee of Panoro is comprised of the following members of the board of directors of the Company:

William J. Boden, CPA, CA

Mr. Boden is a Chartered Professional Accountant, Chartered Accountant and has over 35 years' experience as a manager of risk capital investments. He was founder and President of CW Funds group of companies until 2008. Within that group, Mr. Boden structured and raised investment capital totaling $130 million, primarily from overseas investors. During the past decade, he was a founder and director of private companies: First Coal Corporation (serving as President, 2005 to 2007 and Chairman, 2007 to 2009), Landex Petroleum Ltd., and Highrock Energy Ltd. All three were profitably sold for proceeds aggregating $650 million. He was a senior officer with the Ventures West Management group from 1979 to 2005, and prior to that, Mr. Boden was a Manager with Coopers & Lybrand, an international accounting firm. He was also Secretary-Treasurer of Whitehorse Copper Mines Ltd. and Treasurer of Bethlehem Copper Corp., both producing mining companies listed on the Toronto Stock Exchange.

Christiaan F. Staargaard, P. Geo, Chairman of the Audit Committee

Mr. Staargaard holds a B.Sc. in Geology from The Pennsylvania State University and an M.Sc. in Geochemistry from Queen's University. Initial employment with a number of major and junior mining companies was followed by the development of a successful independent consulting practice. He has served as a director with a variety of publicly traded companies with advanced, international mineral projects since 1990 and recently left InZinc Mining Ltd. after fourteen years as President and CEO. He has over forty years of experience in all facets of mineral exploration in a wide variety of geological environments throughout North, Central and South America as well as China, the Southwest Pacific, Africa, Europe and Madagascar.

Anthony Laub Benavides, LL.M.

Mr. Laub is a partner in Laub & Quijandría, a Perúvian firm providing legal, regulatory, advisory, and economic and financial consulting services to the energy and mining industries. He holds a law degree from Perú and a LL.M. in Energy Law and Policy from the University of Dundee, United Kingdom. From 1997 to 2005, Mr. Laub held various positions in the Ministry of Energy and Mines, including Director General of Legal Counsel and Secretary General of the Ministry.

Ronald Hall

Mr. Hall holds a BSc. in Metallurgy from Cardiff University in the UK and has over 40 years' experience in the management, operation, evaluation and design of mining projects globally. Over his career he has worked and lived in the UK, South Africa, Botswana, Canada, Australia, China and elsewhere where he has advanced mining projects from early stages through feasibility and into development and operation. From 2004 to 2011, Mr. Hall lead the growth of Wardrop Engineering's mining business in Vancouver, B.C. and internationally, including the establishment of offices in the UK, China, Chile, Brazil, Hong Kong and Australia, prior to the acquisition of Wardrop by TetraTech Inc. Mr. Hall is currently an independent director of Chinalco Mining Corporation International (CMCI), a publicly listed company on the Hong Kong stock exchange, which operates the Toromocho Copper project in Perú.

All of the members of the audit committee are "financially literate" as defined in MI 52-110. Messer's Staargaard and Laub are considered to be independent for the full year ending December 31, 2016, with Mr. Boden considered to be independent from May 18, 2016.

<u>Audit Fees</u>

The following table provides detail in respect of audit, audit related, tax and other fees paid by the Company to the external auditors for professional services:

	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
Year ended December 31, 2014	$ 120,250	$ Nil	$ Nil	$ Nil
Year ended December 31, 2015	$ 81,600	$ Nil	$ Nil	$ Nil
Year ended December 31, 2016	$ 73,280	$ Nil	$ Nil	$ Nil

Audit related fees includes fees billed for assurance and related services that are reasonable related to the performance of the audit or review of the Company's financial statements that are not included under the heading "Audit Fees".

Item 10: Transfer Agents and Registrars

The registrar and transfer agent of the common shares of the Company is Computershare Company, 3rd floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

Item 11: Interests of Experts

The auditors of the Company are KPMG LLP, Chartered Accountants, 777 Dunsmuir Street, Vancouver, BC, V7Y 1K3. The Auditors' Report for the Company's annual audited financial statements for the year ended December 31, 2016, issued by KPMG LLP, Chartered Accountants was filed under National Instrument 51-102.

Stewart Twigg, P.Eng., William Colquhoun, Pr Eng, FSAIMM, and Vikram Khera, P.Eng., of Amec Foster Wheeler, and Jesse Aarsen, P.Eng., of Moose Mountain Technical Services are each "qualified persons" as defined by NI 43-101, and have prepared the NI 43-101 Technical Report on Updated Preliminary Economic Assessment on the Cotabambas Report dated September 22, 2015. To the knowledge of the Company, none of Messrs. Twigg, Colquhoun, Khera, and Aarsen are shareholders of Panoro.

Stewart Twigg, P.Eng., Sergio Munoz, CMC., William Colquhoun, Pr Eng., FSAIMM, Vikram Khera, P.Eng., and Stella Searston, RM SME of Amec Foster Wheeler; Dr. Robert Morrison, P.Geo., formerly with Tetra Tech, Joe Hirst, EurGeol, C.Geol, and Paul Daigle, P.Geo., of Tetra Tech are each qualified persons as defined by NI 43-101, and have prepared the NI 43-101 Technical Report on Preliminary Economic Assessment on the Cotabambas Report dated April 9, 2015. To the knowledge of the Company, none of Messrs. Twigg, Munoz, Colquhoun, Khera, Hirst, and Daigle, Dr. Morrison and Ms Searston are shareholders of Panoro.

Paul Daigle, P.Geo. and Jianhui (John) Huang, PhD, P.Eng. of Tetra Tech WEI Inc. are each "qualified persons" as defined by NI 43-101, and have prepared the 2013 Antilla Report. To the knowledge of the Company, neither of Messrs. Daigle and Huang are shareholders of Panoro.

All of the following are qualified persons as defined by NI 43-101 and are responsible for various portions of the 2016 Antilla PEA.

The following list are the qualified persons responsible for various sections of the 2016 Antilla PEA.

Qualified Person	**Firm**	**PEA Area**	**Professional Affiliation** (and registration number)
Paul Daigle, PGeo	Tetra Tech Inc.	Geology, resources	APGO (#1592)
Jesse Aarsen, PEng	Moose Mountain Technical Services Ltd.	Mining	APEGBC (#38709) APEGA (#74969)
Adrian Dance, PEng	SRK Consulting (Canada) Inc.	Mineral processing	APEGBC (#37151)
Maritz Rykaart, PEng	SRK Consulting (Canada) Inc.	Tailings, environmental	APEGBC (#28531)
Goran Andric, PEng	SRK Consulting (Canada) Inc.	Infrastructure	PEO (#100103151)
Brian Connolly, PEng	SRK Consulting (Canada) Inc.	Economic analysis	PEO (#90545203)
Luis Vela, CMC	Panoro Minerals Ltd.	Exploration, mineral tenure, permits	CMC (#0173)

In addition, Luis Vela, VP Exploration, is a "Qualified Person" as defined in NI 43-101, is also responsible for the preparation of technical information in the Company's news releases and other disclosure documents since October 2012. As at the date of the AIF, Mr. Vela holds 1,600,000 options to purchase common shares of the Company.

Item 12: Additional Information

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's information circular for its most recent annual meeting of shareholders that involved the election of directors. Additional information is also provided in the Company's comparative financial statements for its most recently completed financial year and MD&A for its most recently completed financial year.

Additional information relating to the Company may be found on SEDAR at www.sedar.com and on the Company's website www.panoro.com.

SCHEDULE “A” - AUDIT COMMITTEE CHARTER
PANORO MINERALS LTD.

The purpose of the Audit Committee of the Board of Directors (the “Board”) of Panoro Minerals Ltd (the “Company”) is to assist the Board in fulfilling its responsibility for overseeing the quality and integrity of the accounting, auditing, and reporting practices of the Company, and such other duties as directed by the Board. The Audit Committee’s role includes a particular focus on the qualitative aspects of the financial reporting to shareholders, on the Company’s processes to manage business and financial risk, and on compliance with significant applicable legal, ethical, and regulatory requirements.

1. Members of the Audit Committee

The number of members of the Committee will be at least three, none of whom are officers or employees of the Company or any of its affiliates or subsidiaries and all of whom are, in the view of the Board, free of any relationship that would interfere with the exercise of independent judgement. Qualification for committee membership shall, in addition, comply with applicable securities regulatory requirements including:

Each member of the audit committee must be financially literate, that is having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.
At least one member must have accounting or related financial management expertise to analyze and interpret a full set of financial statements, including the related notes.

2. Communication and Reporting

The Audit Committee is expected to maintain free and open communications with the external auditors and the Companies management. This communication shall include meetings, at least annually, with the external auditors. The Committee shall meet at least quarterly with management to discuss the accounts, records and financial position of the Company. The Audit Committee chairperson shall report on Audit Committee activities to the Board.

3. Authority

The Audit Committee has the authority to investigate any matter brought to its attention, with full power to retain outside counsel or other advisors and experts for this purpose and shall be empowered to set and approve the compensation for any such advisors employed in this way. In performing its functions and duties the members of the Committee may inspect all the books and records of the Company.

4. Responsibilities

The Audit Committee shall:

- recommend annually to the Board the independent auditors to be appointed by the shareholders of the Company and the compensation of the independent auditors;

- review with the independent auditors the annual audit plan including, but not limited to, the scope of the work to be carried out by the independent auditors, any significant problems that the auditors are able to foresee, the impact on the financial statements and the Company of any new or proposed changes in accounting principles;

- review the annual financial statements, including notes, with the independent auditors and recommend them to the Board for approval prior to release to the public or filing with securities regulatory authorities;

- review all Management Discussion and Analysis and earnings press releases before the Company publicly discloses this information;

- report immediately to the Board any instances of fraud or misappropriation of assets that come to the attention of the Committee;

- receive from the independent auditors a formal written statement delineating all relationships between the auditors and the Company, consistent with applicable accounting standards, and actively engage in a dialogue with the auditors with respect to any disclosed relationships or services that may have an impact on their objectivity and independence;

- take, or recommend that the full Board take, appropriate action to oversee the independence of the auditors;

- as to management of the Company generally: (i) ensure that an adequate internal control structure and procedures for financial reporting are established and maintained; (ii) periodically assess the effectiveness of such structures and procedures, as well as secure appropriate reports or attestations from the independent auditors in respect thereof; and (iii) review budgets and periodically assess actual spending compared with budgeted amounts;

- be directly responsible for overseeing the work of the independent auditors, including the resolution of disagreements between management and the independent auditors regarding financial reporting;

- pre-approve all non-audit services to be provided to the Company or its subsidiaries by the independent auditors;

- establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and

- undertake and perform such other duties as may be required of the Committee by applicable law or regulation.

- The Committee is responsible for the duties set forth in this charter but is not responsible for the preparation of the financial statements. Management has the responsibility for preparing the financial statements. Management is also responsible for establishing, documenting, maintaining, and reviewing systems of internal control and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

Dated: April 22, 2008