PANORO MINERALS LTD

ON THE ROAD TO DEVELOPMENT

Annual Information Form

For the Year Ended December 31, 2013

April 25, 2014

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ITEM 1: PRELIMINARY NOTES

1.1 AIF and Incorporation of Financial Statements and Reports

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

The following documents, filed by the Corporation with the various securities commissions or similar regulatory authorities in the provinces of British Columbia, Alberta and Ontario, are specifically incorporated by reference into, and form an integral part of, this AIF are: (i) the audited financial statements for the Company for the period ending December 31, 2013, together with the auditor's report thereon; (ii) the Management's Discussion & Analysis for the period ending December 31, 2013 (iii) In October 2013 Tetra Tech completed the mineral resource estimate for the Cotabambas project utilizing all drill and assay results available to June 20, 2013 including 56,813 meters of drilling by Panoro and 9,923 meters of drilling from legacy campaigns, and (iv) In December 2013 Tetra Tech completed the mineral resource estimate for the Antilla project utilizing all drill and assay results available to June 11, 2013. The resource estimate has been completed based on the results of 9,130 meters of drilling by Panoro (49 drill holes) and 5,162 meters of drilling (39 drill holes from drilling by others).

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

1.2 Forward Looking Statements

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

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

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

1.3 Date of Information

All information in this AIF is as of December 31, 2013, 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, Alberta and Ontario.

2.2 Intercorporate Relationships

The Company is incorporated under the laws of the Province of British Columbia and has five wholly owned subsidiaries:

(i) Minera Panoro (Perú) S.A.C., incorporated pursuant to the laws of Perú on June 9, 1998;

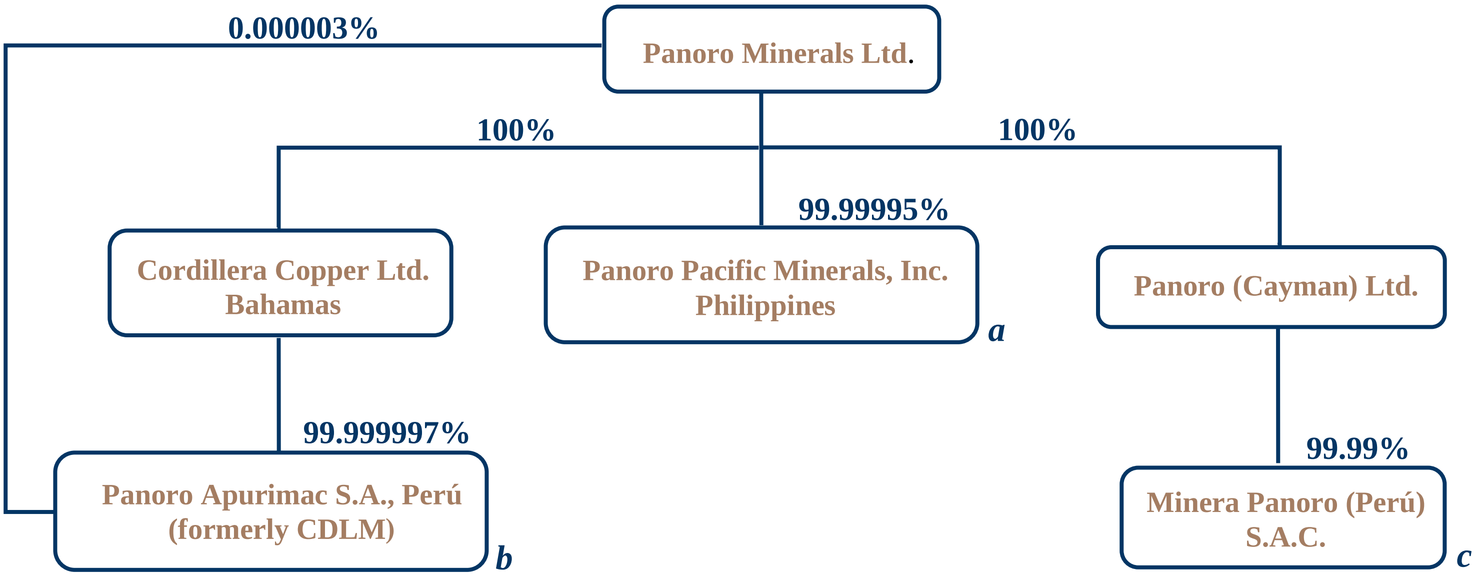
(ii) Panoro (Cayman) Ltd., incorporated pursuant to the laws of the Cayman Islands on March 2, 1998, Minera Panoro (Perú) S.A.C. is the wholly owned subsidiary of Panoro (Cayman) Ltd.;

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

(iv) Panoro Apurimac S.A. (formerly Cordillera de las Minas SA), incorporated on August 15, 2002 under the laws of Perú. Panoro Apurimac S.A.'s head and registered office is located at Ave. Jose Larco 748, 3rd floor, Miraflores, Lima 18, Perú.; and

(v) Cordillera Copper Ltd., incorporated pursuant to the laws of the Bahamas on November 27, 2006. Panoro Apurimac S.A. is a wholly owned subsidiary of Cordillera Copper Ltd.

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



a Five of the 10,242,628 outstanding shares are held by individual shareholders while the remaining 10,242,623 outstanding shares are held by Panoro Minerals Ltd.

b Panoro Minerals Ltd. owns one of the 31,331,900 outstanding shares while Cordillera Copper Ltd. Bahamas owns the remaining 31,331,899 outstanding shares.

c Christian Pilon, Senior VP in South America and Director of the Company, owns one (1) of the 10,000 shares outstanding, while Panoro (Cayman) Ltd. Owns the remaining 9,999 outstanding shares.

ITEM 3: GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Historical

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

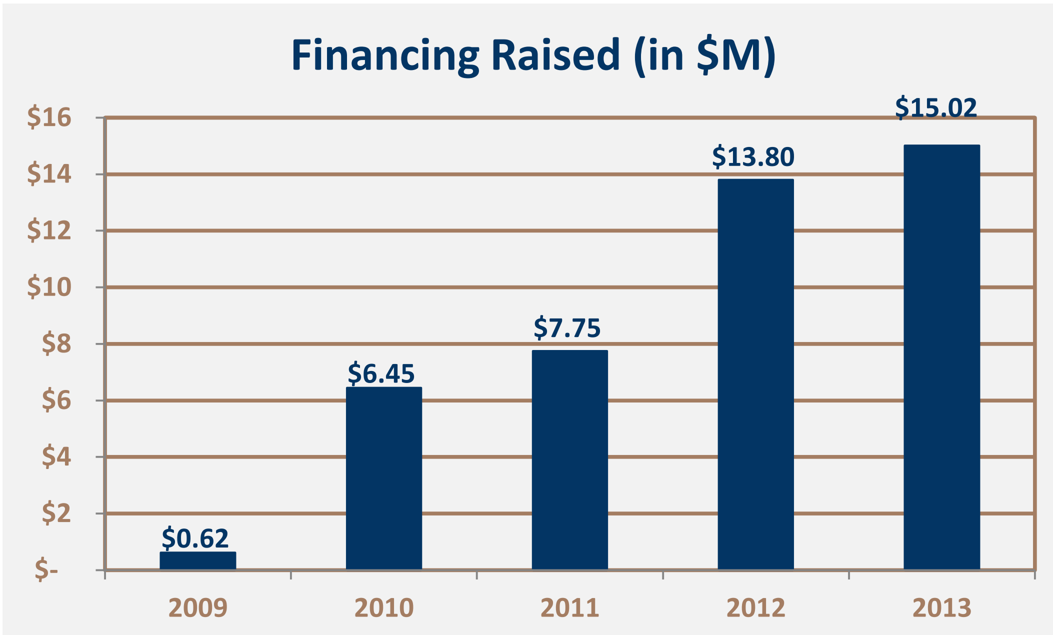
In June and July of 2011, the Company completed a non-brokered private placement for net proceeds of $7,249,151. A total of 17,226,124 units were issued at $0.45 per unit. Each unit was comprised of one common share and one half of a share purchase warrant. Each full warrant entitles the holder to purchase 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.

2013

On March 14, 2013, the Company closed a bought deal public equity financing. A total of 27,300,000 common shares of the Company were issued and sold at a price of $0.55 per common share for gross proceeds of $15,015,000. The underwriters received a cash commission equal to 6% ($909,900) of the gross proceeds of the offering and an aggregate of 1,638,000 agents warrants. Each agent's warrant allows the underwriters to purchase one common share of the Company at $0.55 for a period of 36 months following the closing of the offering. The Company incurred other costs associated with the financing totaling $364,994.



Acquisitions and Disposals

Cordillera de las Minas S.A., Perú

On June 7, 2007, the Company completed the acquisition of 100% of the issued and outstanding shares of Cordillera de Las Minas S.A. ("CDLM"), a Peruvian corporation, from CVRD International S.A. and El Tesoro (SPV Bermuda) Limited, a wholly-owned subsidiary of Antofagasta PLC. CDLM owns a 100% interest in 13 properties located in the Andahuaylas – Yauri Belt of Perú south of Cuzco. Antilla and Cotabambas are two of the CDLM properties that are in an advanced exploration stage. The remaining 11 properties are Kusiorcco, Cochasayhuas, Checca, Alicia, Promesa, Pistoro Norte, Sancapampa, Humamantata, Pataypampa, Anyo, and Morosayhuas and are all at earlier stages of exploration.

The purchase price was allocated to the fair value of net assets as follows.

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

The Company issued 6 million common shares valued at $2,655,000 as part of the transaction.

In August 2007, the Company acquired two additional, 300-hectare concessions located internally to its Antilla interest for $170,436. On April 7, 2008 the Company announced that the name of CDLM had been changed to Panoro Apurimac S.A.

Antilla Joint Venture with Chancadora Centauro SAC

On April 8, 2010, the Company entered into a joint venture agreement (JV) with Chancadora Centauro SAC (Centauro) for the development of the Antilla copper molybdenum project in Perú. Under the terms of the agreement, Centauro committed to making cash payments of US$8 million and spending US$17 million over a 30 month period. 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 Perúvian 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 Perúvian 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 Perú. 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 submitted claims to the Arbitration Committee.

In September 2012, the Arbitration Committee issued a final ruling that Panoro's termination of the Antilla joint venture agreement was legal and that Panoro retains a 100% interest in the Antilla project. The decision of the Arbitration Committee is binding and may not be appealed.

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 Perú, subject to a 2% net smelter return royalty.

In order to earn 55% of the Alicia project, Strait Gold would 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 would 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.

On March 1, 2013 Strait fulfilled the remainder of the agreement in order to earn the remaining 45% of the Alicia project by performing the following:

- Spent an additional US$600,000 on the Alicia property within the third year after obtaining an agreement - completed;
- Issued 400,000 common shares of Strait– received;

The 400,000 common shares of Strait have been recorded as a recovery of the acquisition costs to the Alicia property for the amount of the fair market value of the shares on the day they were received for $26,000.

Strait had the option to reduce the net smelter royalty from 2% to 1% for a payment of US$2,300,000 within six months of obtaining 100% ownership. Strait declined to meet the option. The Alicia project has been 100% transferred to Strait, subject to the Company retaining a 2% net smelter return royalty.

On December 8, 2011, Teck Perú SA entered into an agreement with Strait whereby they could earn in 75% of the Alicia project by spending up to $30 million on exploration or delivering a pre-feasibility study. Drill results for ten drill holes on the Alicia project were released on January 21, 2014. On February 13, 2014, Teck Perú SA notified Strait they do not intend to exercise its option to earn an interest in the Alicia project. Based on these events, the Company impaired all capitalized expenditures for the Alicia project and an impairment charge of $798,666 was recorded.

<u>Cochasayhuas and Checca Joint Venture</u>

On March 17, 2008 the Company granted Consorcio Minero Horizonte ("CMH"), a privately owned gold mining company of Perú, 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 Perú, and entered into negotiations with Mindoro to sell its 40% Interest in the Surigao Joint Venture to Mindoro. A Purchase and Sale Agreement was signed on March 14, 2007.

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

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.

ITEM 4: DESCRIPTION OF THE BUSINESS

The Company is in the business of acquiring resource properties in Perú, exploring those properties for commercially viable mineral reserves of copper and gold and other minerals and developing these properties. These properties are held through the Company’s various Perúvian subsidiaries. As at December 31, 2013 the Company and its subsidiaries had a total of 54 (2012:72) employees.

Panoro is currently focused on exploring and developing its advanced Cotabambas project. Its other properties include Antilla, 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 Perú.

National Instrument 43-101 Technical Reports

Current information concerning the Company’s Cotabambas Project is contained in a technical report prepared by Tetra Tech dated at October 29, 2013 entitled “Technical Report and Resource Estimated of the Cotabambas Copper-Gold Project – National Instrument 43-101 (the “2013 Cotabambas Report”). This AIF incorporates the results of the Company’s activities on the

Cotabambas property up to December 31, 2013. A summary of the 2013 Cotabambas Report is contained in section 4.2 of this AIF.

Current information concerning the Company's Antilla Project is contained in a technical report prepared by Tetra Tech dated at December 16, 2013 entitled ", Technical Report and Resource Estimate of the Antilla Copper-Molybdenum Project" (the "2013 Antilla Report"). A summary of the 2013 Antilla Report is contained in section 4.1 of this AIF.

Detailed background information concerning the Company's other 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 Perú" (the "SRK Report").

The 2013 Cotabambas Report, 2013 Antilla Report and 2007 SRK Report can be found at www.sedar.com and the Company's website at www.panoro.com.

4.1 Cotabambas Copper/Gold Project

The Cotabambas Project is an exploration-stage property that has been explored intermittently over the last 15 years. The property is located immediately west of the town of Cotabambas, in the District of Cotabambas, Province of Abancay, Department of Apurimac, approximately 135 km west of the City of Cusco in the Perúvian Andes. The Company acquired the Cotabambas Project in 2007 with approximately 10,000 m of historical drilling by previous owners. The Company resumed exploration at the Cotabambas Project in late 2010 with an initial mapping, sampling, geophysical survey and 5,500 m drill program. Later the drill program was increased to 56,813 meters of drilling by Panoro and an additional 9,923 meters of drilling from legacy campaigns. The results of this drilling, together with the historical drilling by previous owners, were used to calculate an updated the resource estimate in compliance with National Instrument 43-101.

In August, 2013, the Company commissioned TETRA TECH to produce an updated Mineral Resource estimate for the Cotabambas Project located in the northeastern quadrant of Apurimac Region, Perú. The Cotabambas Technical Report was completed in October 2013 and the resource estimate included an inferred resource of 605.3 million tonnes at 0.31% Cu, 0.17 g/t Au, 2.33 g/t Ag and 0.0019%Mo at a cut-off of 0.20 % Cueq; and indicated resource of 117.1 million tonnes at 0.42%Cu, 0.23 g/t Au, 2.74 g/t Ag and 0.0013%Mo at a cut-off of 0.20% Cueq. The Cotabambas Technical Report recommended additional infill and exploration drilling together with geotechnical investigations, database management work to lead into a resource model update and preliminary economic assessment for the project. The preliminary economic assessment is scheduled for completion by the middle of 2014.

Detailed information on the Cotabambas Project, including project description and location, climate, local resources, infrastructure, physiography, history, geological setting, exploration, mineralization, drilling sampling and mineral resource estimated, can be found in the 2013 Cotabambas Report which is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.panoro.com. The effective date of the

2013 Cotabambas Report is October 29, 2013.

Summary of the Cotabambas Technical Report

The Cotabambas Project hosts copper-gold porphyry mineralization that is part of the Eocene-Miocene porphyry belt of Southern Perú (Perelló et al, 2008). This belt is host to the Tintaya mine and a number of medium-sized copper deposits that are currently in various stages of development by third parties. Major projects in construction include Las Bambas, the Antapaccay deposit adjacent to Tintaya and the Constancia deposit to the south. Other copper projects in the belt that are currently being explored include Haquira, Trapiche, Coroccohuyaco, Los Chancas, all held by third parties, and Antilla, which is controlled by Panoro.

Property, Permitting and Access

The Cotabambas Project is wholly owned by Panoro. Annual payments have been made to maintain the 17 exploration concessions totaling 14,500 Ha that make up the property.

Panoro currently holds a Category II exploration permit which allows the Company to conduct an exploration program including drilling up to 200 diamond drill holes on the property. Since 2010, Panoro has negotiated surface rights agreements with the communities of Ccalla, Cochapata and Huaclle and with individual landowners in the vicinity of the Town of Cotabambas. Management of community relations is an ongoing challenge for Panoro but surface rights agreements have been reached in the recent past, and there are reasonable expectations that Panoro can continue to sign surface rights agreements to allow them to advance the property through the recommended work program. The Company has also entered into a socio-economic agreement with the indigenous community of Ccalla which commits the Company to make certain investments for the benefit of the community in exchange for surface access rights.

The Cotabambas Project is located in the Peruvian Andes and is characterized by the steep topography and relatively limited road access typical of that region. Mapping, sampling, geophysics and other prospecting activities are best carried out during the summer months from April to October. With the exception of minor delays caused by heavy rainfall in the winter months, diamond drilling can be carried out year-round on the property.

History and Exploration

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

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

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

- Panoro 2007-2010: In March 2007 Panoro acquired all outstanding shares in CDLM on the Lima Stock Exchange for US$16.6 million. In mid-2010, an agreement was reached allowing Panoro to begin surface mapping and geochemical sampling over the Azulccacca, Ccalla and Huaclle areas. A short drill program was executed to confirm results of drilling by previous operators, drilling two drill holes at Azulccacca for a total of 427.49 m.

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

- Panoro 2013: following the Category II exploration permit, the drilling was continued from January 1 ft 2012 to December 31ft 2012, completing 35 diamond drill holes totaling 17,494.65 m. The surface mapping and geophysics survey were extended over the property.

- In summary, from November 1ft, 2010 to December 31ft, 2013 Panoro drilled 62,443 m. distributed in 119 drill holes. The surface mapping and geochemistry identified new targets next to the current mineral resources and in other areas inside the property.

<u>Geology and Mineral Resources</u>

The Ccalla and Azulccacca deposits are Andean-type copper-gold porphyry systems (Perelló, 2003) and have been explored using conventional prospecting, geophysical and geochemical techniques to generate targets for diamond drilling. The drilling, core logging, sampling, sample preparation and analysis methods are industry-standard for this deposit type and the resulting database has been validated by TETRA TECH and has reasonable integrity, precision and accuracy for the estimation of Inferred Mineral Resources.

The Cotabambas Project hosts a significant Inferred Mineral Resource including supergene and hypogene copper-gold sulphides and gold and copper-gold oxide mineralization types.
Tetra Tech completed the mineral resource estimate utilizing all drill and assay results available to June 20, 2013 including 56,813 meters of drilling by Panoro and 9,923 meters of drilling from

legacy campaigns. The mineral resource estimate includes hypogene and supergene sulphides and oxide copper and gold mineralization from the Ccalla and to a lesser extent the Azulccacca zones contained within a single conceptual pit shell. The conceptual pit shell has been modelled to include that portion of the mineral resource block model having a reasonable prospect for economic extraction based on the current knowledge of the deposit. The mineral resource estimate in the Indicated Category is summarized in Tables 1 and 2 below.

Table 1: Sensitivity of Indicated Mineral Resource to Cut-off Grade

Cut-Off Grade% Cu_{eq}	Million Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)	Cu (Blb)	Au (Moz)	Ag (Moz)	Mo (Mlb)
0.20	**117.1**	**0.42**	**0.23**	**2.74**	**0.0013**	**1.09**	**0.86**	**10.30**	**3.45**
0.30	80.9	0.53	0.29	3.18	0.0009	0.94	0.76	8.28	1.56
0.40	60.7	0.61	0.34	3.53	0.0005	0.82	0.66	6.88	0.61
0.50	46.3	0.70	0.38	3.82	0.0002	0.71	0.56	5.69	0.19
0.60	35.1	0.78	0.41	4.12	0.0001	0.61	0.46	4.64	0.08

*Note: Base case case at 0.20% CuEq in bold. Mineral Resources have an effective date of June 20, 2013 and were estimated by Qualified Person Robert Morrison, P.Geo. (APGO, 1839). The estimate is based on 56,813 meters of drilling by Panoro and 9,923 meters of drilling from legacy campaigns. Copper equivalent (Cueq) is calculated using the equation: Cueq = Cu + 0.4422 Au + 0.0065*Ag, based on the differentials of long range metal prices net of selling costs and metallurgical recoveries for gold and copper and silver. Mineralization would be mined from open pit and treated using conventional flotation and hydrometallurgical flow sheets. Rounding in accordance with reporting guidelines may result in summation differences.*

Table 2: Mineral Resource in Indicated Category Classified by Mineralization Type

Zone	Cut-Off Grade% Cu_{eq}	Million Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)	Cu (Blb)	Au (Moz)	Ag (Moz)	Mo (Mlb)
Hypogene Sulphide	0.20	84.2	0.37	0.21	2.73	0.0018	0.69	0.58	7.39	3.43
Supergene Sulphide	0.20	8.9	0.73	0.31	3.07	-	0.14	0.09	0.88	0.01
Oxide Copper-Gold	0.20	23.8	0.49	0.24	2.63	-	0.26	0.18	2.01	0.01
Oxide Gold	na	0.2	-	0.66	3.74	-	-	0.00	0.02	-
Total		**117.1**	**0.42**	**0.23**	**2.74**	**0.0013**	**1.09**	**0.86**	**10.30**	**3.45**

The mineral resource estimate in the Inferred Category is summarized in Tables 3 and 4 below.

Table 3: Sensitivity of Inferred Mineral Resource to Cut-off Grade

Cut-Off Grade% Cu_{eq}	Million Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)	Cu (Blb)	Au (Moz)	Ag (Moz)	Mo (Mlb)
0.20	**605.3**	**0.31**	**0.17**	**2.33**	**0.0019**	**4.16**	**3.38**	**45.37**	**24.83**
0.30	363.2	0.40	0.22	2.56	0.0016	3.17	2.51	29.88	12.98
0.40	216.4	0.49	0.25	2.77	0.0014	2.32	1.75	19.29	6.82
0.50	126.3	0.59	0.28	2.97	0.0014	1.63	1.15	12.05	4.04
0.60	77.0	0.69	0.31	3.11	0.0013	1.17	0.77	7.70	2.15

*Note: Base case case at 0.20% CuEq in bold. Mineral Resources have an effective date of June 20, 2013 and were estimated by Qualified Person Robert Morrison, P.Geo. (APGO, 1839). The estimate is based on 56,813 meters of drilling by Panoro and 9,923meters of drilling from legacy campaigns. Copper equivalent (CuEq) is calculated using the equation: CuEq = Cu + 0.4422 Au + 0.0065*Ag, based on the differentials of long range metal prices net of selling costs and metallurgical recoveries for gold and copper and silver. Mineralization would be mined from open pit and treated using conventional flotation and hydrometallurgical flow sheets. Rounding in accordance with reporting guidelines may result in summation differences.*

Table 4: Mineral Resource in Inferred Category Classified by Mineralization Type

Zone	Cut-Off Grade% Cu_{eq}	Million Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)	Cu (Blb)	Au (Moz)	Ag (Moz)	Mo (Mlb)
Hypogene Sulphide	0.20	521.0	0.29	0.18	2.41	0.0021	3.36	2.94	40.35	24.22
Supergene Sulphide	0.20	7.4	0.73	0.18	1.93	0.0007	0.12	0.04	0.46	0.11
Oxide Copper-Gold	0.20	75.8	0.41	0.15	1.82	0.0003	0.68	0.37	4.44	0.50
Oxide Gold	na	1.2	-	0.61	3.27	-	-	0.02	0.12	-
Total	0.20	**605.3**	**0.31**	**0.17**	**2.33**	**0.0019**	**4.16**	**3.38**	**45.37**	**24.83**

Higher Grade Component of Mineral Resources

A High Grade Mineral Resource was defined to demonstrate the presence of a contiguous volume of higher grade mineralization within the base case conceptual pit shell. Tables 5 and 6 show the High Grade Mineral Resources classified by mineralization type.

Table 5: High Grade Mineral Resources in Base Case Indicated Category and Classified by Mineralization Type

Zone	Cut-Off Grade% Cu_{eq}	Million Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)	Cu (Blb)	Au (Moz)	Ag (Moz)	Mo (Mlb)
Hypogene Sulphide	0.20	36.1	0.58	0.36	3.91	0.0008	0.46	0.42	4.54	0.60
Supergene Sulphide	0.20	7.6	0.81	0.34	3.26	-	0.14	0.08	0.79	-
Oxide Copper-Gold	0.20	17.0	0.59	0.28	2.84	-	0.22	0.15	1.55	0.01
Oxide Gold	na	0.003	-	1.03	3.39	-	-	0.00	0.00	-
Total	0.20	**60.7**	**0.61**	**0.34**	**3.53**	**0.0005**	**0.82**	**0.66**	**6.88**	**0.61**

Note: High Grade Mineral Resources are included within the Indicated Mineral Resources listed in Table 2

Table 6: High Grade Mineral Resources in Base Case Inferred Category and Classified by Mineralization Type

Zone	Cut-Off Grade% Cu_{eq}	Million Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)	Cu (Blb)	Au (Moz)	Ag (Moz)	Mo (Mlb)
Hypogene Sulphide	0.20	174.6	0.45	0.27	2.97	0.0017	1.73	1.50	16.67	6.50
Supergene Sulphide	0.20	4.7	1.00	0.23	2.18	0.0007	0.1	0.04	0.33	0.07
Oxide Copper-Gold	0.20	37.0	0.59	0.18	1.92	0.0003	0.48	0.22	2.29	0.25
Oxide Gold	na	0.02	-	1.03	4.06	-	-	0.00	0.00	-
Total	0.20	**216.4**	**0.49**	**0.25**	**2.77**	**0.0014**	**2.32**	**1.75**	**19.29**	**6.82**

Note: High Grade Mineral Resources are included within the Inferred Mineral Resources listed in Table 4.

These mineral resource estimates include Inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is also no certainty that these Inferred mineral resources will be converted to the Measured and Indicated mineral resource categories through additional drilling.

Parameters and Assumptions Used in the Mineral Resource Estimate

The conceptual pit shell constraining that portion of the mineral resource block model having a reasonable prospect for economic extraction based on the current knowledge of the deposit has been constructed according to technical and economic parameters in Table 6.

Table 7: Parameters Used in the Construction of the Mineral Resource Conceptual Pit Shell

Parameters	Mineral Resources Pit Shell	Units
Copper Price	3.20	US$/lb
Gold Price	1350	US$/oz
Silver Price	23	US$/oz
Copper Selling Costs (SCu)	0.16	US$/lb
Gold Selling Costs (SAu)	67.50	US$/oz
Silver Selling Costs (SAg)	1.15	US$/oz
Copper Price net of Selling Costs (PCu)	3.04	US$/lb
Gold Price net of Selling Costs (PAu)	1282.50	US$/oz
Silver Price net of Selling Costs (PAg)	21.85	US$/oz
Processing Throughput	80,000	t/day
" "	28,000,000	t/year
Mining Recovery Rate	97	%
Mining Dilution Rate	3	%
Mining Cost	**1.90**	US$/tonne mined
Processing Cost	**5.69**	US$/tonne Milled
Mill Cost	4.72	US$/tonne Milled
Additional cost for mineral resources	0.15	US$/tonne Milled
Ore handling cost	0.32	US$/tonne Milled
Environmental Cost	0.50	US$/tonne Milled
General and Administrative Cost	**1.11**	US$/tonne Milled
Total Operative Cost	**8.70**	US$/tonne Milled
Overall Pit Slope Angle	45	degree

Exploration Potential

As can be seen in Figure "Plan 2" (see above link to website) accompanying this news release, the Ccalla zone, which has been the focus of drilling to date and hosts the current mineral resources at Cotabambas, is located in the northeast part of the property where late phase porphyry mineralization is hosted by earlier diorites and andesite of the middle Eocene to early Oligocene Andahuaylas-Yauri batholith. Elsewhere on the property, similar late phase porphyries intrude clastic and carbonate strata of the Jurassic Yura Group and Cretaceous Ferrobamba Formation and are associated with recently discovered porphyry- and skarn-type mineralization. All of the mineralized zones identified to date appear to be aligned in either of two northeast-southeast structural trends up to 10 to 12 km in length.

The Cotabambas Project has a number of areas with significant exploration potential:

- ***Local scale.*** The stated Mineral Resources at 0.2% Cueq cut-off are a pit-constrained subset of the mineralization block model. Substantial mineralization, including higher grades, extends well below this conceptual pit shell and there is potential to include some or most of it in the project resource with further drilling.
- ***District scale***. The Ccalla and Azulccaca deposits form a 2.1 km northeast-southwest trend. Surface mapping and sampling have shown that this trend extends an additional 3 km to the northeast through the newly outlined Cochapata and Maria Jose mineralized porphyry centres. About 2 km to the west, two additional mineralized porphyries named Guaclle and Buenavista form another northeast-southwest trend. Detailed surface mapping and systematic rock chip sampling in this 5 km by 3 km area, including 2,365 samples to date, have defined new mineralized exploration targets for follow up surveys and drilling.
- ***Property scale.*** Elsewhere on the property, stream sediment geochemistry and surface mapping have identified six new exploration targets with anomalous levels of copper, gold, molybdenum, lead and/or zinc. Most include outcropping porphyry- and/or skarn-style mineralization. At the Jean Louis prospect, there is a complex of three Cu-Au-Mo mineralized porphyries outcropping along a 2 km northeast-southwest trend. To the southeast at Cullusayhua, three skarn zones are hosted by limestone near the contacts with intrusive porphyry. Ccarayoc includes three Cu-Mo mineralized porphyries flanked by mineralized skarn over an area of 1 km by 3 km.

Metallurgy and Mineral Processing

In 2013 No metallurgical test work were performed,

Recommendations

Recommendations are focussed on advancing the Project to a Preliminary Economic Assessment (PEA) and expand the exploration with surface mapping and geochemistry over all the property.

Recent Cotabambas Project Developments

Since the Resource estimate update, the Company has announced additional assay results from its Cotabambas Project. The drill results from drill holes include infill, step out, and exploration drill holes to the east and west side of the Ccalla deposit. The table below details the results of subsequent drill holes (not included in the resource estimate) to the date of this report. The large majority of these drill holes were aimed at infill drilling and a number of holes aimed at testing for the extensions of mineralization in the immediate vicinity of the resource. These results will be incorporated into a next resource update.

Drillhole	From (m)	To (m)	Metres	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)	Zone
CB-141	365.8	381.75	15.95	0.21	0.09	2.03	0.0012	Primary
CB-142	43.4	69.4	26	0.21	0.07	1.38	0.0031	Oxide
" "	198.5	218.5	20	0.22	0.04	1.9	0.0017	Mixed
CB-143	313.75	366.75	53	0.33	0.08	1.75	0.0064	Primary
" "	382.7	489.1	106.4	0.28	0.12	1.98	0.0032	Primary
" "	531.75	579.3	47.55	0.8	0.4	5.19	0.0019	Primary
" "	595.75	609.6	13.85	0.91	0.61	4.55	0.001	Primary
CB-145	118	159.45	41.45	0.37	0.09	1.14	0.0013	Enrichment
" "	198.2	206.4	8.2	0.54	0.24	*3.18*	0.0012	Enrichment
" "	218.35	227.5	9.15	0.58	0.18	*3.16*	0.0012	Enrichment
" "	246.45	251.4	4.95	0.55	0.25	3.29	0.001	Primary
" "	418.7	471.6	52.9	0.22	0.04	1.15	0.0091	Primary
" "	497.7	610.5	112.8	0.15	0.03	1.16	0.0115	Primary
CB-146	no significant values of mineralization found							
CB-147	198.6	236.3	37.7	0.68	0.39	4.97	0.0017	Primary
Including	*214*	*236.3*	*22.3*	*0.9*	*0.51*	*6.14*	*0.0016*	*Primary*
" "	276	394.75	118.75	0.35	0.17	2.5	0.0014	Primary
Including	*326*	*353.9*	*27.9*	*0.59*	*0.35*	*4.63*	*0.0013*	*Primary*
CB-148	292.4	430.15	137.75	0.55	0.22	3.6	0.0027	Primary
Including	*332*	*379*	*47*	*0.68*	*0.18*	*3.53*	*0.0018*	*Primary*
Including	*399*	*423*	*24*	*0.81*	*0.43*	*5.92*	*0.0018*	*Primary*
" "	453.9	564	110.1	0.29	0.13	2.16	0.0019	Primary
Including	*533.8*	*564*	*30.2*	*0.48*	*0.21*	*3.65*	*0.0026*	*Primary*
" "	578.2	592.65	14.45	0.33	0.06	4.09	0.0059	Primary
CB-149	13.5	52.95	39.45	0.14	0.05	1.14	0.0015	Leach
" "	52.95	69.45	16.5	0.2	0.05	1.09	0.0011	Oxide
" "	69.45	75.45	6	0.17	0.07	1	0.001	Mixed
" "	75.45	197.8	122.35	0.24	0.09	1.53	0.0015	Primary
" "	217.9	246.05	28.15	0.45	0.31	2.55	0.0011	Primary
" "	266.6	275.7	9.1	0.92	0.53	4.76	0.0039	Primary
" "	329.6	399.1	69.5	0.79	0.29	7.82	0.0036	Primary
" "	329.6	369.1	39.5	0.96	0.31	7.47	0.0035	Primary
" "	411.3	489.55	78.25	0.63	0.4	4.83	0.0045	Primary
CB-150	5.65	83.65	78	0.13	0.04	1.1	0.0012	Leach
" "	104.35	171.9	67.55	0.35	0.19	2.14	0.0013	Primary
Including	*151.65*	*171.9*	*20.25*	*0.68*	*0.46*	*4.14*	*0.0015*	*Primary*
" "	192.55	219.45	26.9	0.76	0.71	3.34	0.0027	Primary
" "	247.3	264.75	17.45	*0.82*	0.75	3.15	0.0015	Primary
" "	*270*	*278.75*	*8.75*	*0.78*	*0.31*	2.46	0.0027	Primary
" "	*285.15*	*350.2*	*65.05*	*0.7*	*0.29*	4.11	0.0015	Primary
" "	377.15	420.45	43.3	0.39	0.27	3.54	0.0026	Primary

The Company is near completion of the infill and exploration program and this data will be used to update the 43-101 mineral resource.

4.2 Antilla Copper/Molybdenum Project

Property Description and Location

The Antilla Project is located near the small town of the same name in the District of Sabaino, Province of Antabamba, Department of Apurimac, Perú. The centre point of the exploration concession lies at UTM coordinates 8,414,000N, 718,500E between elevations 3300 and 4100 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 Perú 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.

In December 16, 2013 Tetra Tech updated the resource estimate with the exploration data from the 2010 drill program, after which a preliminary economic assessment may be initiated.

Mineral Resource Estimate

Detailed information on the Antilla Project, including project description and location, climate, local resources, infrastructure, physiography, history, geological setting, exploration, mineralization, drilling sampling and mineral resource estimated, can be found in the 2013 Antilla Report which is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.panoro.com. The effective date of the 2013 Antilla Report is December 16, 2013.

Highlights

- Base Case Indicated mineral resource of 188.5 million tonnes at 0.40% Cu and 0.009% Mo at a cut-off of 0.20% Cueq;
- Base Case Inferred mineral resource of 145.9 million tonnes at 0.28% Cu and 0.009% Mo at a cut-off of 0.20% Cueq;
- The new resource reflects a 38% increase in contained copper and 53% increase in contained molybdenum;
- The strip ratio of the conceptual pit shell used to constrain the mineral resource is reduced to 1:1 from 2.5:1 in the 2012 resource estimate; Potential to increase resource tonnage in several directions and below the current pit shell through additional drilling on the basis of strong copper-molybdenum mineralization; and New exploration targets identified on the Antilla property.

Tetra Tech completed the mineral resource estimate for the Antilla project utilizing all drill and assay results available to June 11, 2013. The resource estimate has been completed based on the results of 9,130 meters of drilling by Panoro (49 drill holes) and 5,162 meters of drilling (39 drill holes from drilling by others). It includes supergene and hypogene sulphides from the East block deposit contained within a single conceptual pit shell. The conceptual pit shell has been modelled to include that portion of the mineral resource block model having a reasonable prospect for economic extraction based on the new knowledge of the deposit. The mineral resource estimate in the Indicated Category is summarized in Tables 1 and 2 below. See Plan 1 at the company website (www.panoro.com) illustrating the resource limits and drill hole locations.

Table 1: Sensitivity of Indicated Mineral Resource to Cut-off Grade

Cut-Off Grade % Cueq	Million Tonnes	Cu (%)	Mo (%)	Contained Cu (Blb)	Contained Mo (Mlb)
0.20	**188.5**	**0.40**	**0.009**	**1.7**	**36**
0.30	138.4	0.46	0.009	1.4	27
0.40	84.1	0.54	0.010	1.0	19
0.50	51.6	0.62	0.010	0.7	11
0.60	27.8	0.69	0.011	0.4	6.7
0.70	12.9	0.78	0.012	0.2	3.4

Note: Base case at 0,20% CuEq in bold. Mineral Resources have an effective date of September 27, 2013 and were estimated by Qualified Person Paul Daigle, P.Geo. (APGO, 1592). The estimate is based on 9,130 meters of drilling by Panoro and 5,162 meters of drilling from other campaigns. Mineral Resources are reported above a 0.20% Cueq cut-off grade and are constrained by a conceptual pit shell. Mineral Resources are reported using long-term copper price of US$ 3.25/lb and a molybdenum price of US$ 9.00/lb. Input parameters used for pit optimization are mining cost of US$1.90 /t mined, total operating cost of US$10.00/t including general and administrative costs, and metallurgical recoveries of 90% for copper and 80% for molybdenum. Mineralization would be mined from an open pit with final pit slopes of 45° and treated using conventional flotation and hydrometallurgical flow sheets. Rounding in accordance with reporting guidelines may result in summation differences.

Table 2: Mineral Resource in Indicated Category Classified by Mineralization Type

Zone	Cut-Off Grade % Cueq	Million Tonnes	Cu (%)	Mo (%)	Contained Cu (Blb)	Contained Mo (Mlb)
Hypogene Sulphide	0.20	42.6	0.30	0.010	0.28	9.4
Supergene Sulphide	0.20	132.6	0.45	0.008	1.3	23.4
Leach Capping	0.20	8.7	0.28	0.010	0.054	1.92
Overburden	0.20	4.5	0.27	0.010	0.027	0.99
Total		**188.5**	**0.40**	**0.009**	**1.66**	**35.71**

The mineral resource estimate in the Inferred Category is summarized in Tables 3 and 4 below.

Table 3: Sensitivity of Inferred Mineral Resource to Cut-off Grade

Cut-Off Grade % Cueq	Million Tonnes	Cu (%)	Mo (%)	Contained Cu (Blb)	Contained Mo (Mlb)
0.20	**145.9**	**0.28**	**0.009**	**0.9**	**28**
0.30	49.4	0.38	0.009	0.4	10
0.40	16.8	0.49	0.010	0.18	3.3
0.50	7.3	0.57	0.010	0.09	1.4
0.60	3.0	0.64	0.009	0.04	0.59
0.70	0.45	0.71	0.009	0.007	0.09

Note: Base case at 0,20% CuEq in bold. Mineral Resources have an effective date of September 27, 2013 and were estimated by Qualified Person Paul Daigle, P.Geo. (APGO, 1592). The estimate is based on 9,130 meters of drilling by Panoro and 5,162 meters of drilling from other campaigns. Mineral Resources are reported above a 0.20% Cueq cut-off grade and are constrained by a conceptual pit shell. Mineral Resources are reported using long-term copper price of US$ 3.25/lb and a molybdenum price of US$ 9.00/lb. Input parameters used for pit optimization are mining cost of US$1.90 /t mined, total operating cost of US$10.00/t including general and administrative costs, and metallurgical recoveries of 90% for copper and 80% for molybdenum. Mineralization would be mined from an open pit with final pit slopes of 45° and treated using conventional flotation and hydrometallurgical flow sheets. Rounding in accordance with reporting guidelines may result in summation differences.

Table 4: Mineral Resource in Inferred Category Classified by Mineralization Type

Zone	Cut-Off Grade % Cueq	Million Tonnes	Cu (%)	Mo (%)	Contained Cu (Blb)	Contained Mo (Mlb)
Hypogene Sulphide	0.20	87.9	0.26	0.008	0.50	15.5
Supergene Sulphide	0.20	49.3	0.33	0.009	0.36	9.8
Leached Capping	0.20	8.5	0.22	0.011	0.04	2.1
Overburden	0.20	0.26	0.24	0.010	0.001	0.05
Total		**145.9**	**0.28**	**0.009**	**0.90**	**27.45**

These mineral resource estimates include Inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is also no certainty that these Inferred mineral resources will be converted to the Measured and Indicated mineral resource categories through additional drilling.

A conceptual starter pit containing 15 million tonnes at a grade of 0.72% copper and 0.017% molybdenum at a cut-off of 0.25% Cu with a stripping ratio of 0.9 was defined in AMEC's 2009 resource estimate (June 19, 2009 PML release). This higher grade mineralization and much of the rest of the Inferred resource defined by AMEC has been upgraded to Indicated status in the current study. Conceptual pit shell modelling within the Indicated resource by Tetra Tech has shown that a significant proportion of the higher grade mineralization could be amenable to early scheduling in a starter pit. However, the updated definition of a starter and/or higher grade pit is being deferred to a Preliminary Economic Assessment for the project, to be initiated in the near future.

The mineral resource consists of a sub-horizontal blanket of supergene sulphide mineralization dominated by chalcocite and molybdenite underlain by a second blanket of primary chalcopyrite and molybdenite mineralization. Both mineralized zones are parallel to the surface, but are either overlain by a leached capping and/or covered by colluvium containing some mixed sulphide and oxide copper and molybdenum mineralization.

Mineralized horizons are hosted by stratified quartzites and quartz arenites of the Soraya Formation. The character of hypogene alteration and mineralization suggest that it may represent the distal portion of a nearby intrusive-hosted porphyry-style copper deposit.

Parameters and Assumptions Used in the Mineral Resource Estimate

The conceptual pit shell constraining that portion of the mineral resource block model having a reasonable prospect for economic extraction based on the current knowledge of the deposit has been constructed according to technical and economic parameters in Table 7.

Table 7: Parameters Used in the Construction of the Mineral Resource Conceptual Pit Shell

Parameters	Mineral Resources Pit Shell	Units
Copper Price	3.25	US$/lb
Molybdenum Price	9.00	US$/lb
Copper Selling Costs (SCu)	0.16	US$/lb
Molybdenum Selling Costs (SAu)	0.45	US$/lb
Copper Price net of Selling Costs (PCu)	3.04	US$/lb
Molybdenum Price net of Selling Costs (PAu)	8.55	US$/oz
Processing Throughput	30,000	t/day
" "	10,500,000	t/year
Mining Recovery Rate	97	%
Mining Dilution Rate	3	%
Mining Cost	1.90	US$/tonne mined
Mill Cost	7.25	US$/tonne Milled
Additional cost for mineral resources	0.15	US$/tonne Milled
Ore handling cost	0.50	US$/tonne Milled

Parameters	Mineral Resources	Units
Environmental Cost	1.00	US$/tonne Milled
General and Administrative Cost	1.10	US$/tonne Milled
Total Operating Cost	**10.00**	US$/tonne Milled
Overall Pit Slope Angle	45	Degree

Exploration Potential

As can be seen in Plan 2 at the company website (www.panoro.com), the East Block which hosts the current mineral resources at Antilla is located in the east part of the property where copper and molybdenum mineralization is associated with quartz monzonite porphyries of the middle Eocene to early Oligocene Andahuaylas-Yauri batholith which have intruded quartzites and arenites of the Cretaceous Soraya formation. In the western part of the property, similar late phase porphyries intrude arenites, shales and limestones of the Jurassic Piste formation. The potential to increase the resource at the Antilla project includes a number of possibilities:

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

- ***District Scale.*** Systematic geochemical sampling and geological mapping suggest that the current limits of the mineral resource are located in the center of an east-west structural trend some 2.5 km wide and 5 km long. The trend is characterized by significant anomalous copper and molybdenum and includes outcropping quartz monzonite porphyry exhibiting copper mineralization and potassic alteration as well as an apparent leached cap zone developed in the quartzites and arenites of the Soraya formation.

  A second extensive copper anomaly occurs in the 1.3 km by 1.5 km Chabuca zone located to the east of the current resource. Here, anomalous copper and molybdenum are associated with outcropping copper-mineralized and potassically altered quartz monzonite porphyry. The possibility of underlying hypogene porphyry copper mineralization in both the East and West Blocks largely remains to be tested. Additional systematic geochemical sampling is currently in progress in the north and western parts of the property. See Plan 3 at the company website (www.panoro.com).

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

Panoro continues its exploration at the Antilla project with surface mapping and a geochemistry survey, while a Preliminary Economic Assessment (PEA) is underway by SRK Canada. The PEA is due for completion in Q3 of 2014.

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 Uchuccarco, 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, Perú. The project has been explored in several drilling campaigns, the latest of which was in 2008. In that campaign, both porphyry copper and replacement-style silver-zinc mineralization were identified in the La Ramada area. Details of the geology and exploration on the property through 2006 may be found in a 2006 technical report entitled "2006 Summary Report on the El Rosal Property", which is available on the Company's website.

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

4.5 Cochasayhuas Project

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

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

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

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

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

4.6 Alicia Project

As detailed earlier, Strait Gold Corporation fulfilled the terms of its option agreement to earn a 100% interest in the Alicia property from the Company in early 2013. The Company has retained a 2% Net Smelter Return royalty.

4.7 Promesa Project

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

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

> "At Promesa, a composite, north-oriented, hornblende and quartz-eye bearing porphyry stock of granodiorite composition intrudes a dominantly clastic sequence of quartz-arenite and pelite of the Early Cretaceous Soraya Formation. (Figure 29.)Hydrothermal alteration is dominated by biotite and K-feldspar bearing potassic assemblages that affect the intrusive units and certain pelitic horizons of the country rock, whereas quartz-sericitic alteration is locally present in transgressive veins of D-type and more commonly occupies a peripheral position in quartz-arenite country rock. Copper mineralization accompanies moderate to weak quatz-stockworks with chalcopyrite primarily hosted by the composite porphyry stock near its contact with the host sedimentary sequence. Minor supergene chalcocite is present at the redox front in quartz-sericite altered country rock."

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

Drillhole No.	From (m)	To (m)	Intercept (m)	%Cu	g/t Au
PRO-01	242	250	8	0.39	0.09
	368	384	16	0.49	0.14
PRO-02	12	28	16	0.54	0.03
	314	376	62	0.43	0.09
PRO-03	236	244	8	0.40	0.07
	250	252	2	2.15	0.42
PRO-04	164	188	24	0.52	0.12
	234	238	4	0.50	0.22

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

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

4.8 Other Projects

The Company's other properties, including Checca, Pistoro Norte, Sancapampa, Humamantata, Pataypampa, Anyo, and Morosayhuas have not received any significant work since the date of the 2007 SRK report and the reader is directed to that report for a more detailed description of each.

ITEM 5: RISK FACTORS

Potential investors in the Company should be aware that investing in its securities involves a high degree of risk. The risk factors outlined in this section and elsewhere in this Annual Information Form should be carefully considered by investors when evaluating an investment in the Company. These risk factors list some, but not all, of the risks and uncertainties that may have a material adverse effect on the Company's securities. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial may also impair the Company's business operations. If the Company is unable to prevent events that have a negative effect from occurring, then its business, results of operations and financial condition and the market price of its securities could be materially and adversely affected.

5.1 Exploration Industry

The business of exploration for minerals involves a high degree of risk which even a combination of experience, hardwork, knowledge and careful evaluation may not be able to overcome. Few properties are developed into producing mines. Unprofitable efforts result not only from the failure to discover mineral deposits, but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. There is no assurance that the Company's future exploration and development activities will result in any discoveries of commercial bodies of ore. The marketability of minerals 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.

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of copper, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, pit wall failure and other conditions involved in drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

5.2 Requirement for Additional Funding

The Company will require additional funding to fund further exploration and to develop the Cotabambas and Antilla projects and to explore and develop any other properties in which the Company may decide. The Company does not have sufficient funds on hand to carry out the completion of all proposed activities, and will have to obtain other financing or raise additional funds. The Company has limited financial resources, has no source of operating cash flow, and has no assurance that additional funding will be available to the Company to carry out the completion of all proposed activities, for additional exploration and evaluation or for the substantial capital that is typically required in order to place a property into commercial production. Even if adequate financing is available, there is no assurance that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and evaluation of its projects or bankruptcy.

While the Company believes it has sufficient financial resources to fund its planned exploration programs through 2014, the Company will require additional funds to fund additional infill drilling at Cotabambas and Antilla as well as exploration activities at any of its early stage projects.

5.3 Global Financial Conditions

Financial markets globally have been subject to increased volatility. Access to financing has been negatively affected by liquidity crises and uncertainty with respect to sovereign defaults throughout the world. These factors may impact the ability of the Company to obtain loans and other forms of financing in the future and, if obtained, on terms favorable to the Company. If these levels of volatility and market turmoil continue or worsen, the Company may not be able to secure appropriate debt or equity financing when needed, any of which could affect the trading price of the Company's securities in an adverse manner.

5.4 Mineral Resource Estimates

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.

5.5 Dilution

The Company may require additional equity financing be raised in the future. The Company may issue securities in order to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

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.

5.6 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, or if they are obtained, if they will be granted on a timely basis. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude entirely the economic development of the Property.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

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

Permitting of exploration programs in Perú 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.

5.7 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 commodities has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the 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.

5.8 Environmental Matters

All of the Company's exploration, development and any production activities will be subject to regulation under one or more environmental laws and regulations, which can make operations expensive or prohibit them altogether. Many of the regulations require the Company to obtain permits for its activities. The Company must update and review its permits from time to time, and is subject to environmental impact analyses and public review processes prior to approval of the additional activities. It is possible that future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of the Company's business, causing those activities to be economically re-evaluated at that time.

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

To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

5.9 Volatility of Share Price

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries or discouraging exploration results, changes in financial results, and other factors could have a significant effect on share price. The market price of a publicly traded stock, especially a resource issuer like Panoro, is affected by many variables in addition to those directly related to exploration or development successes or failures. Such factors include the general condition of markets for resource stocks, the general strength of the economy, the availability and attractiveness of alternative investments, and the breadth of the public markets for the stock. The effect of these and other factors on the market price of the Company's common shares suggests continued volatility. Therefore, investors could suffer significant losses if the Company's shares are depressed or illiquid when an investor seeks liquidity and needs to sell Panoro's shares.

5.10 Trading Volume

Relatively low trading volumes could reduce the liquidity of an equity investment.

5.11 Title to Mineral Properties

In those jurisdictions where the Company has property interests, the Company undertakes searches of mining records and obtains title opinions from reputable counsel in accordance with mining industry practices to confirm satisfactory title to properties in which it holds or intends to acquire an interest, but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims, prior unregistered agreements or transfers, and title may be affected by undetected defects or native land claims. 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.

5.12 No History of Earnings

The Company has no history of revenues from its operating activities. With no source of operating cash flow the Company relies on financings to fund the development of its projects. Furthermore, additional financing, whether through the issuance of securities or debt, will be required to continue the development of the Company's properties even if the Company's exploration program is successful. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties.

5.13 Qualified Personnel

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

5.14 Precious Metal Prices

The price of precious metals are affected by numerous factors including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, supply and demand, political, economic conditions and production levels. In addition, precious metal prices have been volatile over short periods of time due to speculative activities.

5.15 Laws and Regulations

The Company's exploration activities are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws and relies on its in legal counsel in both Perú and Canada.

5.16 Exchange Rate Fluctuations

Financings are in Canadian Dollars and exploration expenditures are typically in US Dollars and Perúvian Nuevo Sol. As a result, the Company is subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the U.S. dollar and the Perúvian Nuevo Sol. An increase in the U.S. dollar would result in an increase in the real value of the Company's exploration expenditures and adversely impact the Company's financial performance. The exchange rate has varied substantially over time. Fluctuations in exchange rates may give rise to foreign currency exposure, either favorable or unfavorable, which will impact financial results. The Company does not engage in currency hedging to offset any risk of exchange rate fluctuation.

5.17 Potential Political, Social and Economic Instability in Perú

The Company's mineral property assets are located in Perú, South America. Consequently, the Company is subject to various risks associated with operating in a developing country such as Perú, including possible political or economic instability and governmental policies which may result in the impairment or loss of mineral concessions or other mineral rights.

Perú's history since the mid-1980s has been one of political and economic instability under both democratically elected and dictatorial governments. These governments have frequently intervened in the national economy and social structure, including periodically imposing various controls the effects of which have been to restrict the ability of both domestic and foreign companies to freely operate. Perú's recent political and fiscal regimes were generally favorable to the mining industry and have been relatively stable since the 1990s. However, there is a risk that this may change.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

There are risks that a labor unrest or wage agreements may adversely impact the Company's operations. These and other uncertainties associated with the Company's mineral property interests being located in a developing country may make it more difficult for the Company to obtain any required financing for exploration and development of mineral projects in Perú.

5.18 Mining Operations and Risks

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, labor disruptions, industrial accidents, flooding, explosions, cave-ins, landslides, and other environmental hazards, technical failures, the inability to obtain suitable or adequate machinery, equipment or labor, are some of the risks involves 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.

5.19 Uninsurable Risks

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

5.20 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.

5.21 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 Company has a process to identify and declare any conflicts. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* of British Columbia.

ITEM 6: DIVIDEND RECORD AND POLICY

The Company has not paid dividends since incorporation and it has no plans to pay dividends in the immediate future. 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 25, 2014, the Company had a total of 204,705,921 common shares issued and outstanding. All of the issued common shares of the Company are fully paid and not subject to any future call or assessment.

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

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

ITEM 8: MARKET FOR SECURITIES

8.1 Trading Price and Volume

The Company is a reporting issuer in British Columbia, Alberta and Ontario, and its common shares are listed on the TSX Venture Exchange ("PML"), the Frankfurt Exchange ("PZM") and on the Junior Board of the Bolsa de Valores de Lima ("PML"). The price ranges and volume traded of the Company's common shares for the three exchanges on a monthly basis for the recently fiscal years are:

PANORO MINERALS LTD.												
	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**

PANORO MINERALS LTD. - Trading volume in 2012									
	TSX-V			**Lima**			**Frankfurt**		
	Hi	Low	Vol.	Hi	Low	Vol.	Hi	Low	Vol.
January	0.64	0.35	5,827,632	0.64	0.36	15,562,667	0.61	0.36	9,000
February	0.75	0.60	4,487,910	0.76	0.61	15,340,321	0.73	0.61	17,500
March	0.84	0.70	5,818,394	0.85	0.72	10,637,260	0.84	0.36	13,200
April	0.76	0.66	1,707,685	0.78	0.68	4,569,569	0.75	0.66	1,700
May	0.77	0.47	2,284,859	0.75	0.57	5,237,668	0.78	0.59	2,100
June	0.73	0.61	1,531,730	0.72	0.62	3,401,020	0.74	0.64	14,600
July	0.68	0.58	4,372,111	0.68	0.59	4,931,669	0.73	0.64	400
August	0.82	0.59	5,479,859	0.84	0.59	13,234,754	0.89	0.61	5,200
September	0.86	0.72	4,417,529	0.89	0.77	13,654,748	0.88	0.76	7,800
October	0.84	0.65	2,380,989	0.81	0.65	4,470,406	0.84	0.66	300
November	0.72	0.60	1,745,925	0.73	0.62	4,080,927	0.73	0.64	200
December	0.66	0.58	2,290,035	0.66	0.59	4,186,435	0.66	0.57	600
Volume for 2012			42,344,658			99,307,444			72,600

PANORO MINERALS LTD. - Trading Volume in 2013									
	TSXV - In Canadian Dollars			Lima (Bolsa de Valores) in USD			Frankfurt Exchange in Euro		
	Hi	Low	Volume	Hi	Low	Volume	Hi	Low	Volume
January	0.71	0.59	5,996,000	0.65	0.63	6,065,121	0.51	0.44	10,700
February	0.64	0.47	3,126,600	0.57	0.55	3,224,655	0.47	0.34	38,700
March	0.49	0.41	3,916,900	0.46	0.44	3,112,881	0.38	0.31	28,000
April	0.45	0.29	1,287,400	0.38	0.35	1,958,366	0.34	0.22	357,200
May	0.34	0.26	1,385,500	0.28	0.27	2,061,683	0.23	0.19	50,600
June	0.29	0.24	567,300	0.26	0.25	2,117,864	0.20	0.17	66,500
July	0.35	0.23	1,222,500	0.27	0.26	2,279,796	0.25	0.16	27,300
August	0.38	0.28	1,758,300	0.31	0.29	2,722,171	0.25	0.19	18,800
September	0.46	0.35	1,794,700	0.39	0.38	2,354,364	0.32	0.24	14,600
October	0.47	0.34	418,400	0.39	0.38	2,130,195	0.29	0.23	17,500
Novermeber	0.42	0.29	355,000	0.35	0.33	1,257,021	0.28	0.21	60,000
December	0.40	0.29	263,700	0.33	0.32	1,178,489	0.24	0.19	32,300
Total Volume for 2013			22,092,300			30,462,606			722,200

ITEM 9: DIRECTORS AND OFFICERS

9.1 Name and Occupation

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

Name, Municipality of Residence	Principal Occupation for the Past Five Years	Position with the Corporation	Director or Officer Since
WILLIAM J. BODEN(1) 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
RICHARD A. MUNDIE(1) Vancouver, B.C.	Corporate Director, Chartered Accountant, Director of Taseko Mining	Director and Chairman of the Audit Committee	Director, March 2010
CHRISTIAAN F. STAARGAARD (1) Vancouver, B.C.	Professional Geoscientist; President and CEO, InZinc Mining since 2002.	Director	Director, February 2005
LORNE A. TORHJELM(1) White Rock, B.C.	President & CEO of Cardiff Energy Corp.; President of L.C.T. Management Corp.	Director	Director, April 2002
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 &	President, Chief Executive Officer, Director	President, April 2008 CEO, April 2008 Director, April 2008

Name, Municipality of Residence	Principal Occupation for the Past Five Years	Position with the Corporation	Director or Officer Since
	Environmental May 2001 to August 2006.		
CHRISTIAN G. PILON **LIMA, PERÚ**	Consulting Geophysicist, President and General Manager, Geoline S.A., 1995 to present	Senior Vice President, South America and Director	Director, June 1998
THE LATE 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 Perú from 2001 to 2004.	Director	Director, August 2011 Passed away December 23, 2013
David W. Huber Vancouver, B.C.	Chartered Accountant, Chief Financial Officer and Corporate Secretary of the Company. Acted as 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 April 25, 2014, directors and officers, as a group, beneficially owned, directly or indirectly, or exercised control over 12,025,512 common shares (not including common shares issuable upon the exercise of stock options) of the Company, representing 5.9% of the 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 AIF, has been a director, officer, insider or promoter of any other person or company that, while that person was acting in that capacity:

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

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

Penalties or Sanctions

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

Personal Bankruptcies

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

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

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

Composition of the Audit Committee

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

Richard A. Mundie, CA
Mr. Mundie is a Chartered Accountant with over 46 years of experience as a Chartered Accountant. He has held senior positions in the mining sector, both in British Columbia and overseas and has more than 35 years of mining industry experience. 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, CA
Mr. Boden is a Chartered Accountant with 40 years of 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.

Christiaan F. Staargaard, P. Geo
Mr. Staargaard is President and CEO of InZinc Mining Ltd., a TSX-V listed company, a position he has held since 2002. Earlier in his career, he worked in mineral exploration as a project geologist for Kennecott Copper, Kidd Creek Mines Ltd., Homestake Mineral Development Company and Silver Hart Mines Ltd. From 1988 until 2002, he was an independent consulting geologist, mainly to junior mining companies and investment dealers. In all, he has over 35 years of experience in the evaluation of mineral exploration projects in a wide variety of geological environments throughout Canada, the United States, Central and South America as well as China, the Southwest Pacific, Africa, Eastern Europe, Ukraine and Madagascar. In addition to his technical experience, Mr. Staargaard has served as a Director and/or senior officer of publically traded companies for over 20 years. He holds a B.Sc. in Geology from The Pennsylvania State University and a M.Sc. in Geochemistry from Queen's University.

Lorne A. Torhjelm
Mr. Torhjelm currently serves as the Chief Executive Officer and President of Cardiff Energy Corp. He has been involved in the exploration and development of resources since 1966. This has led to being a director and founder of several private and public companies during the

ensuing years. In the past 15 years: Mr. Torhjelm has served as the Chief Financial Officer of Orestone Mining Corp. from April 20, 2007 to December 31, 2011. Mr. Torhjelm served as the Chief Financial Officer of Musgrove Minerals Corp. (also known as Journey Resources Corp.) from May 13, 2005 to September 2011 and its Secretary since January 12, 2004. He has been a Self-employed Investment Manager since July 2004. Mr. Torhjelm has been a founder of four capital pool corporations which have emerged as Panoro Minerals, Musgrove Minerals Corp, Upper Canyon Resources, and Orestone Mining Corp., all of which trade on the TSX Venture Exchange.

All of the members of the audit committee are “financially literate” as defined in Multilateral Instrument 52-110. Messer’s Mundie, Boden, Staargaard and Torhjelm are considered to be independent for the full year ending December 31, 2013.

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, 2011	$78,900	$2,140	$2,780	$8,730
YEAR ENDED DECEMBER 31, 2012	$78,850	$ 20,000	$24,800	$ 11,800
YEAR ENDED DECEMBER 31, 2013	$114,500	$14,000	$3,000	$Nil

Audit related fees includes fees billed for assurance and related services that are reasonable related to the performance of the audit or review of the Company’s financial statements that are not included under the heading “Audit Fees”. Audit related fees for the year ended December 31, 2013 include fees associated with the issuance of a prospectus in February 2013.

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, 2011 issued by KPMG LLP, Chartered Accountants was filed under National Instrument 51-102.

Robert S. Morrison, PhD., MAusIMM (CP), P.Geo., Jianhui (John) Huang, PhD, P.Eng. and Paul Daigle, P.Geo. of TETRA TECH WEI Inc. are each "qualified persons" as defined by NI 43-101, and have prepared the 2013 Cotabambas Report. To the knowledge of the Company, none of Messrs. Morrison, Huang and Daigle are shareholders of Panoro**.**

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

Luis Vela, VP Exploration, is a "Qualified Person" as defined in NI 43-101. Mr Vela is responsible for the preparation of technical information in the Company's news releases and other disclosure documents since October 2012. As at the date of the AIF, Mr Vela held 950,000 options to purchase common shares of the Company.

ITEM 12: ADDITIONAL INFORMATION

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

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

SCHEDULE "A" - AUDIT COMMITTEE CHARTER
PANORO MINERALS LTD.

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

1. Members of the Audit Committee

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

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

2. Communication and Reporting

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

3. Authority

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

4. Responsibilities

The Audit Committee shall:

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 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;

c) 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;

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

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

f) 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;

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

h) 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;

i) 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;

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

k) 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

l) 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