

PANORO MINERALS LTD

ANNUAL INFORMATION FORM

Year Ended December 31, 2011

April 30, 2012

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ITEM 1: PRELIMINARY NOTES**1.1 Incorporation of Financial Statements, Proxy Circular and Reports**

Specifically incorporated by reference and forming a part of this Annual Information Form are the audited financial statements for the Company for the period ending December 31, 2011, together with the auditor's report thereon.

All financial information in this Annual Information Form is prepared in accordance with International Financial Reporting Standards ("IFRS").

1.2 Forward Looking Statements

This Annual Information Form contains forward-looking statements, concerning the Company's operations and planned future acquisitions and other matters. Any statements that involve discussions with respect to predictions, expectations, belief, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "might", or "will" be taken to occur or be achieved) are not statements of historical fact and may be "forward looking statements" and are intended to identify forward-looking statements, which include statements relating to, among other things, the ability of the Company to continue to successfully compete in its market. Such forward-looking statements are based on the beliefs of the Company's management as well as on assumptions made by and information currently available to the Company at the time such statements were made. Forward looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward looking statements, including, without limitation, the failure to obtain adequate financing on a timely basis and other risks and uncertainties. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set forth or incorporated in this Annual Information Form generally and certain economic and business factors, some of which may be beyond the control of the Company. Some of the important risks and uncertainties that could affect forward looking statements are described further in this document under the headings Item 5 - Risk Factors and Item 4 - Description of the Business.

1.3 Date of Information

All information in this Annual Information Form is as of April 20, 2012, 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 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 Issuer 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 BCA) 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.

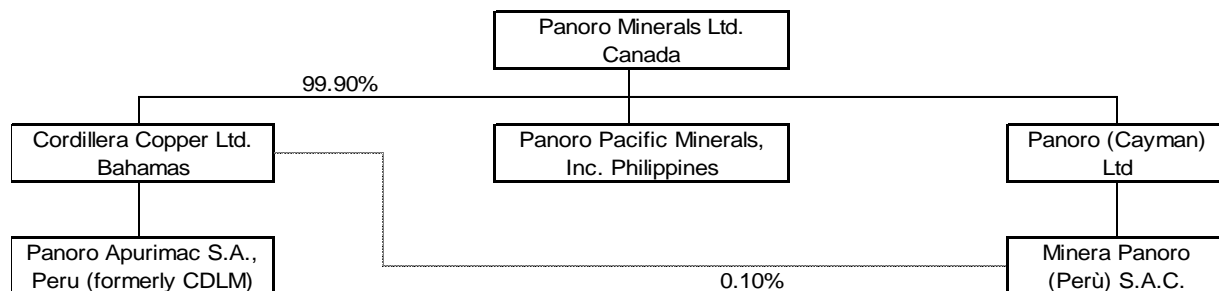
The common shares of the Company are listed on the TSX Venture Exchange (“TSXV”) under the trading symbol “PML”, the Frankfurt Exchange (“PZM”) and on the Junior Board of the Bolsa de Valores de Lima (“PML” - Lima Stock Exchange). The Company is an “exchange issuer” as that term is defined in the *Securities Act* (British Columbia). The Company is a “reporting issuer” as defined under applicable securities legislation in British Columbia and Alberta.

2.2 Intercorporate Relationships

The following chart sets out the Company’s corporate structure including all subsidiaries. The Company is incorporated under the laws of the Province of British Columbia

The Company has five wholly owned subsidiaries:

- (i) Minera Panoro (Peru) S.A.C., incorporated pursuant to the laws of Peru on June 9, 1998;
- (ii) Panoro (Cayman) Ltd., incorporated pursuant to the laws of the Cayman Islands on March 2, 1998, Minera Panoro (Peru) S.A.C. is the wholly owned subsidiary of Panoro (Cayman) Ltd.; and
- (iii) Panoro Pacific Minerals, Inc., incorporated pursuant to the laws of the Philippines on April 18, 2006
- (iv) Panoro Apurimac (formerly Cordillera de las Minas SA, incorporated on August 15, 2002 under the laws of Peru. Panoro Apurimac’s head and registered office is located at Ave. Jose Larco 748, 3rd floor, Miraflores, Lima 18, Peru. Minera Panoro (Peru) S.A.C. is the wholly owned subsidiary of Panoro (Cayman) Ltd.
- (v) Cordillera Copper Ltd., incorporated pursuant to the laws of the Bahamas on November 27, 2006. Panoro Apurimac is a wholly owned subsidiary of Cordillera Copper.



ITEM 3: GENERAL DEVELOPMENT OF THE BUSINESS**3.1 Three Year History****Financings****2009**

On December 30, 2009 the Company closed a private placement for net proceeds of \$553,794 on issuance of 3,114,000 units at \$0.20 per unit. Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable for \$0.30 for 18 months. A cash commission of 8% was paid to the agents in addition to 249,120 agents warrants to purchase units under the same terms as the financing. All of the warrants expiring June 30, 2011 carry a forced conversion feature whereby if the stock price trades over \$0.45 for ten consecutive days, the Company can give notice to warrant holders that the warrants must be exercised within 30 days.

2010

In September and October of 2010, the Company completed a non-brokered private placement for net proceeds of \$6,087,378. A total of 25,805,000 units were issued at \$0.25 per unit. Each unit was comprised of one common share and one half of a share purchase warrant. Each full warrant entitles the holder to purchase one share of the Company at a price of \$0.35 for 18 months after the date of the closing. Finder's fees of \$297,233 and other share issue fees of \$66,639 and 1,188,933 warrants were paid to agents involved with the placement. The agent's warrants can be exercised at \$0.35 for one common share of the Company for 18 months after the date of the closing. The placement was closed in three tranches on September 30, 2010, October 15, 2010, and October 29, 2010.

2011

In June and July of 2011, the Company completed a non-brokered private placement for net proceeds of \$7,249,151. A total of 17,226,124 units were issued at \$0.45 per unit. Each unit was comprised of one common share and one half of a share purchase warrant. Each full warrant entitles the holder to purchase one share of the Company at a price of \$0.60 for 18 months after the date of the closing. Finder's fees of \$456,329 and other share issue fees of \$46,276 and 498,151 warrants were paid to agents involved with the placement. The agent's warrants can be exercised at \$0.45 for one common share of the Company for 18 months after the date of the closing. The placement was closed in two tranches on June 30, 2011, and July 6, 2011.

2012

On March 8, 2012, the Company completed a non-brokered private placement for net proceeds of \$12,574,750. A total of 23,000,000 units were issued at \$0.60 per unit. Each unit was comprised of one common share and one half of a share purchase warrant. Each full warrant entitles the holder to purchase one share of the Company at a price of \$0.85 for 18 months after the date of the closing. Finder's fees of \$955,500 and other share issue fees of \$89,750 and 1,592,500 warrants were paid to agents involved with the placement. The agent's warrants can be exercised at \$0.60 for one common share of the Company for 18 months after the date of the closing.

Acquisitions and Disposal

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 Peru. 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. Payments were scheduled as follows:

- US\$1 million on signing, pursuant to the terms outlined below (received);
- US\$0.1 million for equipment at the Antilla project - not received;
- US\$4 million 90 days after reaching a community agreement with Antilla - July 17, 2010 - not received;
- US\$3 million by March 17, 2012 – not received; and
- US\$17 million to be applied towards the completion of bankable feasibility studies on the project and could include Panoro's share of such costs within 30 months of the contract signing date.

Centauro received the following:

- 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.

After receiving independent legal opinions from prominent Peruvian law firms, on September 16, 2010, the Company notified Centauro that the agreement was terminated due to their breach of the JV agreement. In addition, Centauro's right of first refusal for the Cotabambas Project was also terminated as this right was in force only as long as the Antilla agreement was in place. As required by Peruvian law, the Company registered the termination of the agreement with the Public Registry and then transferred all of the mineral concessions related to the Antilla Project back to the Company's subsidiary in Peru. The termination of the Antilla agreement and the transfer of all the concessions was completed and registered on September 30, 2010. The termination of the Cotabambas option was registered with the Public Registry on October 13, 2010.

Subsequent to the termination of the agreement, Centauro informed the Company that it would seek arbitration, as provided for in the contract with the Arbitration Center of the Lima Chamber of Commerce, disputing the termination of the agreement. Both sides have submitted claims to the arbitration committee. The arbitration process is advancing and is expected to take a number of months to complete. Management is confident that the agreement has been legally terminated.

On September 28th, 2010, Centauro notified Panoro that it disputed the termination of the JV and, as was provided for in the agreement governing the JV; it would seek independent arbitration by the Arbitration Center of the Lima Chamber of Commerce. Both parties have submitted claims to the Arbitration Committee.

Centauro is claiming damages from Panoro of US\$ 13,958,674 plus US\$ 44,538 for each month after September 22nd, 2010, the date of the termination of the contract. In addition to damages, Centauro is also requesting:

- The termination of the contract should be declared invalid and the arbitration tribunal declare the JV to be valid, including the right of first refusal over the Cotabambas project

- Panoro should be assigned responsibility for all current and future claims by any of the members of the Davila Family, based on events preceding and including April 8th, 2010.

Panoro is counterclaiming the following:

- The termination of the contract should be declared valid. Therefore, the Company requested the arbitration tribunal to recognize in favor of Panoro an amount up to US\$ 3,907,409 for damages, plus US\$ 92,592 for assets transference at the commencement of the JV.
- An indemnification in favor of Panoro, which shouldn't be less than S/.191,295 (A Hundred Ninety One Thousand Two Hundred Ninety Five Nuevos Soles) (CA\$71,597) for damages.
- Also, Panoro is suing an amount of US\$4,000,000 (Four Million and 00/100 United States Dollars) due to loss of economic activity.

The first resolution delivered by the arbitration committee has granted Panoro the right to inspect, review and evaluate all technical aspects of the project. The Company will soon commence its review on site.

The arbitration process is advancing and is expected to be resolved in May 2012. Management is confident that the agreement has been legally terminated and expects a favorable resolution.

Alicia Project

On September 25, 2009 the Company entered into an agreement with Strait Gold Corporation whereby Strait Gold may earn up to 100% in the Company's early stage Alicia copper-gold property in Southern Peru, subject to a 2% net smelter return royalty.

In order to earn 55% of the Alicia project, Strait Gold will have to perform the following

- Issue 100,000 shares of Strait Gold to Panoro on signing; – completed
- Obtain an agreement with the local community before March 25, 2011 – completed February 2011;
- Spend at least US \$150,000 on the Alicia property within the first year after obtaining the agreement; - received and under review
- Issue 200,000 common shares of Strait Gold one year after obtaining the community agreement - completed;
- Spend at least US \$500,000 within the second year after obtaining the agreement; and
- Issue 300,000 common shares of Strait Gold two years after obtaining the community agreement.

In order to earn the remaining 45% of the Alicia project, Strait gold will need to spend an additional US \$600,000 in the third year after obtaining the community agreement and issue an additional 400,000 Strait Gold common shares to Panoro. The net smelter royalty can be reduced from 2% to 1% for a payment of US \$2.3 million which is payable within six months of obtaining 100% ownership.

Cochasayhuas and Checca Joint Venture

On March 17, 2008 the Company granted Consorcio Minero Horizonte ("CMH"), a privately owned gold mining company of Peru, an option to earn a 50% interest in two of their Panoro Apurimac projects.

In June, after assessing the permitting issues at both projects, CMH elected to proceed with the Cochasayhuas Project. On March 6, 2009 CMH decided not to proceed with the joint venture, after Panoro did not accept proposed changes to the Joint Venture agreement, and returned the property to the Company.

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. Over the following years expenditures were made as exploration progressed and 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 Peru, 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.

In the event that the nickel laterite prospect, located on the Agata project should proceed to production and upon shipment of an aggregate one million wet tonnes of nickel laterite, Mindoro will pay the Company additional \$500,000 cash, plus additional \$500,000 cash on the first anniversary of the shipment.

Panoro Apurimac

On June 7, 2007, the Company completed the acquisition of 100% of the issued and outstanding shares of Panoro Apurimac S.A (“PA”) formerly Cordillera de las Minas S.A (“CDLM”), a Peruvian corporation, from CVRD International S.A. and El Tesoro (SPV Bermuda) Limited, a wholly-owned subsidiary of Antofagasta PLC. On April 7, 2008 the Company announced that the name of CDLM had been changed to Panoro Apurimac S.A.

CDLM owned a 100% interest in 13 properties located in the Andahuaylas – Yauri Belt of Peru south of Cuzco.

ITEM 4: DESCRIPTION OF THE BUSINESS

The Company is in the business of acquiring resource properties in Peru and exploring those properties for commercially viable mineral reserves of copper and gold and other minerals. These properties are held through the Company’s various Peruvian subsidiaries.

Panoro is currently focused on exploring and developing its advanced Antilla and Cotabambas properties. Its other properties include Kusiorcco, El Rosal, Cochasayhuas, Checca, Alicia, Promesa, Pistoro Norte, Sancapampa, Humamantata, Pataypampa, Anyo, and Morosayhuas. The Company also 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 Peru.

Detailed background information concerning the Company’s properties is conveniently 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 Peru” (the “CDLM Report”). This document can be found at www.sedar.com and the Company’s website. Information concerning the Cotabambas and Antilla properties has been presented in some detail in the current AIF and incorporates the results of the Company’s activities on these properties since the date of the SRK report.

4.1 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, Peru. The centre point of the exploration concession lies at UTM coordinates 8,414,000N, 718,500E between elevations 3300 and 4100 m above sea level. The Company holds a total of 11 concessions with an area of 7400 ha.

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 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 Peru Copper S.A. ("SPCC") carried out exploration work, including drilling on an optioned property immediately to the east of what later was to become the Antilla project. Anaconda evaluated the same adjoining property in 2000. In 2002, Cordillera de las Minas S.A. ("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 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 metres.

Geological Setting

Mineralization at the Antilla project exhibits the characteristics of a secondary enrichment zone which is probably related to an as-yet-undiscovered, underlying Cu-Mo porphyry system. The deposit occurs near the intersection of two regional scale reverse faults: the northeast trending Piste Fault to the west, and the east-west trending Matara Fault to the south. The deposit itself is transected by a dominant northwest trending set of dextral strike slip faults, northeast trending faults and sub-vertical, north-south structures.

Stratified Rocks

Currently known mineralization at the Antilla project is located within the Chuquibambilla and Soraya formations of the Jurassic to Cretaceous Yura Group. The Chuquibambilla Formation is essentially constituted by dark-gray siltstones intercalated with fine to medium grained gray sandstones, in horizons up to 0.5 m thick and local layers of calcareous siltstones. A characteristic of these horizons is the local presence of cubic, finely laminated, authigenic pyrite, as well as intercalated horizons of carbonaceous material.

The Soraya Formation is represented by three main members: a basal member, 600 m thick, made up of intercalations of whitish-gray medium- to fine-grained quartzite with gray quartzite sandstones and, to a lesser extent, black-gray sandstone horizons where quartzite sequences predominate, an intermediate member 150 m thick made up of intercalations of grayish-brown shales and gray sandstones exhibiting smoother topographic traits, and an upper member 200 m thick exposed south of the project, where thin medium-grained sandstone horizons predominate.

The bulk of the Antilla mineralization occurs in the middle part of the basal member of Soraya Formation.

Intrusive Rocks

The sedimentary rocks have been intruded by various intrusive igneous rocks. The most important of these is a large body of porphyritic granodiorite which may have some relationship to copper-gold mineralization on the property although this has not yet been determined with any certainty. The rock is porphyritic, comprising approximately 30% fine-medium grained plagioclase phenocrysts, 5% medium grained quartz phenocrysts, 5% coarse grained K-feldspar megacrysts and 3% fine-grained mafic phenocrysts in an aphanitic K-feldspar rich groundmass.

Minor, relatively late intrusive rocks cut the sediments and main granodioritic intrusive on the property, including N-W trending latite dykes and various small bodies of porphyritic diorite and monzonite.

Deposit Types, Alteration and Mineralization

The Antilla project appears to include the upper, distal portion of a porphyry copper deposit, with porphyry style mineralization and alteration present in quartzites and sandstones probably overlying a buried intrusive. Mineralization has been enriched by meteoric processes into a zone of secondary enrichment. While apparently primary porphyry style mineralization was intersected in one drill hole outside the area of secondary enrichment, the actual location of the primary porphyry deposit is unknown at this time.

Mineralization consists of a blanket of supergene chalcocite hosted in gently dipping siltstones, sandstones, and medium to fine grained quartzite and sandstones of the Soraya Formation. Despite a lack of intrusive rocks potentially related to the emplacement of mineralization, a large halo of secondary biotite alteration has been identified beneath the chalcocite blanket and mineralization exhibits many other features typical of porphyry related mineralization and alteration.

Primary Cu-Mo mineralization consists of disseminated and fracture and/or vein-hosted chalcopyrite, minor bornite and molybdenite, and is accompanied predominantly by potassic and sericitic alteration. A characteristic trait of hypogene mineralization is its close relationship with certain horizons of the sedimentary country rock sequence, indicating a lithological control on mineralization. Supergene mineralization is defined by the presence of sooty chalcocite and lesser covellite as coatings on pyrite and chalcopyrite grains. The supergene 'blanket' is defined by markedly higher grades within near surface intervals up to 96 metres thick. The deposit is located within the so-called "East Block" area of the project.

Exploration and Drilling

Panoro obtained an exploration permit on May 21, 2008 and commenced drilling on May 24, 2008. Most of the drillholes were planned as infill drilling on the East Block to better delineate the mineralization for the purpose of completing a new resource estimate. Some drilling was initially allocated to test exploration targets elsewhere on the property but was subsequently re-assigned to test the western and northwestern extensions of known mineralization. Two of the infill holes were extended to depth to test

for an underlying primary porphyry system. The drilling program was terminated on November 25, 2008 with 48 holes having been completed for a total of 9,362 m.

The results of this program confirmed the grades and widths of known mineralization as well as its extension to the west and northwest. The two deep holes, while intersecting near surface supergene sulfide mineralization, did not intersect significant primary copper mineralization at depth. Based on this data and that from historical drilling, AMEC (Peru) completed a new resource estimate in 2009.

In the period May to August, 2010, and subsequent to a joint venture agreement between Panoro and Chancadoro Centauro S.A., (“Centauro”), Centauro completed 19 drill holes totaling 2,243 m. The objective of this program was to confirm and upgrade the confidence level of a high grade zone outlined by AMEC in their 2009 resource estimate and all holes were terminated immediately below the zone of secondary enrichment. Assay results were published by means of press releases from July 23, 2010 to August 25, 2010. Further work, including the incorporation of these results in an updated resource estimate, awaits resolution of a dispute between the Company and Centauro.

Sampling, Analysis, Security of Samples and Data Verification

Historical

CDLM’s sampling and analytical protocols for drilling at Antilla were the same as those for Cotabambas. All cores from Antilla were subsequently transported to the core logging and storage facility at Cotabambas where it is stored under lock and key. In the course of their 2007 review, SRK reviewed approximately 300 assays in the drillhole database and compared them with the original hardcopy assay certificates. No errors were found.

CDLM reportedly included three duplicates and two standards (one Cu and one Au standard) in every sample batch; but no independent QA/QC data for these analyses were available to SRK at the time of their review. CDLM did provide digital copies of the laboratory analytical data, which include one repeat assay in every batch of 22 sample pulps. Some batches contain explicitly marked (by the lab) blanks, and other batches contain samples which appear to have been independently submitted blanks, but cannot be confirmed as such. The internal laboratory repeats show fair repeatability (generally better than 10%) for pulps, and the explicit and implicit blanks indicate little or no contamination. However, the lack of information on independent standards, and whether or not they were submitted, precludes an evaluation of the accuracy of the analyses.

2008

In 2008, all core samples were transported by truck to ALS Chemex’s facility in Cusco while escorted by a Panoro employee. From this facility, the samples were delivered to either ALS Chemex’s sample preparation facilities in Arequipa or Lima and then analyzed in ALS Chemex’s laboratory in Lima. For every batch of sixty samples, two standards and a blank were inserted and a duplicate analysis was done, one from the coarse reject and the other from the pulp. In addition, a field duplicate consisting of the other half of the core of the 60th sample was assayed. All samples were assayed for gold by fire assay-atomic absorption spectrometry (FA-AAS) under method Au-AA23 and for silver, copper and molybdenum. In addition, the core samples were also analyzed for lead and zinc.

2010

The sampling, analysis, sample security and data verification for the 2010 drill program were carried out by Panoro’s former JV partner. Although Panoro provided sampling protocols, it has not yet been able to verify that Centauro conformed to these protocols. All samples were assayed by ACME Analytical Laboratories (Chile) S.A. The company plans to review all aspects of the 2010 exploration program when

it regains access to the project site.

Mineral Resource Estimate

In 2009, the Company commissioned an updated and independent resource estimate from AMEC (Peru). AMEC reported a global Inferred mineral resource estimate of 154.4 million tonnes at an average grade of 0.47% copper and 0.009% molybdenum within the so-called East Block. This resource includes a higher grade zone, also at an Inferred level, of 70.4 million tonnes at an average grade of 0.56% copper and 0.011% molybdenum. The resource estimate was based on 67 drillholes, including both CDLM's drilling and 48 drillholes from the Company's exploration program completed in December 2008.

In order to define the Mineral Resource, a reasonable assessment of extraction costs and pit design was made using the following economic parameters:

- long term metal prices of \$US 2.00/lb for copper and \$US 10.00/lb for molybdenum
- mining costs of \$US 1.10/t for Mineral and \$US 0.80/t for waste
- total operating costs of \$US 10.00/t
- metallurgical recoveries of 90% for copper and 40% for molybdenum
- a final pit slope of 45 degrees

A potential starter pit within the conceptual life of mine pit includes 15 million tonnes at a grade of 0.72% copper and 0.017% molybdenum with a stripping ratio of 0.9 and provides an opportunity to improve the economics of a future operation. At a nominal 20,000 tonne per day open pit operation, the resource would support a 21 year mine life at a stripping ratio of 2.5.

AMEC's report identified potential to increase the resource at the Antilla Project in three areas: the possible extension of the supergene sulphide mineralization in the East Block to the north and northwest; the West Block, located 2.5 km from the East Block, where there may be supergene sulphide mineralization similar to that in the East Block; and finally in the potential for underlying hypogene porphyry copper mineralization in both the East and West Block areas.

Exploration and Development

The next stage in advancing the Antilla Project will be to update the resource estimate with the exploration data from Centauro's 2010 drill program, after which a scoping study may be initiated. This work will not be possible until the dispute between Panoro and Centauro has been resolved and the Company regains access to the project site.

4.2 Cotabambas Copper/Gold Project

Property Description and Location

The Cotabambas Project is located approximately one km west of the village of Cotabambas in the District of Cotabambas, Province of Abancay, and Department of Apurimac, Peru. The center of the project area lies at UTM coordinates 8,480,500 N and 785,500 E and at an elevation of between 3200 m and 3800 m above sea level. The project consists of 11 exploration concessions covering a total area of 9900 ha.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access from Cuzco is via 32 km of asphalt highway to the town of Anta and then 100 km by all weather gravel road to the small town of Cotabambas. The property area is characterized by an upland of relatively moderate topographic relief situated above the steeply incised canyon of the Apurimac River.

The climate is moderately wet, characterized by dry winters and abundant rain from December to March with an average annual precipitation of approximately 1000 mm and an average temperature of 13° C. The regional vegetation is characterized by subtropical humid mountain forests at lower elevations and uplands of Andean grasses and shrubs. Original vegetation patterns have been strongly modified by local agriculture and the planting of eucalyptus groves.

History

The first significant exploration on the Cotabambas project area was carried out by CDLM in 1995 and included detailed geophysical, geochemical (soil and rock) and geological programs. This was followed by diamond drill programs in 1996, 1999, 2000 and 2003. In total, 33 core holes totaling 11,789.5 metres were drilled by CDLM in that period.

In 2001 and on behalf of CDLM, NCL Ingeniería y Construcción S.A., a Chilean consulting firm, completed an estimate of the mineral resource based on drill holes CB-01 to CB-24. A revised resource estimate based on the same historical data set was completed on behalf of Panoro by SRK Consulting in September 2006.

Geological Setting

The regional and property geology of the Cotabambas project area as it was understood at the time of CDLM's exploration programs has been described comprehensively in Special Publication 11, 2004 of the Society of Economic Geology in a paper entitled "Cotabambas: Late Eocene Porphyry Copper-Gold mineralization Southwest of Cuzco, Peru" by J. Perello, et al. The following description is largely taken from this paper.

The Cotabambas deposit is situated in the middle Eocene to early Oligocene Andahuaylas-Yauri Belt of southern Peru where a large, multiphase batholith ranging in composition from early mafic cumulates to intermediate intrusive rocks has intruded marine and continental, sedimentary and volcanic sequences of Mesozoic to Cenozoic age. Dacitic subvolcanic rocks and domes are associated with the terminal stages of intrusion. Subsequent to this intrusive activity, a series of Oligocene to Miocene fluvial red bed sedimentary sequences were laid down in structurally controlled basins. The regional structure is dominated by two main northwesterly trending fault systems showing evidence for both high-angle reverse and strike slip displacements.

In its northern half, the Cotabambas property includes a number of porphyry intrusive centres where later intermediate to felsic phases of the Andahuaylas-Yauri batholith, including porphyritic quartz monzonite with which most of the known copper-gold mineralization is associated, have intruded earlier dioritic phases. To date, four porphyry centres have been identified on the property, two of which, the Ccalla zone and to a lesser extent the Azulccaca zone, have been the focus of most of the exploration to date. Late stage dacitic flows, subvolcanic dykes and a dome cut all other rocks in the areas of known mineralization. The southern part of the property is underlain by limestones and sedimentary rocks of Mesozoic to Cenozoic age.

Exploration

In November 2010, the Company started a 5,500 m program of drilling at Cotabambas using a man-portable rig. The program was temporarily suspended on June 15, 2011 after five drill holes totaling 2,800 metres had been completed. The drill program recommenced in mid-August 2011 after it had been expanded to a total of 24,400 metres aimed both at expanding the resource at the Ccalla deposit and testing the other targets on the property. Five drills are currently operating and the results reported to date are summarized elsewhere in this section of the AIF.

By early October 2011, the Company had completed a 162 line-km magnetic survey and 82 line-km of induced polarization (IP) centred on the Ccalla-Azulccaca area of the property. The results of the surveys show that rather than being related to a single trend, the Ccalla and Azulccaca zones are actually part of two separate, 2-3 kilometre long, northeasterly trending mineralized corridors defined by low chargeability values. Interpretations suggest that much of the existing drilling between the two deposits, which was predicated on a connection between the two, did not actually test the potential extensions of either zone and that they remain open for expansion. Two other northeasterly trending chargeability lows are associated with the Cochapata and Huaculle porphyry centres to the northwest and remain untested by drilling. The interpretation of the IP survey results together with those of the magnetic survey has significantly increased the area with potential to discover additional copper-gold mineralization.

Deposit Types, Alteration and Mineralization

The principal deposit type in the Cotabambas area is that of a porphyry copper-gold system containing relatively low levels of molybdenum but relatively high levels of silver. Mineralization is associated with a number of porphyritic quartz monzonite intrusives and appears to have been strongly influenced by northwesterly trending structures. Chalcopyrite occurs mainly in quartz veins and stockworks rather than as disseminations and the proportion of bornite tends to increase with depth. In places, the upper portions of the deposit have been oxidized to various copper oxides and carbonates and the presence of a supergene enriched chalcocite zone has been noted in some drill holes. Pyrite and/or pyrrhotite levels are very low relative to most other porphyry systems.

Alteration patterns are characterized by a central potassic zone including mainly potassium feldspar, biotite and magnetite which is flanked by and partially overprinted by sericitic and argillic zones including various proportions of sericite, chlorite, calcite and clay minerals.

Occurrences of skarn-type copper and lead-zinc-silver mineralization are known to exist elsewhere on the property but their extent has not been investigated to date.

Drilling

Historical Drilling

Prior to Panoro's involvement, CDLM carried out a number of campaigns of drilling in 1996, 1999, 2000 and 2003. In total, 33 core holes totaling 11,789.5 metres were drilled during their tenure.

2010 – 2011 Drilling

In November 2010, the Company started a 5,500 m program of drilling at Cotabambas using a man-portable rig. The program was temporarily suspended on June 15, 2011 after five drill holes totaling 2,800m had been completed. Holes CB-34 and CB-35 targeted the near surface portions of the smaller Azulccaca deposit located approximately 900m to the southwest of the main Ccalla deposit, confirming the updip extension of mineralization. Holes CB-36 through CB-38 tested the margins of the Ccalla deposit and confirmed the continuity of mineralization over a 500-metre strike length along the east flank of the deposit and that it extended a further 200 metres to depth where drilled.

Drilling recommenced in August 2011 and as of the date of this report, the results for eighteen holes have been reported via press releases and are summarized in the table below.

2010-2012 Cotabambas Drill Results

Drill Hole	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)
CB-34	0.00	54.25	54.25	0.33	0.32	4.7	0.001
<i>including</i>	10.00	34.90	24.90	0.41	0.42	5.2	0.001
CB-34	132.25	149.45	17.20	0.33	0.21	3.0	0.001
CB-35	8.00	51.50	43.50	0.31	0.29	2.1	0.001
<i>including</i>	27.50	35.50	8.00	0.44	0.39	2.5	0.001
CB-35	67.50	75.50	8.00	0.31	0.26	2.8	0.001
CB-35	85.05	107.10	21.60	0.34	0.27	2.8	0.001
CB-36	112.00	131.80	19.80	0.71	0.28	4.2	0.002
<i>including</i>	112.00	121.50	9.50	1.25	0.43	6.6	0.002
CB-36	293.00	365.50	72.50	0.57	0.26	3.1	0.002
<i>including</i>	317.00	365.50	48.50	0.71	0.33	3.6	0.001
CB-36	378.25	401.00	22.75	0.39	0.23	2.0	0.001
CB-36	409.00	419.00	10.00	0.35	0.08	3.0	0.006
CB-36	576.00	594.00	18.00	0.31	0.06	1.6	0.055
CB-36	712.00	720.00	8.00	0.40	0.14	4.3	0.002
CB-36	774.35	790.00	15.65	0.34	0.03	6.6	0.008
CB-37	218.60	274.55	55.95	0.26	0.14	2.0	0.001
<i>including</i>	256.00	274.55	18.55	0.34	0.16	4.0	0.001
CB-37	311.50	360.00	48.50	0.58	0.47	3.0	0.001
CB-37	389.60	420.55	30.95	0.47	0.26	2.0	0.001
CB-37	435.60	492.00	56.40	0.42	0.15	4.0	0.004
CB-37	554.00	570.00	16.00	0.26	0.08	1.0	0.008
CB-38	186.00	392.00	206.00	0.51	0.31	4.0	0.002
<i>including</i>	188.00	224.00	36.00	0.85	0.56	4.0	0.001
<i>including</i>	229.20	254.00	24.80	0.70	0.51	7.0	0.001
<i>including</i>	330.00	346.00	16.00	0.72	0.45	3.0	0.002
CB-38	422.00	440.00	18.00	0.23	0.07	3.0	0.001
CB-38	494.00	538.00	44.00	0.23	0.05	2.0	0.017
CB-39	36.00	132.00	96.00	0.11	<i>pending</i>	<i>pending</i>	0.002
CB-39	167.30	194.00	26.70	0.17	""	""	0.001
CB-40	138.00	205.70	67.70	0.26	0.11	2.0	0.001
CB-40	225.60	330.30	104.70	0.51	0.26	3.6	0.001
CB-40	356.00	473.00	117.00	0.46	0.27	3.3	0.001
CB-40	502.75	523.70	20.95	0.54	0.23	3.4	0.001
CB-40	543.20	561.80	18.60	0.29	0.09	2.4	0.003

Drill Hole	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)
CB-41	173.00	210.80	37.80	0.33	0.11	2.2	0.001
CB-41	234.60	310.85	76.25	0.51	0.29	3.8	0.001
CB-41	348.50	459.50	111.00	0.37	0.18	2.5	0.001
<i>including</i>	348.50	402.50	54.00	0.48	0.21	2.8	0.001
CB-41	498.20	519.70	21.50	0.53	0.25	4.4	0.001
CB-41	547.05	604.85	57.80	0.47	0.31	3.7	0.001
CB-43	2.00	76.00	74.00	0.06	1.17	5.0	0.001
CB-43	76.00	168.35	92.35	1.55	0.51	3.2	0.001
<i>including</i>	80.00	119.25	39.25	2.82	0.68	3.2	0.001
<i>including</i>	119.25	168.35	49.10	0.62	0.34	3.0	0.001
CB-43	220.20	262.60	42.40	0.22	0.08	0.7	0.001
CB-45	310.75	500.60	189.85	0.46	0.16	3.0	0.002
<i>including</i>	405.25	430.85	25.60	0.71	0.21	5.9	0.002
<i>including</i>	470.85	486.85	16.00	0.91	0.42	4.8	0.004
CB-45	509.60	513.40	3.80	1.02	0.24	6.9	0.003
CB-45	552.70	632.65	79.95	0.69	0.42	4.8	0.001
CB-45	652.30	659.90	7.60	0.44	0.12	4.5	0.004
CB-45	671.40	688.00	16.60	0.97	0.41	5.1	0.002
<i>including</i>	681.40	688.00	6.60	1.78	0.80	9.5	0.001
CB-45	700.80	706.10	5.30	0.80	0.41	5.0	0.003
CB-45	717.00	743.80	26.80	0.45	0.19	3.1	0.006
CB-46	23.50	83.60	60.10	0.84	0.20	2.9	0.001
<i>including</i>	27.50	51.00	23.50	1.72	0.43	4.9	0.001
<i>including</i>	51.00	83.60	32.60	0.27	0.02	1.2	0.001
CB-46	175.90	319.10	143.20	0.56	0.20	4.1	0.003
<i>including</i>	229.90	319.10	89.20	0.72	0.24	5.3	0.003
CB-46	369.00	429.00	60.00	0.64	0.19	5.6	0.004
CB-48	275.60	306.30	32.70	0.18	0.08	2.1	0.001
CB-48	334.80	467.10	147.35	0.25	0.09	2.0	0.005
CB-49	7.20	129.50	122.30	0.39	0.30	2.3	0.002
<i>including</i>	27.35	34.80	7.45	0.77	0.99	3.5	0.001
<i>including</i>	73.40	85.40	12.00	1.29	0.25	3.0	0.002
CB-49	158.85	190.85	32.00	0.20	0.05	2.0	0.006
CB-49	341.20	376.10	34.90	0.52	0.38	3.8	0.001
CB-49	404.10	410.10	6.00	0.37	0.16	4.7	0.001
CB-49	434.40	456.55	22.15	0.64	0.30	6.7	0.002
CB-49	470.80	504.80	34.00	0.44	0.13	5.4	0.014
CB-49	525.10	546.80	21.70	0.27	0.09	3.8	0.003

Drill Hole	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)
CB-51	177.40	191.40	14.00	0.19	0.06	2	0.006
CB-51	267.45	313.45	46.00	0.10	0.03	1	0.005
CB-51	407.45	422.75	15.30	0.12	0.05	1	0.010
CB-51	470.70	494.85	24.15	0.10	0.03	1	0.010
CB-51	526.25	546.30	20.05	0.04	0.32	2	0.002
CB-51	563.50	627.05	63.55	0.14	0.04	2	0.016
CB-51	679.00	695.30	16.30	0.10	0.04	1	0.015
CB-54	4.80	14.90	10.10	0.02	0.15	1.1	0.002
CB-54	95.40	116.20	20.80	0.06	0.25	3.7	0.002
CB-54	108.25	177.00	68.75	0.12	0.05	1.1	0.003
CB-54	199.75	209.75	10.00	0.34	0.01	0.5	0.000
CB-54	231.75	243.20	11.45	0.29	0.04	1.2	0.003
CB-54	404.00	428.55	24.55	0.15	0.05	2.2	0.006
CB-54	454.20	468.40	14.20	0.15	0.05	2.1	0.003
CB-54	570.40	590.10	19.70	0.14	0.03	2.4	0.002
CB-55	2.05	83.80	81.75	0.19	0.04	2	0.004
CB-55	148.70	248.90	100.20	0.17	0.07	1	0.003
CB-55	260.85	282.10	21.25	0.27	0.21	1	0.001
CB-55	294.15	345.50	51.35	0.24	0.16	1	0.001
CB-55	363.25	441.10	77.85	0.26	0.08	2	0.006
CB-55	575.85	605.25	29.40	0.32	0.41	8	0.001
CB-56	1.25	59.50	58.25	0.76	0.07	2	0.001
<i>including</i>	9.60	29.15	19.55	1.32	0.08	1	0.001
CB-56	85.90	129.50	43.60	0.14	0.04	1	0.002
CB-56	216.25	299.90	83.65	0.11	0.03	2	0.002
CB-56	353.30	462.35	109.05	0.12	0.04	2	0.067
CB-58	19.55	34.40	14.85	0.11	0.86	5	0.001
CB-58	34.40	148.50	114.10	1.70	1.20	8	0.001
<i>including</i>	46.40	74.40	28.00	2.93	1.48	13	0.001
CB-58	174.15	296.55	122.40	0.54	0.33	4	0.001
CB-58	327.60	370.50	42.90	0.15	0.05	2	0.001
CB-58	454.10	518.10	64.00	0.12	0.03	1	0.004

Drill hole CB-39 was collared midway between the Ccalla and Azulccaca deposits, targeting a possible connection between the two. The results of the IP survey were received after this hole was completed and indicated that there was in fact no direct relationship. However, two relatively low grade intervals were encountered, suggesting some potential for additional mineralization outside of the main mineralized trends.

Drill holes CB-40 and CB-41 were located at the southern end of the Ccalla deposit as it is presently defined. Although interpretations by previous workers suggested that the deposit terminated here, excellent copper-gold intercepts in these two holes confirm the strong continuation of the Ccalla deposit to the southwest along the newly established mineralized corridor defined by the IP survey.

Drill hole CB-43 filled a large gap between previous holes at the northern end of the Ccalla deposit as it is presently defined. Several strongly mineralized intervals are present, beginning at surface with a 74 metre length of leached and oxidized quartz monzonite grading 1.17 g/t gold, 5 g/t silver and 0.06% copper. This is followed by a supergene enrichment zone of 39.25 metres grading 2.82% copper and 0.68 g/t gold and then by a mixed zone of supergene and hypogene chalcopyrite-bornite mineralization grading 0.62% copper and 0.34 g/t gold over 49.10 metres. The latter two zones together comprise a 92.35 metre interval grading 1.55% copper and 0.51 g/t gold.

The results of hole CB-43 are particularly significant in that they demonstrate the presence of near surface, high grade, supergene mineralization and a relatively gold-enriched leached capping, each of which has the potential for a significant positive impact on project economics through early mining. Both zones are open to the north and ongoing re-logging of historical core is revealing the presence of similar mineralization elsewhere in the area drilled to date. Holes CB-42 and CB-44 were terminated within a few metres of the surface due to technical reasons.

Hole CB-45 was drilled to undercut the Ccalla resource near its southwestern end as it is presently defined and bottomed in mineralization at 743.80 metres, extending the mineralized zone to a vertical depth of about 600 metres.

Hole CB-46 was a step out hole aimed at testing the extension of the supergene enriched zone previously reported in hole CB-43 about 140m to the northwest. The presence of the supergene zone was confirmed in a 23.5 metre interval from 27.50-51.00 metres grading 1.72% Cu and 0.43 g/t gold. This was immediately underlain by a 32.6 metre interval of mixed sulphide and oxide mineralization grading 0.27% Cu and 0.02 g/t gold. Below this, two significant zones of primary sulphide mineralization were encountered, a 143.2 metre grading 0.56% copper and 0.20 g/t gold and a lower 60 metre interval grading 0.64% copper and 0.19 g/t gold. The hole was terminated at 496.6 metres for technical reasons, still in copper mineralization within the main porphyry host rock.

Hole CB-48 was drilled to undercut the Ccalla resource about 200 metres north of CB-45 and intercepted two mineralized intervals. Although somewhat lower in grade, mineralization here was extended to a vertical depth of about 400 metres.

Hole CB-49 tested the northwestern limit of the Ccalla zone as it is currently defined and was terminated at 731.1m. Seven mineralized intervals were encountered, including a supergene enriched zone from 7.20 to 122.30 metres grading 0.39% Cu and 0.30 g/t gold. The other mineralized intervals consisted of primary sulphide mineralization with varying grades.

Hole CB-51 was an exploration hole testing geophysical anomalies situated approximately 235 metres to the southwest of the Ccalla zone area. It intersected low grade copper-gold mineralization, periodically interrupted by barren dykes, throughout most of its length.

Hole CB-54 is located well to the west of the northern end of the Ccalla zone and was drilled to the southeast from the northwest, as opposed to most of the other holes in this zone, in order to avoid collaring in an agricultural area. The target was the northern extension of the supergene zone previously encountered in hole CB-43. Six zones of primary mineralization with varying grades were encountered

but the hole appears to have passed underneath the targeted supergene zone. Preliminary geological mapping and prospecting have shown that significant copper and gold mineralization is present at surface in this area.

Hole CB-55 tested for the eastward extension of the supergene enrichment zone encountered in holes CB-43, CB-2 and CB-19 approximately 100 metres to the west and continued to depth, intersecting six intervals of low grade copper-gold mineralization.

Hole CB-56 was drilled at the north end of the Ccalla zone about 260 metres due east of the high grade supergene mineralization previously announced in hole CB-43. From surface, it encountered a 58.25 metre interval of enriched supergene mineralization grading 0.76% copper, 0.07 g/t gold and 2 g/t silver, including 19.55 metres grading 1.32% copper, 0.08 g/t gold and 1 g/t silver. Several lower grade intervals of hypogene mineralization were intersected lower in the hole.

Hole CB-58 was drilled on the northwest side of the Ccalla zone to test the extension of mineralization from historical hole CB-3 some 75 metres to the south. Immediately below a 14.85 metre thick leached cap at surface grading 0.86 g/t gold, 5 g/t silver and 0.11% copper, it intersected a 114.1 metre interval of high grade supergene mineralization grading 1.7% copper, 1.2 g/t gold and 8 g/t silver to a depth of 148.5 metres, including 28 metres grading 2.93% copper, 1.48 g/t gold and 13 g/t silver. This was followed by a 122.4 metre thick interval of hypogene mineralization grading 0.54% copper, 0.33 g/t gold and 4 g/t silver beginning at 174.15 metres. This hole is particularly significant in that it demonstrates the presence of additional supergene enrichment some 630 metres southeast of that announced earlier in hole CB-43.

The current program consists of a total of 24,400 metres of drilling aimed both at expanding and upgrading the confidence level of the resources at the Ccalla and Azulccaca deposits as well as testing the other promising exploration targets on the property. As of the end of February 2012, approximately 13,775 metres had been drilled in 22 holes and five drill rigs were active on the property. Core samples are regularly delivered to ALS Chemex's facility in Lima, Peru and a full set of QA/QC protocols is in place.

Towards the completion of drilling in two to three months, the Company will initiate preliminary metallurgical test work and commission an updated resource estimate. Preliminary regulatory approval for an expanded drill program of up to 200 holes for the Cotabambas project has been received.

Sampling, Analysis, Security of Samples and Data Verification

Historical

CDLM's sampling and analytical protocols for drilling at Cotabambas were the same as those for Antilla. Core was generally sampled at 2 metre intervals regardless of lithology or intensity of mineralization. Sample were marked by the geologist logging the core, and split with a diamond saw, Half the core was placed into pre-prepared, numbered sample bags subsequently sent to the laboratory.

CDLM reportedly included three duplicates and two standards (one Cu and one Au standard) in every sample batch. Digital copies of the laboratory assay sheets show one repeat assay in every batch of 22 sample pulps. Some batches contain explicitly marked (by the lab) blanks, and other batches contain samples which appear to have been independently submitted blanks, but cannot be confirmed as such. The internal laboratory repeats show fair repeatability (generally better than 10%) for pulps, and the explicit and implicit blanks indicate little or no contamination. However, the lack of information on independent standards and whether or not they were submitted precludes an evaluation of the accuracy of

the analyses and led SRK to classify the resource as Inferred in their 2007 estimate.

2010-Present

Drill core is sampled in intervals ranging from about 0.5 to 3 metres based on geological criteria such as lithology, alteration and mineralization. Samples are split on site with a diamond saw, with one half of the core returned to the box and the other half placed in a numbered plastic bag sealed with a plastic tie. These are placed in a locked storage facility and are subsequently shipped by truck, accompanied by a Panoro employee, directly to ALS Chemex's facility in Cusco on an approximate weekly schedule. Analyses for copper, gold, silver and molybdenum along with a suite of other elements are carried out by ALS Chemex in their Lima, Peru facility.

Panoro's sampling and assay procedures include a complete set of QA/QC protocols involving duplicate assay of pulps, rejects and core, independent blanks and several commercial standards.

Mineral Resource Estimates

Historical

CDLM completed a number of internal resource estimates for Cotabambas between 1999 and 2001. Later in 2001, NCL Ingenieria y Construccion SA ("NCL") was retained by CDLM to provide an independent estimate. Their estimate was based on a GEMCOM block model incorporating the data from 24 drill holes and included both the Ccalla and Azulccaca zones. None of the estimates from CDLM's tenure are compliant with the guidelines set forth in NI 43-101 and should be regarded as historical in nature.

2007

During the acquisition of the CDLM properties in 2007, the Company commissioned a technical report describing the various properties from SRK Consulting. SRK considered that the methodology used by NCL in their estimate was reasonable but constructed a new mineral resource model using larger search ellipse oriented down the plunge of the copper and gold mineralization. SRK concluded that the mineral resources at the Cotabambas deposits may be larger than initially stated by NCL and was of the opinion that they are appropriately classified as Inferred and reported at a cut-off of 0.4% Cu as shown in the following Table:

Cotabambas Resource Estimates

Estimate	Date	Category	Cut-off Grade (%Cu)	Millions of Tonnes	% Cu	g/t Au
NCI	2001	Historical	0.3	69	0.74	0.46
			0.4	59	0.80	0.49
SRK	2007	Inferred	0.4	90	0.77	0.42

The reader is cautioned that the Inferred mineral resources listed above are not mineral reserves and do not have demonstrated economic viability. Furthermore, the historical resources listed above are not considered by the Company to be current mineral resources or mineral reserves and are noted only as part of the exploration record for the Cotabambas property. A qualified person has not done sufficient work to

classify the historical estimate as current mineral resources or mineral reserves.

Exploration and Development

The Company is in the midst of a 24,400 metre program of drilling on the property and five drills are currently active. In addition, historical core is being re-logged and a suite of samples will be re-assayed with the same QA/QC protocols as the current program in order that the historical data may be incorporated into a revised geological block model. On the completion of drilling, a selected suite of samples will be submitted for preliminary metallurgical testwork. All of this information will form the basis of a revised independent resource estimate.

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 1km by 2km induced polarization and resistivity anomalies overlying a 300m by 500m alteration zone characterized by an intensive stock-work 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 stock which are currently being exploited on a small scale by local artisanal miners.

The Company's Environmental Impact Statement (EIS) for the proposed drilling program at the Kusiorcco Project was approved in December of 2009. The process of obtaining an agreement with the indigenous community of Uchucarco, which will be required to commence with any exploration program, is expected to take some time to complete.

4.4 El Rosal Project

The Company has a 100% interest in the El Rosal property consisting of 12 mineral concessions totaling 8,200 hectares located in the Province of Chiclayo, Department of Lambayeque, Peru. 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 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.

Cochasayhuas Project

The 5,836 hectare Cochasayhuas property is located about 20 kilometres 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.

The Company plans a small drill program in 2012 to test the main veins for high grade gold-silver mineralization.

Alicia Project

On September 25, 2009 the Company entered into an agreement with Strait Gold Corporation (“Strait”) whereby Strait may earn up to 100% in the Company’s early stage Alicia copper-gold property in Southern Peru, subject to a 2% net smelter return royalty.

Since then, Strait has carried out a program of community engagement, detailed mapping and rock sampling, along with grid based magnetic and IP surveys. As reported by Strait on October 13, 2010, chip and panel sampling over 2-4 metre lengths of at least nine individual skarn zones returned elevated copper, gold and silver values ranging from 0.03-13.05% Cu, 0.005 to 3.55 g/t gold and 0.3-100.0 g/t silver.

By February 2011, Strait had completed 2,000 metres of drilling in a 15 hole drill program aimed at testing a number of the skarn zones and associated geophysical anomalies. Results included:

- 33 metres grading 1.27 per cent copper, 0.13 gram per tonne gold and 7.5 g/t silver in hole ALC10-05 (which ended in mineralization at a depth of 88.7 metres)
- 129.5 metres grading 0.33 per cent copper, 0.04 g/t gold and 1.8 g/t silver in hole ALC10-08
- 134.0 metres grading 0.29% Cu and 0.03g/t Au in hole ALC11-16, including 9.75 metres at 1.27% Cu, 0.07g/t Au and 0.032% Mo.

As of the end of June, a helicopter-borne magnetic-radiometric-ZTEM survey commissioned by Strait had been completed over the entire 26-square-kilometre Alicia property. A number of geochemical anomalies were identified in subsequent grid-based soil sampling, some of which are coincident with airborne radiometric anomalies. Further mapping and sampling has revealed the presence of multiple porphyritic intrusive phases, clay and secondary biotite alteration and quartz stockwork veining suggestive of a porphyry system. Strait has applied for a permit for another 10,000 metres of drilling.

Strait Gold has earned 55% of the Alicia project by performing the following:

- Issue 100,000 shares of Strait Gold to Panoro on signing; – completed
- Obtain an authorization-to-explore agreement with the local community before March 25, 2011 – completed February 10, 2011.
- Spend at least US\$150,000 on the Alicia property within the first year after obtaining an agreement - completed;
- Issue 200,000 common shares of Strait Gold one year after obtaining the community agreement – received February 16, 2011;
- Spend at least US\$500,000 within the second year after obtaining the community agreement - completed; and
- Issue 300,000 common shares of Strait Gold two years after obtaining the community agreement – received June 2011.

In order to earn the remaining 45% of the Alicia project, Strait Gold will be required to spend an additional US\$600,000 in the third year after obtaining the community agreement and issue an additional 400,000 Strait Gold common shares. The net smelter royalty can be reduced from 2% to 1% for a payment of US\$2,300,000 which is payable by Strait Gold within six months of obtaining 100% ownership.

On December 9, 2011, Strait signed a binding agreement with Teck Peru SA, a wholly owned subsidiary of Teck Resources Ltd., giving Teck Peru an option to earn up to a 75-per-cent interest in the Alicia copper-gold property by making certain cash payments and exploration expenditures by December 31, 2018.

4.5 Other Projects

The Company's other properties, including Checca, Promesa, Pistoro Norte, Sancapampa, Humamantata, Pataypampa, Anyo, and Morosayhuas have not received any significant work since the date of the SRK report and the reader is directed to that report for a more detailed description of each.

ITEM 5: RISK FACTORS

The following are the material risk factors which the Company has identified in respect of any investment in its securities.

Reserves

The Company's properties are in the exploration stage and are without a known body of commercial ore. Development of any of the Company's properties will only follow upon obtaining satisfactory exploration results. There is no certainty that the expenditures made by the Company in exploring its mineral properties will result in discoveries of commercial quantities of ore. Most exploration projects do not result in the discovery of a commercially mineable deposit of ore.

Exploration

The business of exploration for minerals involves a high degree of risk and few properties become 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 acquired or 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.

Market Forces

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 gold 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 United States dollar relative to the Canadian dollar and other currencies), interest rates and global or regional consumption patterns (such as the development of gold coin programs), speculative activities and increased production due to improved mining and production methods.

Insufficient Capital

The Company does not have sufficient funds to complete all of its exploration and development programs. Therefore, additional funds will be required. The only sources of future funds for its exploration and development programs is the sale of equity capital or by entering into an option and joint venture agreement with another party. There is no assurance that the Company will be successful in obtaining further financing. A failure to obtain further financing could result in the loss or substantial dilution of the Company's interests in its properties.

Permitting

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 production 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 on a timely basis. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude entirely the economic development of the Property.

Permitting of exploration programs in Peru requires the completion of agreements with the indigenous communities in the vicinity of the project. The timing for the completion of such agreements is unpredictable. The process of obtaining such agreements is also affected by the two year election cycle for the councils of the indigenous communities.

No History of Earnings

The Company has no history of earnings. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its equity shares or by way of loans. While the Company may generate additional working capital through the operation, development, sale or possible syndication of its prospects, there is no assurance that any such funds will be generated.

Mining Operations

Mining operations generally involve a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The business of mining is subject to a variety of risks such as fires, power outages, labour disruptions, industrial accidents, flooding, explosions, cave-ins, landslides, and other environmental hazards, technical failures, the inability to obtain suitable or adequate machinery, equipment or labour, are some of the risks involved in the operations of mines and the conduct of exploration programs. Such occurrences, against which the Company cannot, or may elect not to insure, may delay production, increase production costs or result in liability. The payment of such liabilities may have a material adverse effect on the Company's financial position. The economics of developing mineral properties are affected by such factors as the cost of operations, variations in the grade and metallurgy of the ore mined, fluctuations in mineral markets, costs of processing and equipment, transportation costs, government regulations including regulations relating to royalties, allowable production, importing and exporting of mineral product, and environmental protection rules and regulations.

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 itself.

Competition could adversely affect the Company's ability to acquire suitable producing properties or prospects for the exploration in the future.

Mineral Tenure

In those jurisdictions where the Reporting Issuer has property interests, the Company makes a search of mining records 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. For unsurveyed mineral claims, the boundaries of such mining claims may be in doubt. 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. The properties may be subject to prior unregistered agreements or transfers.

Key Personnel

The success of the Company and its ability to continue to carry on operations is dependent upon its ability to retain the services of certain key personnel. The loss of their services to the Company may have a material adverse effect on the Company.

Dilution

There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. If these common shares are issued, this will result in further dilution to the Company's shareholders. An investor's equity interest in the Company may also be diluted by future equity financings of the Company.

Conflicts of Interest

There are potential conflicts of interest to which all of the directors, officers, insiders and promoters of the Company will 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 Issuer 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. 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 20, 2012, the Company had a total of 169,886,554 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 and Alberta, and its common shares are listed on the TSXV under the symbol "PML". The price ranges and volume traded of the Company's common shares on the TSXV on a monthly basis for the most recently completed fiscal year are:

PANORO MINERALS LTD.												
	2011								2011			
2011	TSX	Hi	Low	Volume	Bolsa	Hi	Low	Volume	Frankfurt	Hi	Low	Volume
January	0.44	0.50	0.35	3,820,600	0.41	0.48	0.37	4,280,724	0.29	0.37	0.27	15,900
February	0.67	0.68	0.43	11,465,600	0.18	0.67	0.45	7,514,156	0.49	0.49	0.28	67,700
March	0.55	0.81	0.53	7,914,700	0.27	0.74	0.55	13,934,973	0.40	0.58	0.38	22,900
April	0.43	0.57	0.31	6,353,500	0.29	0.49	0.33	4,679,858	0.31	0.41	0.21	14,000
May	0.54	0.62	0.38	3,957,800	0.21	0.58	0.41	7,353,730	0.38	0.42	0.27	3,600
June	0.42	0.55	0.35	4,276,800	0.20	0.50	0.39	4,353,478	0.29	0.37	0.27	8,800
July	0.52	0.58	0.40	1,713,100	0.25	0.55	0.44	2,975,979	0.39	0.42	0.28	7,800
August	0.44	0.50	0.38	874,800	0.23	0.55	0.42	1,853,736	0.30	0.37	0.28	4,000
September	0.44	0.48	0.39	1,499,200	0.23	0.47	0.38	1,878,575	0.31	0.33	0.28	4,100
October	0.47	0.47	0.34	936,200	0.30	0.47	0.34	1,557,763	0.33	0.33	0.26	3,200
November	0.41	0.47	0.39	1,446,500	0.31	0.45	0.39	1,230,523	0.28	0.32	0.28	1,300
December	0.38	0.41	0.34	1,498,700	0.41	0.40	0.34	879,307	0.25	0.30	0.25	2,100
Volume for 2011				45,757,500				52,492,802.00				155,400

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
LUQUMAN A. SHAHEEN Surrey, B.C.	Professional Engineer. President and Chief Executive Officer of the Company as of April 16, 2008. Director, Environmental Affairs, Pan American Silver, September 2006 to March 2008. Manager, Latin America for AMEC Earth & Environmental May 2001 to August 2006.	President, Chief Executive Officer, Director	President, April 2008 CEO, April 2008 Director, April 2008
WILLIAM J. BODEN⁽¹⁾ Vancouver, B.C.	Chartered Accountant; Founder and President, CW Funds Group of Companies, 1988 to 2008; President, First Coal Corporation Ltd., 2005 to 2007. Chairman, First Coal Corporation 2007 to 2009.	Director and Chairman of the Board	Director, June 1998 Chairman, February 2010
CHRISTIAN G. PILON Lima, Peru	Consulting Geophysicist, President and General Manager, Geoline S.A., 1995 to present	Senior Vice President, South America and Director	Director, June 1998
RICHARD MUNDIE⁽¹⁾ Vancouver, B.C.	Corporate Director, Chartered Accountant, Director of Taseko Mining	Director	Director, March 2010
CHRISTIAAN F. STAARGAARD Vancouver, B.C.	Professional Geoscientist; President and CEO, Lithic Resources Ltd.	Director	Director, February 2005
LORNE TORHJELM⁽¹⁾ White Rock, B.C.	President & CEO of Cardiff Energy Corp.; President of L.C.T. Management Corp.	Director	Director, April 2002
JAIME QUIJANDRÍA San Isidro, Lima, Perú.	Partner in Laub & Quijandría Consultants and Lawyers. Executive Director of InterAmerican Development Bank from 2006 to 2008 and an Executive Director of World Bank from 2004 to 2006 as well as the Minister of Energy and Mines and Minister of Economy and Finance of Peru from 2001 to 2004.	Director	Director, August 2011
David W. Huber Vancouver, B.C.	Chartered Accountant, Chief Financial Officer and Corporate Secretary of the Company. CFO and Corporate Secretary of Captive Insurance companies domiciled in the Cayman Islands from 2004 to 2010.	Chief Financial Officer Corporate Secretary	CFO, February 2011 Corporate Secretary, March 2011

⁽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.

Shareholdings of Directors and Officers

To the best of the Company's knowledge, as at March 22, 2012, directors and officers, as a group, beneficially owned, directly or indirectly, or exercised control over 9,311,120 common shares (not including common shares issuable upon the exercise of stock options) of the Company, representing 5.6% of the then outstanding common shares.

9.2 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 Annual Information Form, 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 Annual Information Form, 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.

9.3 Audit Committee Information

Multilateral Instrument 52-110 ("MI52-110") 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 its 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:

Richard A. Mundie

Mr. Mundie is a Chartered Accountant with over 25 years of experience in mining sector and has held senior positions in the mining sector, both in British Columbia and overseas. He is currently on the Board of Directors of Taseko Mines Limited, owners of the Gibraltar copper-molybdenum mine in south-central British Columbia.

William J. Boden

Mr. Boden is a Chartered Accountant with 40 years' experience as a Chartered Accountant and manager of risk capital investments. He was founder and President of CW Funds group of companies until 2008. Within the CW Funds group, Mr. Boden structured and raised investment capital totaling \$130 million, primarily from overseas investors. He was also President (2005 to 2007) and Chairman (2007 to 2009) of First Coal Corporation, and is a Director of Highrock Energy Ltd., both private companies. He was a senior officer with the Ventures West Management group from 1979 to 2005, and prior, Mr. Boden was a Manager with Coopers & Lybrand, an international accounting firm, Secretary-Treasurer of Whitehorse Copper Mines Ltd. and Treasurer of Bethlehem Copper Corp., both producing mining companies listed on the Toronto Stock Exchange.

Lorne A. Torhjelm

Mr. Torhjelm is CEO of Cardiff Energy Corp. an oil company. Mr. Torhjelm is self-employed managing personal investments since 2003.

All of the members of the audit committee are "financially literate" as defined in Multilateral Instrument 52-110 and all members are considered to be independent for the full year ending December 31, 2009.

Audit Fees

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, 2010	\$45,000	\$2,800	\$5,300	\$Nil
YEAR ENDED DECEMBER 31, 2011	\$78,900	\$2,140	\$2,780	\$8,730

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 Auditor's Report for the Company's annual audited financial statements for the year ended December 31, 2010 issued by KPMG LLP, Chartered Accountants was filed under National Instrument 51-102. SRK Consulting (Canada) Inc. has prepared the CDLM Technical Report on the properties of Cordillera de las Minas with an effective date of March 09, 2007, that forms the basis of the scientific and technical disclosure regarding the Antilla and Cotabambas properties, a copy of which is available on SEDAR at www.sedar.com. To the knowledge of the Company, SRK and the principals of SRK as a group beneficially own, directly or indirectly, less than one percent of the outstanding common shares of the Company

Uwe Schmidt, P. Geo., is a "qualified person" as defined in NI 43-101, and has prepared the El Rosal Report on the El Rosal Property with an effective date of December 31, 2006. He is an independent consulting geologist, does not have any interest in the properties, and owns, directly or indirectly, less than one percent of the outstanding common shares of the Company.

Christiaan F. Staargaard, M.Sc, P.Geo., director, is a "Qualified Person" as defined in NI 43-101. Mr Staargaard is responsible for the preparation of technical information in the Company's news releases and other disclosure documents as of August, 2011. Mr Staargaard holds 1,050,000 options to purchase common shares of the Company.

ITEM 12: ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

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.

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:

- a) recommend annually to the Board the independent auditors to be appointed by the shareholders of the Company and the compensation of the independent auditors;
- b) review with the independent auditors the annual audit plan including, but not limited to, the

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- c) 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;
- d) 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;
- e) review all Management Discussion and Analysis and earnings press releases before the Company publicly discloses this information;
- f) report immediately to the Board any instances of fraud or misappropriation of assets that come to the attention of the Committee;
- g) 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;
- h) take, or recommend that the full Board take, appropriate action to oversee the independence of the auditors;
- i) 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;
- j) 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;
- k) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the independent auditors;
- l) 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
- m) 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