

PANTHERA EXPLORATION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

Introduction

The following discussion of the operating results and the financial position of Panthera Exploration Inc. (the "Company") which have been prepared on the basis of available information up to April 29, 2010, should be read in conjunction with the annual audited consolidated financial statement and notes thereto of the Company for the years ended December 31, 2009 and 2008. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"). The discussion also provides an indication of future developments along with issues and risks that can be expected to impact future operations. There is no guarantee of future performance as actual results could change based on factors beyond management's control. Except as otherwise disclosed all dollar figures in this report are stated in Canadian dollars. Additional information relevant to the Company can be found on the SEDAR website at www.sedar.com.

Forward Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act or "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 of the United States. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to foreign currency fluctuations; risks inherent in mining including environmental hazards, industrial accidents, unusual or unexpected geological formations, risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour; the inherent uncertainty of future production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain necessary governmental permits; and other risks and uncertainties, including those described under Risk Factors Relating to the Company's Business in the Company's Annual Information Form and in each management discussion and analysis. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of gold, silver and copper; that the Company can access financing, appropriate equipment and sufficient labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

Company Overview

As of April 29, 2010, the Company had working capital of approximately \$288,000. The Company does not have adequate resources to maintain its core activities and has ceased its exploration activities for the time being, as well as taking steps to reduce overhead and other costs. The Company will need to raise further financing in order to continue its operations and fulfill its commitments. The Company may not be able to raise the necessary funds or may not be able to raise such funds at terms which are acceptable to the Company. In the event the Company is unable to raise adequate finances to fund the proposed activities, it will need to reassess its alternatives and may have to abandon one or more of its property interests as a result. Any further additional equity financing undertaken by the Company will cause dilution to its shareholders. The December 31, 2009 audited consolidated financial statements have been prepared on a going concern basis in accordance with Canadian GAAP. The going concern basis of presentation assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has incurred significant losses and negative cash flow from operations since inception. Adjustments to the carrying value of assets and liabilities, the reported expenses and balance sheet classifications used that would be necessary if the going concern assumption were not appropriate could be material.

The Company was incorporated on April 11, 2000 and was transitioned under the Business Corporations Act (BC) on June 17, 2004. The Company remained without a business asset until March 2003, when the Company negotiated a number of agreements to option and acquire interests in various mineral concessions located in Argentina. In December 2003, the Company completed its initial public offering and commenced trading on the TSX Venture Exchange (“TSX-V”) under the symbol “AMS”.

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company’s material mineral property interest is located in the United States. As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties. The Company is a reporting issuer in British Columbia, Alberta and the USA (SEC).

During 2008 several option agreements on Peruvian properties were terminated as the Company’s financial position did not allow exploration and payment commitments to be met. The Company consolidated its outstanding common shares on a 10 for 1 basis and changed the name of the Company to Panthera Resources Inc. trading on the TSX-V under the symbol “PNX”.

Peru

Cocha Copper-Silver Project, Department of Junin

The Cocha property is located in the Department of Junin, Peru approximately 23km east of the city of Huancayo and 220km east of Lima. Staked in 2006, the Cocha property was expanded from 2,400 to 7,060 hectares in 2007. The Company held a 100% interest in the property.

During the year, management determined that the property should be written down to its net realizable value. Accordingly, the Company wrote down the acquisition costs by \$48,420 to \$6,291.

On July 22, 2009 this property was sold to Golden Arrow as part of the sale of its 51% interest in the Mogote property and four Peruvian property concessions for \$168,870 CDN (\$150,000 USD). The amount allocated to proceeds for Cocha was \$6,291 CDN.

Mitu Copper-Silver property, Department of Junin

The Mitu property is located in the Department of Junin, Peru approximately 155km northeast of Lima. Acquired by direct staking the Company held a 100% interest.

During the year, management determined that the property should be written down to its net realizable value. Accordingly, the Company has written down the acquisition costs by \$12,935 to \$1,681.

On July 22, 2009 this property was sold to Golden Arrow as part of the sale of its 51% interest in the Mogote property and four Peruvian property concessions for \$168,870 CDN (\$150,000 USD). The amount allocated to proceeds for Mitu was \$1,681 CDN.

Other Properties:

Included in other properties is the Acero Property and the Fuyani Property located in the Department of Cuzco, Peru. The Company held a 100% interest in the Acero Property and Fuyani Property.

During the year, management determined that the properties should be written down to their net realizable value. Accordingly, the Company has written down the Acero acquisition costs by \$5,497 to \$715 and written down the Fuyani acquisition costs by \$3,234 to \$420.

On July 22, 2009 these properties were sold to Golden Arrow as part of the sale of its 51% interest in the Mogote property and four Peruvian property concessions for \$168,870 CDN (\$150,000 USD). The amount allocated to proceeds for Acero was \$715 and the amount allocated to Fuyani was \$420 CDN.

Argentina

Mogote Property, San Juan Province

The Company exercised its option agreement with Golden Arrow Resources Corporation (“Golden Arrow”), a publicly traded company with common management, and has earned a 51% interest in eight mineral concessions, comprising 8,009 hectares (the “Mogote Property”), located in San Juan Province, Argentina. The Company issued a total of 1,650,000 common shares and incurred a minimum of US \$1.25 million of exploration expenditures to fulfil the requirements to earn this 51% interest.

On May 14, 2007, the Company gave notice to Golden Arrow that it would not proceed with the additional expenditures required in order to earn an additional 24% interest.

During the year, management determined that the property should be written down to its net realizable value. Accordingly, the Company wrote down the acquisition costs by \$1,229,546 to \$159,763.

On July 22, 2009 this property was sold to Golden Arrow as part of the sale of its 51% interest in the Mogote property and four Peruvian property concessions for \$168,870 CDN (\$150,000 USD). The amount allocated to proceeds for Mogote was \$159,763 CDN.

USA

Roy and Hills Properties, Nevada

The Roy and Hills Properties consist of two claim blocks in the Roysten Hills in the Walker Lane District of west central Nevada. The 478 ha (1,180 acres) Roy claim blocks and the 227 ha (560 acres) Hills claim block are located 45 kilometres northwest of Tonopah along the northern margin of the prolific Walker Lane epithermal belt which has seen past production of more than 35 million gold equivalent ounces.

In 2006, the Company signed a Letter of Intent with Astral Mining Corporation (“Astral”) to option to them the Roy and Hills properties. Under the terms of this Letter of Intent, Astral may earn up to an 80% undivided interest in the Roy and Hills Properties. Astral can earn an initial 65% interest in the project may be earned by incurring US\$2,500,000 in work expenditures over four years and issuing 500,000 common shares (100,000 common shares issued) to the Company. Astral may then elect to earn an additional 15% interest, by issuing a further 500,000 shares and completing a bankable feasibility study, within three years. The Company received approval from TSX Venture Exchange for this agreement.

On May 18, 2007 Astral reported the results from a 7-hole 1,000m Phase I Reverse Circulation (RC) drill program on the Roy and Hills gold projects. The best results from the program were a 6.1m interval averaging 0.89 g/t gold, including a 1.5m interval assaying 2.1 g/t gold (hole R-07-5). This hole, along with R-07-03, was designed to test the area where surface samples of subcropping bladed quartz vein material assayed 41.5 g/t gold. The option agreement was terminated by Astral. Accordingly, in 2008 the Company wrote off \$64,010 of acquisition costs. The Company dropped the Hills property and still maintains title to the Roy property.

The Roy and Hills drilling program was carried out under the supervision of John Rice, C.P.G., and a Qualified Person. All analytical work for the Roy and Hills drilling program was performed by American Assay Laboratories Inc, located in Sparks, Nevada. The technical information discussed above has also been reviewed by Dr. David A. Terry, P.Geo, a director of the Company and a Qualified Person.

Selected Quarterly Financial Information and Fourth Quarter Discussion

The following selected financial information is derived from the unaudited interim financial statements of the Company prepared in accordance with Canadian GAAP.

	2009				2008			
	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	(258,474)	(6,521)	(14,484)	(1,352,473)	(315,755)	(529,824)	(949,888)	(1,676,882)
Net Loss per Common Share Basic and Diluted	(0.04)	(0.00)	(0.00)	(0.21)	(0.09)	(0.13)	(0.24)	(0.44)

For the three months ended December 31, 2009, the Company reported a consolidated loss of \$258,474 (\$0.04 per share), a decrease of \$57,281 from the loss of \$315,755 (\$0.09 per share) for the three months ended December 31, 2008. The decrease in loss is primarily a result of:

- (i) Exploration decreased by \$137,397 to \$39,911 in the 2009 period from \$177,308 in the 2008 period as a result of the level of exploration activities decreasing in the 2009 period.
- (ii) Severance expense was \$131,250 for the 2009 period compared to \$Nil for the 2008 period as a result of the company terminating its contract with the President of the Company.
- (iii) Other than temporary write-down of marketable securities was \$Nil for the 2009 period compared to \$28,000 for the 2008 period as a result of the writing down its investment in Astral Mining Corporation in 2008.
- (iv) The Company wrote off mineral property costs of \$Nil in the 2009 period compared to \$31,725 in the 2008 period.

Selected Annual Financial Information

The following selected consolidated financial information is derived from the audited consolidated financial statements and notes thereto. The information has been prepared in accordance with Canadian GAAP.

	Years Ended December 31,		
	2009 \$	2008 \$	2007 \$
Total Revenues	Nil	Nil	Nil
General and Administrative Expenses	(428,264)	(919,084)	(1,612,536)
Exploration recovery (expenses)	90,815	(2,165,600)	(1,364,324)
Other income (expenses)	(1,294,503)	(387,665)	(96,937)
Net Loss	(1,631,952)	(3,472,349)	(3,073,797)
Basic and diluted Loss per Common Share	(0.26)	(0.90)	(1.00)
Total Assets	204,247	1,524,520	3,588,597

Summary of Financial Results

For the year ended December 31, 2009, the Company reported a consolidated loss of \$1,631,952 (\$0.26 per share), a decrease of \$1,840,397 from the loss of \$3,472,349 (\$0.90 per share) for the year ended December 31, 2008. The decrease in the loss in 2009, compared to 2008, was due to a number of factors of which \$2,747,235 can be attributed to decreases in operating expenses and a \$906,838 increase in other expense items.

Results of Operations

The Company's operating expenses for the year ended December 31, 2009, were \$337,449, representing a decrease of \$2,747,235 from \$3,084,684 in 2008 as a result of the following:

- (i) Corporate development and investor relations decreased to \$19,561 in 2009 compared to \$267,716 during 2008, mainly due to decreased costs associated with advertising and attendance at investor conferences.

(ii) Exploration expenses decreased by \$2,256,415 to a recovery of \$90,815 in 2009 compared to \$2,165,600 in 2008. In 2009, the Company had a recovery as a result of a reversal for accrued validity fees for its former Peruvian properties. In the 2008 the Company was actively exploring its properties in Peru.

(iii) Consulting fees increased by \$165,040 as a result of Severance expense of \$131,250 for the 2009 period compared to \$Nil for the 2008 period as a result of the termination of the contract with the President of the Company.

(iv) Office and sundry expenses decreased by \$91,908 to \$5,494 in 2009 from \$97,402 in 2008 as a result of decreased activity levels in 2009.

(v) Salaries decreased to \$Nil in 2009 compared to \$207,236 in 2008 as a result of Company no longer using the services of the Grosso Group and management taking steps to reorganize the Company during the year.

During the year ended December 31, 2009, the Company recorded interest income of \$Nil compared to \$14,210 in 2008 year as a result of a decrease of short-term investments. The Company recorded interest expense of \$35,555 in 2009 compared to \$20,021 in 2008. This interest expense relates to a balance owing to a drilling company which has been outstanding since 2008.

On December 17, 2009 the Company terminated its contract with the former President of the Company and accrued severance of \$131,250. This was paid subsequent to year end.

During the year, management determined that the Peruvian and Argentine properties should be written down to their net realizable values. Accordingly, the Company wrote down the acquisition costs by \$1,299,632 to \$168,870. On July 22, 2009 the Company sold Mogote, Cocha, Acero, Fuyani and Mitu properties to Golden Arrow Resources Corporation for \$168,870 CDN (\$150,000 USD).

The Company still maintains title to the Roy property located in the United States. During the year the Company incurred acquisition costs of \$9,764 on the Roy property.

Operating Cash Flow

Cash outflow from operating activities was \$363,452 for the year ended December 31, 2009 compared to \$2,377,889 for 2008.

Financing Activities

Cash inflow from financing activities was \$366,124 for 2009 compared to \$954,267 for 2008. In 2009 the financing activities included cash proceeds of \$380,490 from the issuance of shares less \$14,256 of share and warrant issue costs and \$110 paid for the return of 1,000 shares to treasury. In 2008 the Company received \$1,027,600 from the issuance of shares less \$73,333 share issue costs.

Investing Activities

Investing activities generated cash of \$159,106 for 2009 compared to a cash generated of \$1,282,106 for 2008. In 2009 the investing activities included validity fees of \$9,764 for the Roy property and proceeds of \$168,870 from the sale of mineral properties to Golden Arrow. In 2008 investing activities included additions of \$117,894 to mineral property interests and a decrease of \$1,400,000 in short-term investments.

Liquidity and Capital Resources

The Company's cash position at December 31, 2009 was \$186,280, an increase of \$161,778 from December 31, 2008. Total assets decreased to \$204,247 at December 31, 2009 from \$1,524,520 at December 31, 2008. This decrease is primarily due to the decrease in mineral properties partially offset by an increase in cash.

The Company has financed its operations through the sale of its equity securities. During the year ended December 31, 2009, the Company completed:

- a non-brokered private placement financing of 4,612,000 units at a price of \$0.0825 per unit for net proceeds of \$366,234, net of related share issue costs of \$14,256. Each unit consisted of one common share and one

common share purchase warrant. Each warrant entitles the holder to purchase one common share, exercisable at a price of \$0.11 expiring July 9, 2011.

Subsequent to year ended December 31, 2009, the Company:

- a non-brokered private placement financing of 4,700,000 units at a price of \$0.13 per unit, for gross proceeds to the Company of \$611,000. Each Unit will consist of one common share and one common share purchase warrant. Each full warrant will entitle the holder thereof to purchase one additional common share in the capital of the Company at a price of \$0.18 per share in year one and \$0.22 per share in year two.

The Company has received \$Nil from the exercise of warrants and options for the year ended December 31, 2009 (2008 - \$Nil).

The Company presently does not have adequate resources to maintain its core activities for the next fiscal year or sufficient working capital to fund all its planned activities. The Company will continue to rely on successfully completing additional equity financing to maintain its core activities and further exploration of its existing and new properties in the Americas. There can be no assurance that the Company will be successful in obtaining the required financing. The failure to obtain such financing could result in the loss of the Company's interest in one or more of its mineral claims.

The Company does not know of any trends, demand, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the exploration programs. The Company does not have any loans or bank debt and there are no restrictions on the use of its cash resources.

Subsequent Events

On March 12, 2010 the Company granted stock options to its officers and directors to purchase up to 700,000 common shares of the Company at a price of \$0.13 per share, exercisable for a period of five years. The options are subject to a four month hold period. The fair value of stock options granted was estimated on the date of grant using the Black-Scholes Option Pricing Model with stock price of \$0.14, expected life of 2.5 years, risk free rate of 1.46% and volatility of 166%. The value assigned to the options is \$80,351.

On April 7, 2010 the Company settled a debt of \$215,696 with a drilling Company by paying cash of \$129,361 and transferring the shares of the Company's Peruvian subsidiary, Recursos de los Andes S.A.C.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Related Parties Transactions

- a) The Company had engaged Grosso Group Management Ltd., ("Grosso Group") to provide services and facilities to the Company. The Grosso Group is a private company that is currently owned by Blue Sky Uranium Corp. ("Blue Sky") and Golden Arrow, each of which owns one share. The Grosso Group provides its shareholder companies with geological, corporate development, administrative and management services. The shareholder companies pay monthly fees to the Grosso Group. The fee was based upon a pro-rating of the Grosso Group's costs including its staff and overhead costs among each shareholder company with regard to the mutually agreed average annual level of services provided to each shareholder company.

The arrangement with the Grosso Group was terminated effective September 1, 2008. There were no fees paid during the year ended September December 301, 2009. During the year ended December 31, 2008, the Company incurred fees of \$295,551 to the Grosso Group as a result of a review of the allocation of the Grosso Group costs to the member companies for the year. In addition, included in other receivables, prepaids and deposits as at December 31, 2008 was a \$9,152 deposit to the Grosso Group for the purchase of equipment and leasehold improvements and for operating working

capital.

- b) The former President of the Company provided his services on a full-time basis under a contract with a private company controlled by the President for an annual fee of \$87,500. During the fiscal 2009, the Company paid \$83,854 (2008 - \$65,275) to the President and \$30,559 was included in accounts payable (2008 - \$22,225). The contract also provided that, in the event the services are terminated without cause or upon a change in control of the Company, a termination payment would include eighteen months of compensation plus a bonus amount agreed to by the parties.

On December 18, 2009 the Company terminated his contract. Included in accounts payable is a termination payment of \$131,250. This amount was paid subsequent to year end.

- c) Effective May 1, 2007, the Company entered into an agreement with IMA to pay a monthly fee for the services provided by IMA's Chief Executive Officer who is a director of the Company. This agreement was terminated on June 30, 2008. For fiscal 2008, the Company paid \$9,000 to IMA for these services.
- d) During the year ended December 31, 2009 the Company paid consulting fees in the amount of \$35,000 (2008 - \$Nil) to a company controlled by a director of the Company.
- e) During the year ended December 31, 2009 the Company paid consulting fees in the amount of \$29,435 (2008 - \$Nil) to a company controlled by a director of the Company.
- f) During the year ended December 31, 2009 the Company paid consulting fees in the amount of \$8,250 (2008 - \$Nil) to a company controlled by a director of the Company.
- g) As at December 31, 2009, the Company has a balance owing to Golden Arrow, a company managed by a director of the Company, of \$14,731 (2008 - \$1,864).

All of the related party transactions and balances in these consolidated financial statements arose in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Contractual Commitments

As of December 31, 2009, the Company had no commitments.

Critical Accounting Estimates and Recent Accounting Pronouncements

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from these estimates.

Reference should be made to the Company's significant accounting policies contained in Note 2 of the Company's consolidated financial statements for the years ended December 31, 2009, 2008 and 2007. These accounting policies can have a significant impact of the financial performance and financial position of the Company.

Mineral Property Interests

Exploration expenditures are charged to earnings as they are incurred until the property reaches development stage. All direct costs related to the acquisition of resource property interests are capitalized. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

Management of the Company periodically reviews the recoverability of the capitalized mineral properties. Management takes into consideration various information including, but not limited to, results of exploration activities conducted to date, estimated future metal prices and reports and opinions of outside geologists, mine engineers and

consultants. When it is determined that a project or property will be abandoned then costs are written off, or if its carrying value has been impaired, the costs are written down to fair value.

Mineral property acquisition costs include cash costs and the fair market value of common shares, based on the trading price of the shares issued for mineral property interests, pursuant to the terms of the related property agreements. Payments relating to a property acquired under an option or joint venture agreement are made at the sole discretion of the Company, and are recorded as mineral property acquisition costs upon payment.

The Company accounts for foreign value added taxes paid as part of exploration expense. The recovery of these taxes will commence on the beginning of foreign commercial operations. Should these amounts be recovered they would be treated as a recovery in exploration expense.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Recent Accounting Pronouncements

New accounting standards were issued by the CICA which may impact the Company in the future as follows:

(a) *Goodwill and Intangible Assets*

CICA Handbook Section 3064, *Goodwill and Intangible Assets*, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27, Revenues and Expenses during the preoperating period. On January 1, 2009, the Company adopted these changes, with no impact on its consolidated financial statements.

(b) *Credit Risk and Fair Value of Financial Assets and Liabilities*

In January 2009, the CICA issued EIC-173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*. The EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments.

This standard is effective for our fiscal year beginning January 1, 2009. Adoption of this EIC did not have a significant effect on the Company's financial statements for the year ended December 31, 2009.

(c) *Mining Exploration Costs*

In March 2009, the CICA issued EIC-174, *Mining Exploration Costs*. The EIC provides guidance on the accounting and the impairment review of exploration costs. This standard is effective for our fiscal year beginning January 1, 2009. The application of this EIC did not have an effect on the Company's financial statements for the year ended December 31, 2009.

(d) *General Standard of Financial Statement Presentation*

For the year ended December 31, 2009, the Corporation adopted the amendments to CICA Handbook Section 3862, Financial Instruments – Disclosures, which expands financial instrument fair value measurement and liquidity risk management disclosures.

Future Accounting Standards

Business combinations, consolidated financial statements and non-controlling interest

In January 2009, the CICA issued CICA Handbook Section 1582, *Business Combinations*, Section 1601, *Consolidations*, and Section 1602, *Non-controlling Interests*. These sections replace the former CICA Handbook Section 1581, *Business Combinations* and Section 1600, *Consolidated Financial Statements* and establish a new section for accounting for a non-controlling interest in a subsidiary. CICA Handbook Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. It provides the Canadian equivalent to IFRS 3, *Business Combinations* (January 2008). The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements.

CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination.

It is equivalent to the corresponding provisions of IFRS International Accounting Standards (“IAS”) 27, *Consolidated and Separate Financial Statements* (January 2008).

CICA Handbook Section 1601 and Section 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year.

All three sections must be adopted concurrently. At this time the Company does not anticipate these sections prior to the adoption of IFRS and therefore does not expect any impact to the consolidated financial statements.

International Financial Reporting Standards (“IFRS”)

In February 2008, the CICA announced that publicly accountable enterprises will be required to transition from Canadian GAAP to IFRS for interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011. This includes a requirement to present comparative financial information in accordance with IFRS for 2010. Accordingly, our first interim consolidated financial statements will be presented in accordance with IFRS for the three months ending March 31, 2011 with 2010 comparative results.

The Company has commenced a preliminary review of the Canadian equivalents to IFRS. At this stage of the transition, a small number of areas have been identified that may have an impact on the financial statements of the Company. We expect that there may be changes with respect to foreign currency translations, share-based compensation and asset impairment. The Company has not adopted an IFRS changeover plan at December 31, 2009 however management has completed an IFRS diagnostic and analysis. We note that Canadian GAAP to IFRS may be amended prior to adoption.

Management has considered the differences between Canadian GAAP and IFRS and to date has identified that there are likely no material differences to the majority of line items appearing in the Company’s balance sheet and income statement from what it has recorded under Canadian GAAP.

The specific areas where no applicable differences in recognition and measurement have been identified between IFRS and Canadian GAAP are cash, amounts receivable, prepaid expenses, and accounts payable and accrued liabilities.

Certain relevant accounting differences between Canadian GAAP and IFRS and the possible impacts on the consolidated financial statements of the Company are described below:

Financial Statement Component	IFRS	Canadian GAAP	Possible Impact
Exploration Expenditures and Development Costs	<p>An entity shall determine a policy specifying which expenditures are recognized as exploration and evaluation assets and apply the policy consistently. In making this determination, an entity considers the degree to which the expenditure can be associated with finding specific mineral resources.</p> <p>Exploration Expenditures shall be recognized at cost. The Company can elect to measure exploration and evaluation assets using either cost model or the revaluation model.</p>	<p>Exploration costs related to mining properties may initially be capitalized if an enterprise considers that such costs have the characteristics of property, plant and equipment and that capitalization is appropriate to its circumstances.</p> <p>Exploration and evaluation assets are measured at cost. Canadian GAAP does not allow for the revaluation of exploration and evaluation assets other than during a business combination.</p>	No impact. Continue with existing policy under IFRS 6.
Foreign Currency Translation	Defines functional currency as the currency of the primary economic environment in which the entity operates. Foreign currency translation methods are based on the functional currency concept.	Does not directly define functional currency. Foreign currency translation is based on the concept of integrated and self-sustaining foreign operations.	No impact expected at this time.
Impairment of Non-Current Assets	<p>Assess at each reporting date whether there is any indication that an asset (other than goodwill and intangible assets with indefinite lives) may be impaired.</p> <p>Impairment loss recognition is a one-step process based on discounted cash flows. Impairment losses are recognized when the carrying value exceeds the recoverable amount, which is the higher of (a) value in use and (b) fair value less costs to sell.</p> <p>An impairment loss recognized in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.</p>	<p>A long-lived asset should be tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.</p> <p>Impairment testing is based on a two-step test. Once an impairment loss is identified on an undiscounted cash flow basis (step 1), the impairment loss is measured as the amount by which the carrying value exceeds fair value (step 2).</p> <p>An impairment loss relating to long-lived assets should not be reversed even if the fair value subsequently increases</p>	No impact expected at this time.

Share-Based Payments	<p>For graded-vesting features, IFRS requires each instalment to be treated as a separate share option grant, because each instalment has a different vesting period, and hence the fair value of each instalment will differ.</p> <p>Requires that forfeitures be estimated at the time of grant to eliminate distortion of remuneration expense recognized during the vesting period. The estimate should be revised if subsequent information indicates that actual forfeitures are likely to differ from previous estimates.</p>	<p>Allows the option to use the straight-line method or the attribution method to account for graded-vesting features.</p> <p>Permits companies to either estimate the forfeitures at time of grant date or record the entire expense as if all its stock option grants vest and then record forfeitures as they occur</p>	<p>No impact on employee stock-options. May impact options granted to consultants.</p> <p>May have impact on forfeitures.</p>
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Financial Instruments

The Company's financial instruments are exposed to certain risks, including currency, credit and metal price risk.

Currency Risk: Business is transacted by the Company in a number of currencies. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or negative direction.

The Company has not hedged its exposure to currency fluctuations. As at December 31, 2009, the Company was exposed to currency risk through the following assets and liabilities in US dollars and Peruvian Soles:

	December 31, 2009	
	US Dollar	Peruvian Soles
	\$	\$
Cash	8,836	3,853
Accounts payable and accrued liabilities	(229,584)	-
	<u>(220,748)</u>	<u>3,853</u>
Foreign exchange rate at December 31, 2009	1.0510	0.3623

Based on the net exposures as at December 31, 2009, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar and Peruvian Soles would have an insignificant impact in the Company's net earnings.

Credit Risk: Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

Liquidity Risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company's cash is primarily invested in business bank accounts which are available on demand. The Company expects to raise additional equity capital in 2010.

Fair Values

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate fair values due to their short terms to maturity or ability to readily convert to cash.

The fair value of investments in equity securities classified as available for sale is determined using bid prices at the balance sheet date with any temporary unrealized gains or losses recognized in other comprehensive income.

The following table outlines the Corporation's financial assets and liabilities measured at fair value by level within the fair value hierarchy described below. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

As at December 31, 2009 the Company's financial instruments measured at fair value are as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Cash	186,280	-	-	186,280
Marketable securities	4,200	-	-	4,200

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

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Corporation's cash instruments and marketable securities are valued using quoted market prices in active markets, and therefore are classified as Level 1.

Risk Factors and Uncertainties

The Company's operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. A number of the risks and uncertainties are discussed below:

History of losses: The Company has historically incurred losses as evidenced by its audited consolidated financial statements for the years ended December 31, 2009, 2008 and 2007. The Company has financed its operations principally through the sale of its equity securities. The Company does not anticipate that it will earn any revenue from its operations until its properties are placed into production, if ever. If the Company is unable to place its properties into production, the Company may never realize revenues from operations, will continue to incur losses and you may lose the value of your investment.

Joint ventures and other partnerships: The Company may seek joint venture partners to provide funding for further work on any or all of its other properties. Joint ventures may involve significant risks and the Company may lose any investment it makes in a joint venture. Any investments, strategic alliances or related efforts are accompanied by risks such as:

1. the difficulty of identifying appropriate joint venture partners or opportunities;
2. the time the Company's senior management must spend negotiating agreements, and monitoring joint venture activities;
3. the possibility that the Company may not be able to reach agreement on definitive agreements, with potential joint venture partners;
4. potential regulatory issues applicable to the mineral exploration business;
5. the investment of the Company's capital or properties and the loss of control over the return of the Company's capital or assets;
6. the inability of management to capitalize on the growth opportunities presented by joint ventures; and
7. the insolvency of any joint venture partner.

There are no assurances that the Company would be successful in overcoming these risks or any other problems encountered with joint ventures, strategic alliances or related efforts.

Unexpected delays: The Company's minerals business will be subject to the risk of unanticipated delays including permitting its contemplated projects. Such delays may be caused by fluctuations in commodity prices, mining risks, difficulty in arranging needed financing, unanticipated permitting requirements or legal obstruction in the permitting process by project opponents. In addition to adding to project capital costs (and possibly operating costs), such delays, if protracted, could result in a write-off of all or a portion of the carrying value of the delayed project.

Potential conflicts of interest: Several of the Company's directors are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. Such a conflict poses the risk that the Company may enter into a transaction on terms which could place the Company in a worse position than if no conflict existed. The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interest which they may have in any project or opportunity of the Company. However, each director has a similar obligation to other companies for which such director serves as an officer or director. The Company has no specific internal policy governing conflicts of interest.

Competition with larger, better capitalized competitors: The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, base and precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

The Company does not intend to pay dividends: The Company has not paid out any cash dividends to date and has no plans to do so in the immediate future. As a result, an investor's return on investment will be solely determined by his or her ability to sell common shares in the secondary market.

Title Risk: Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Price Risk: The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly gold. The prices of these metals, especially gold, greatly affect the value of the Company and the potential value of its property and investments.

Financial Markets: The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Political Risk: Exploration is presently carried out in the United States and is currently being reviewed worldwide. This exposes the Company to risks that may not otherwise be experienced if all operations were domestic. Political risks may adversely affect the Company's potential projects and operations. Real and perceived political risk in some countries may also affect the Company's ability to finance exploration programs and attract joint venture partners, and future mine development opportunities.

Credit Risk: Credit risk is the risk of an unexpected loss of a third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash. The Company's limits its exposure to credit loss by placing its cash with major financial institutions.

Liquidity Risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company's cash is invested in bank accounts.

Interest Risk: The Company's bank accounts earn interest income at variable rates. The fair value of its cash is relatively unaffected by changes in short-term interest rates.

Currency Risk: Business is transacted by the Company in a number of currencies. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or negative direction.

Environmental Risk: The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenses.

Cautionary Note to US Readers

As a British Columbia corporation, the Company is subject to certain rules and regulations issued by the British Columbia Securities Commission ("BCSC"). The Company is required to provide detailed information regarding its properties including mineralization, drilling, sampling and analysis, security of samples and mineral resources and mineral reserve estimates. Further, the Company describes mineral resources associated with its properties utilizing terminology such as "inferred" or "indicated" which are terms recognized by Canadian regulators but not recognized by the United States Securities and Exchange Commission ("SEC").

Cautionary Note to US Investors Regarding Mineral Resources

The SEC allows mining companies, in their filings with the SEC, to disclose only those mineral deposits they can economically and legally extract or produce. The Company may use certain terms in this document, such as "mineral resources", "indicated mineral resources" and "inferred resources" that are recognized and mandated by Canadian securities regulators but not recognized by the SEC. This report may use the term "inferred resources". USA readers are cautioned that while this term is recognized and required by Canadian regulations, the SEC does not recognize it. "Inferred resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. USA investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

Additional Information

Additional information relating to the Company, including news releases, financial statements and prior MD&A filings, is available on SEDAR at www.sedar.com.

The Company maintains a website at www.pantheraexploration.com, and has not entered into any agreements with any investor relations firms.

Outstanding Share Data

The Company's authorized share capital is an unlimited number of common and preferred shares without par value. As of December 31, 2009, there were 8,795,604 outstanding common shares. As of April 20, 2010 there were 13,495,604 outstanding common shares.

The Company had stock options outstanding and exercisable at April 29, 2010 as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
<u>700,000</u>	\$0.13	March 12, 2015

The Company had warrants outstanding and exercisable at April 20, 2010 as follows:

Number	Exercise Price \$	Expiry Date
192,560	1.80	April 30, 2010
8,700	1.80	June 12, 2010
193,500	1.80	June 18, 2010
4,612,000	0.11	July 9, 2011
<u>4,700,000</u>	<u>0.13</u>	January 25, 2012
<u><u>9,706,760</u></u>	<u><u>0.24</u></u>	

More information on these instruments and the terms of their conversion are set out in Note 5 to the Company's December 31, 2009 audited consolidated financial statements.