CHAKANA COPPER

The High-Grade Cu-Au-Ag Soledad Deposit, Central Peru - An update after 20 kilometres of drilling

CHILE EXPLORE CONGRESS
October 11, 2018

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CHILE EXPLORE CONGRESS 2018

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Disclosure in this presentation relating to the definition of an initial inferred resource is qualified by the fact that the potential quantity and grade of any such inferred resource is conceptual in nature and that at this time there is insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the exploration target being delineated.

SOLEDAD PROJECT

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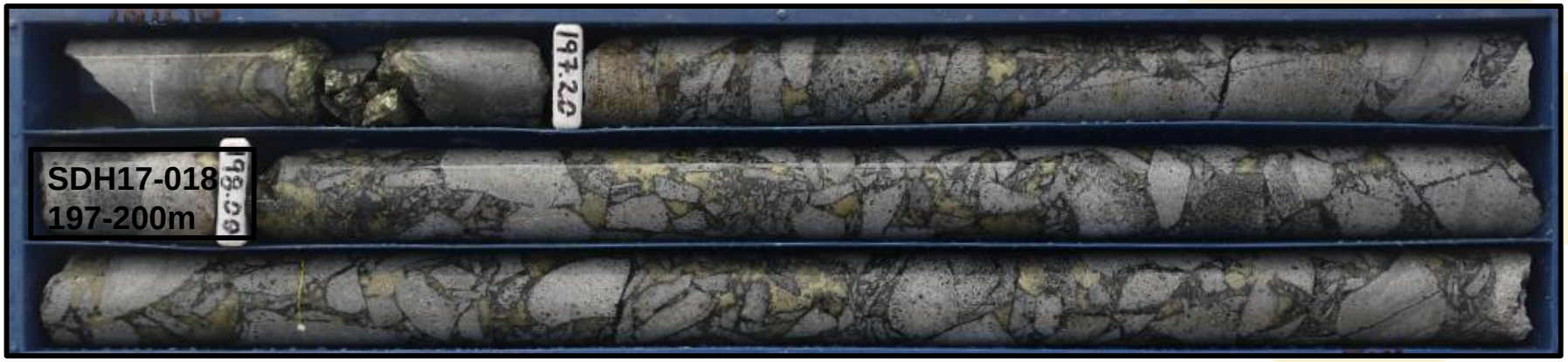
HIGH GRADE TOURMALINE BRECCIA PIPES



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PERUVIAN ANDES

LOCATION

- 35 km S of Barrick's Pierina Gold Mine; 65 km WSW of Antamina
- Located in the heart of the Cordillera Negra within Peru's highly mineralized Miocene copper-gold belt
- Ancash – an established mining province in Peru
- Progressive mining-friendly administration
- Excellent road access, grid power, water and reasonable elevation: 3800-4600m
- Surface privately owned

DISTRICT GEOLOGY

AIJA-TICAPAMPA DISTRICT

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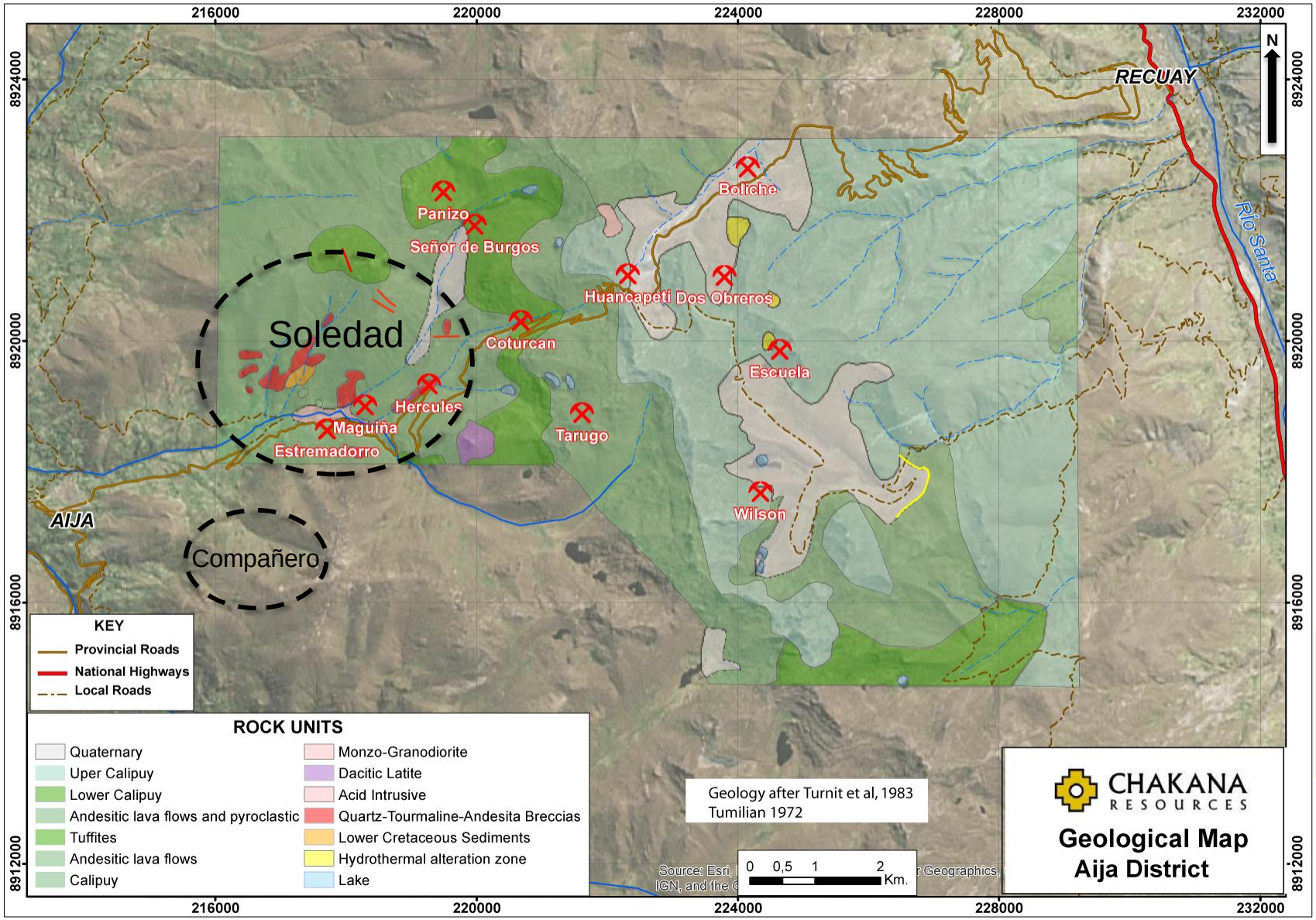


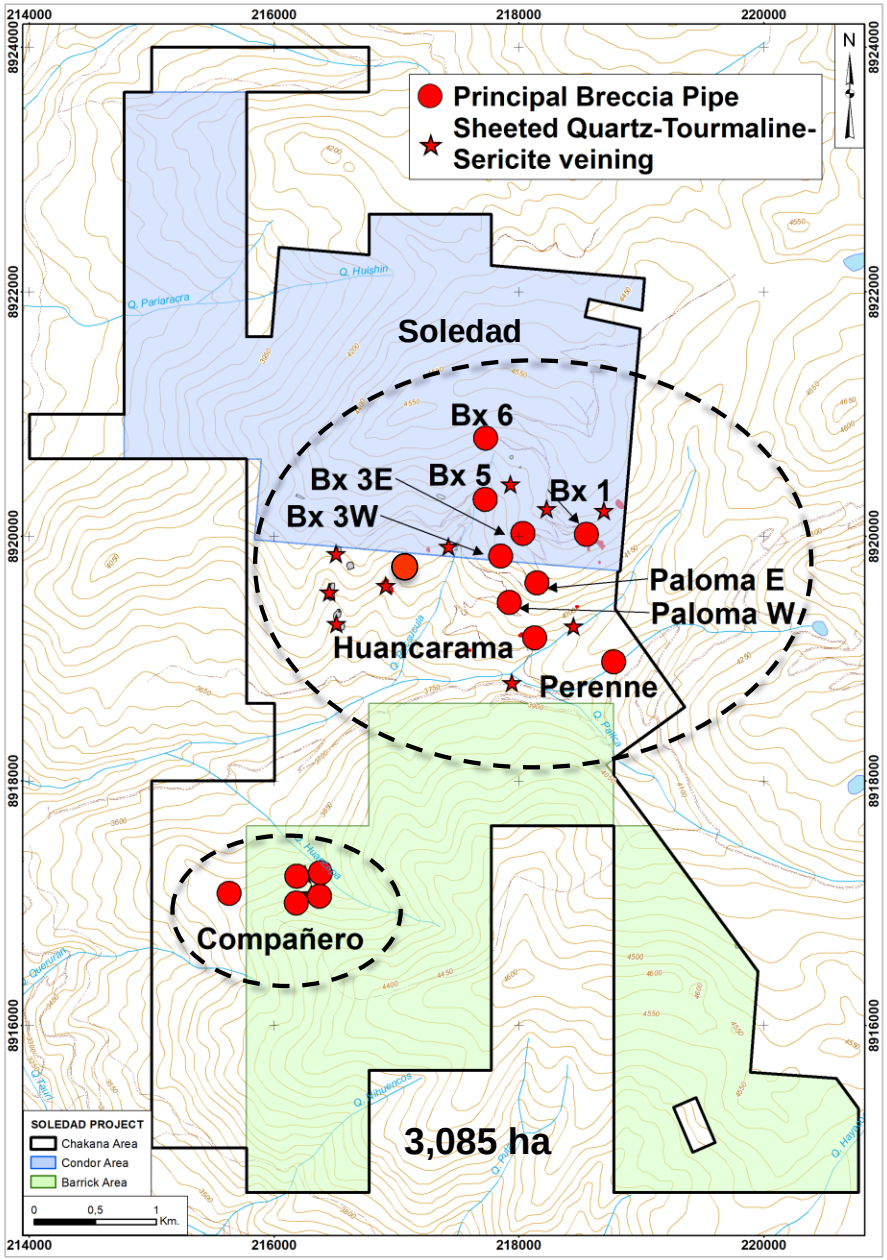
SOLEDAD PROJECT

OCTOBER 2018

- Two clusters of mineralized breccia pipes identified – 15 known pipes and numerous other high priority targets
- 22,200m of drilling competed on 4 pipes (on-going)

Bx1	SDH17-018	209m from surface @ 3.01% Cu_eq (4.60g Au_eq)*
Bx1	SDH18-059	187m from 46m @ 2.38% Cu_eq (3.63g Au_eq)
Bx1	SDH18-071	439m from surface @ 2.07% Cu_eq (3.16 Au_eq)
Bx5	SDH17-041	164m from surface @ 1.84% Cu_eq (2.82g Au_eq)
Bx5	SDH17-042	182m from surface @ 1.49% Cu_eq (2.28g Au_eq)

- Metallurgical study on first 4 composite samples in progress at RDI in Denver
- Permitting – Soledad: current DIA/ITS, EIA-SD pending, ITS to expand work area; Compañero – DIA in preparation
- Resource estimate 2019



*see appendix 1

BRECCIA PIPES AT THE SOLEDAD PROJECT

DRILLING PROGRAM

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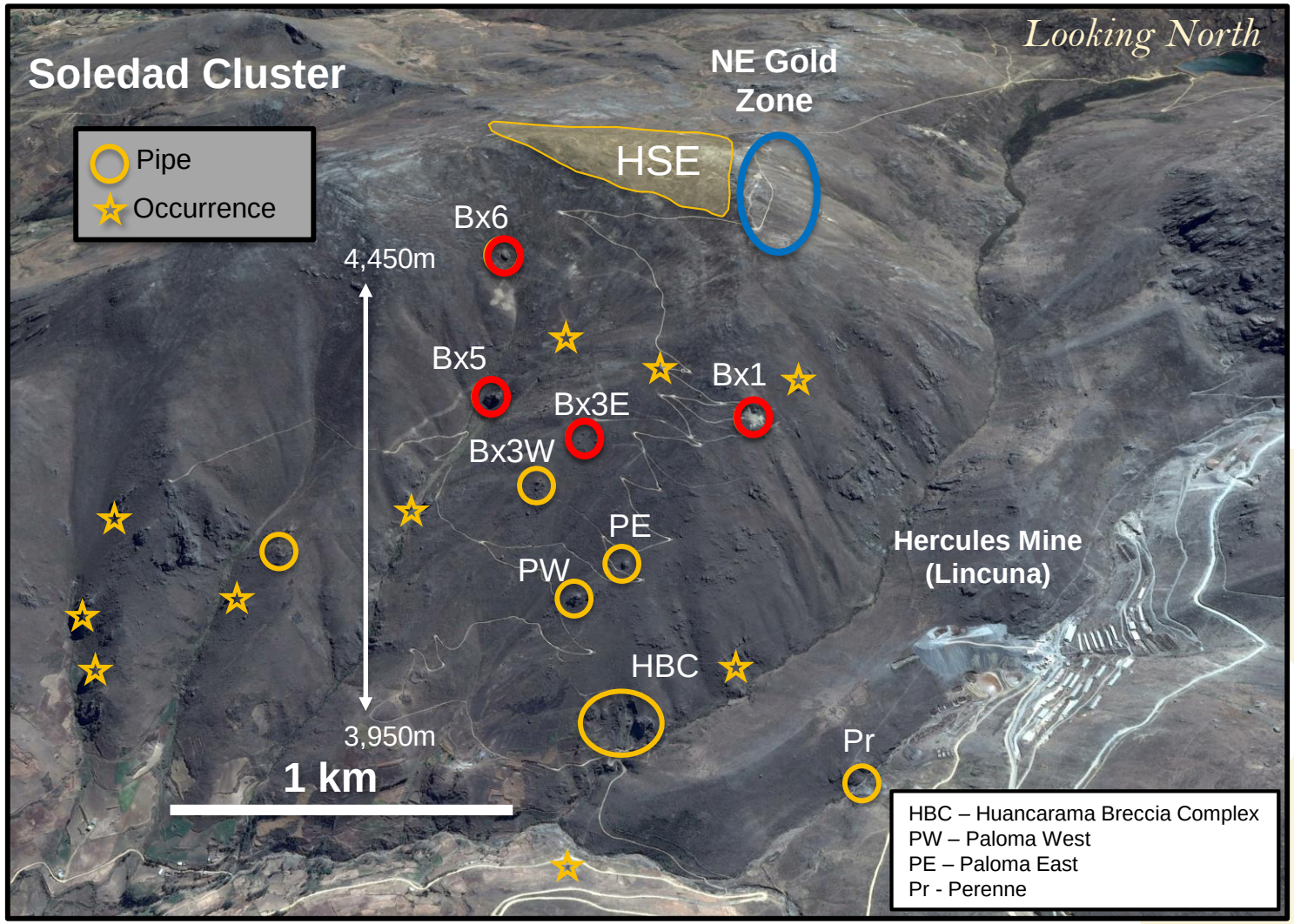
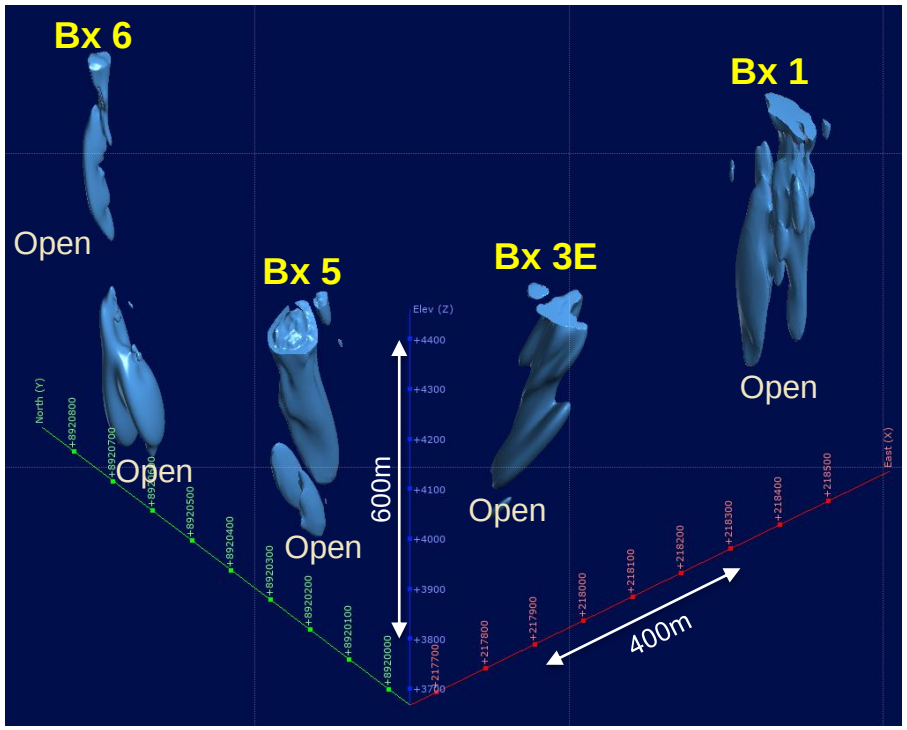
22,200m completed to date



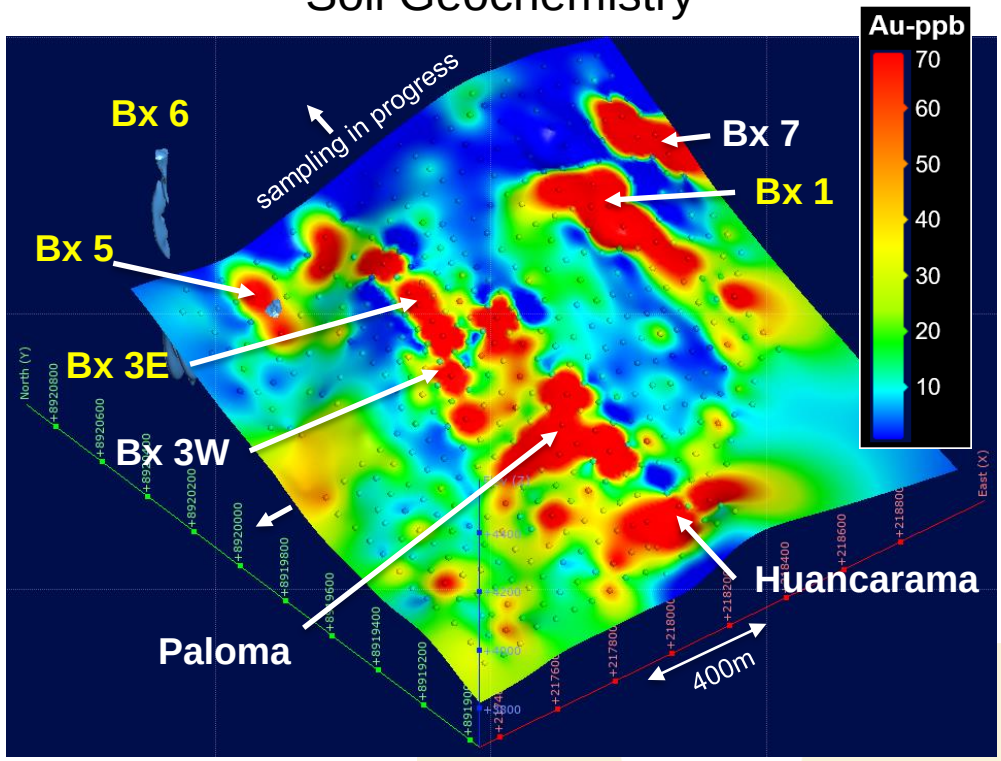
SOLEDAD

BRECCIA PIPES AND SOIL GEOCHEMISTRY

3D Models



Soil Geochemistry



Looking Northeast

SOLEDAD PROJECT

MINERALIZED BRECCIAS

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Bx 1

Bx 5

Bx 3E

Bx 6

TOURMALINE BRECCIA PIPES

FORMATION

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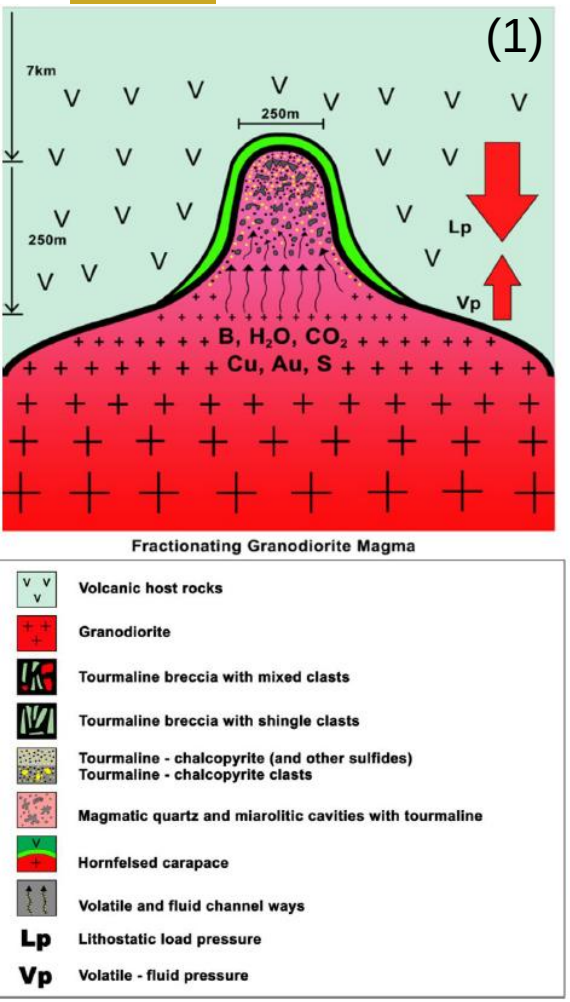
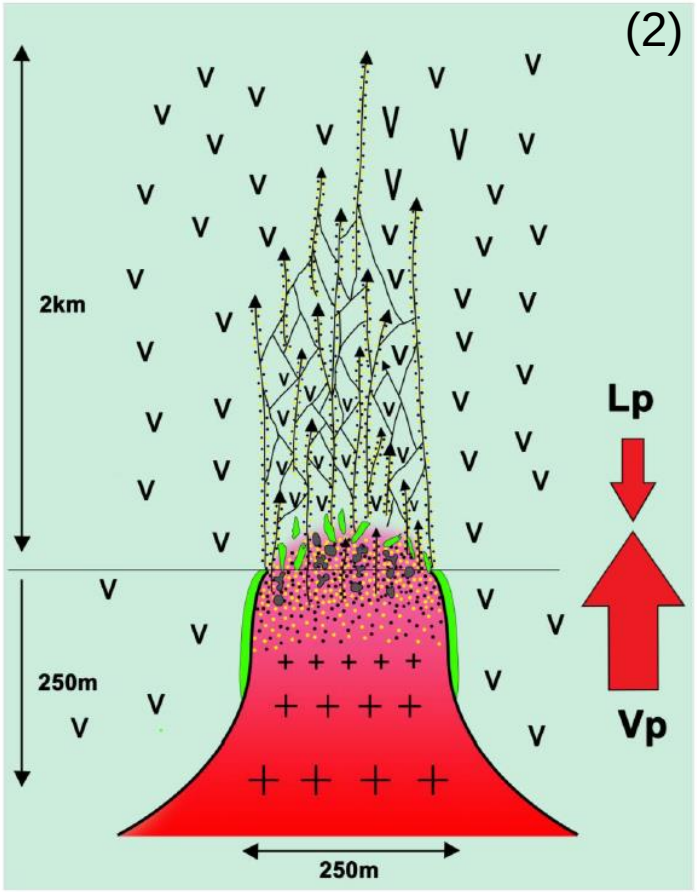
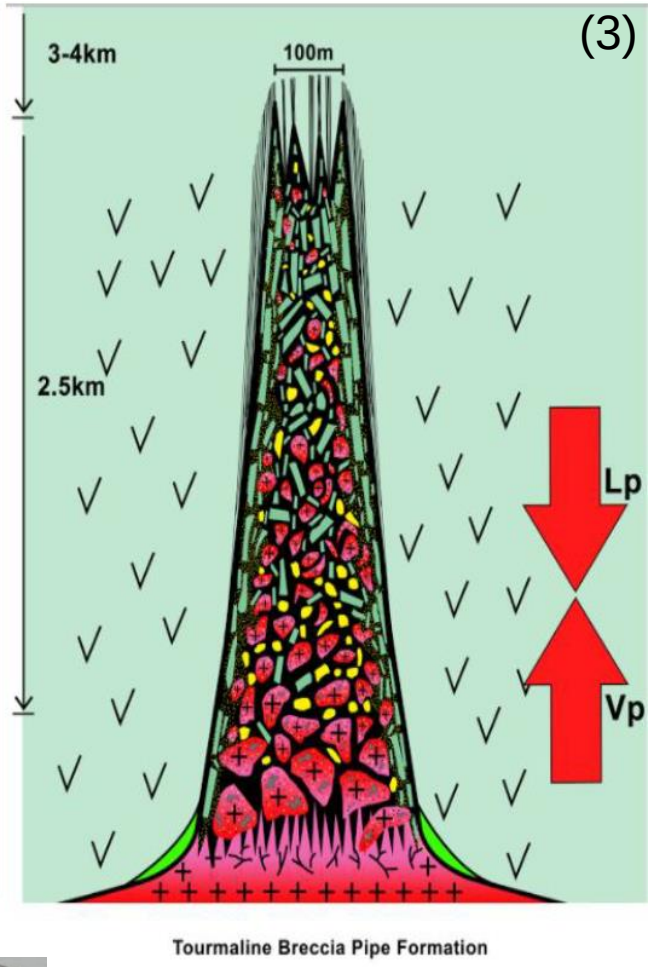
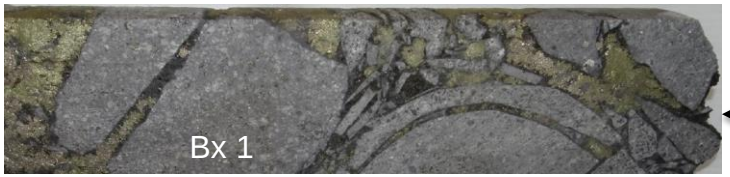
~30% matrix



Kirwin, 2018







Decompressive shock texture

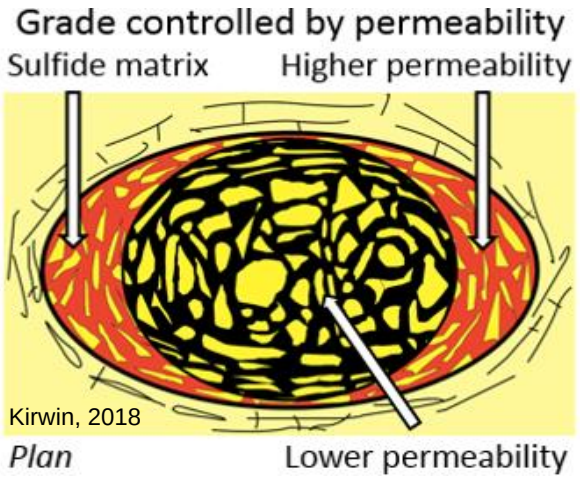
See www.Chakanacopper.com

TOURMALINE BRECCIA PIPES

ATTRACTIVE TARGETS

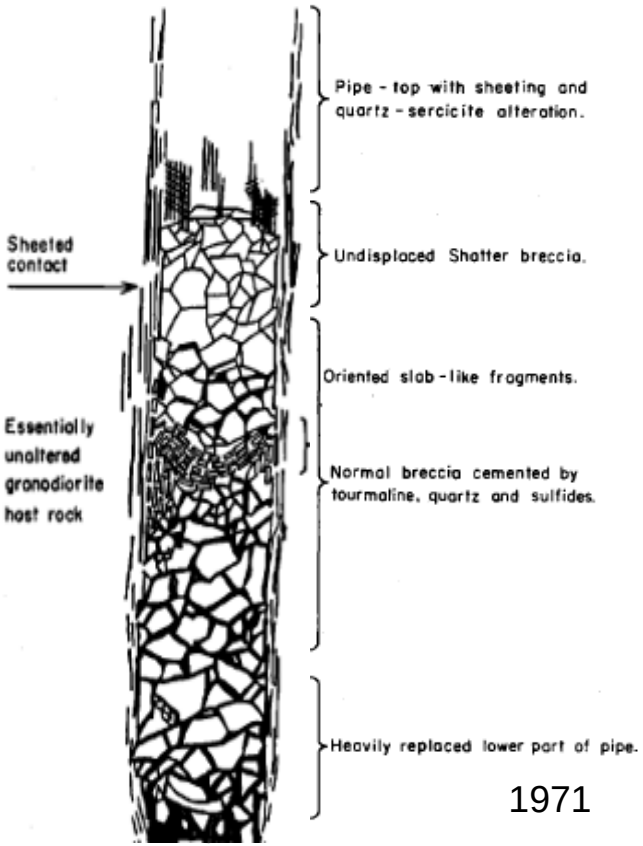
CHAKANA COPPER

- Common in porphyry camps globally
- Can be world-class deposits (e.g. in Chile - Los Sulfatos, Sur-Sur, Donoso)
- Occur in clusters – can mine multiple pipes
- Vertical continuity – known to be >2 km
- Predictable geometries – often larger diameter at depth
- High grades: Cu-Mo or Cu-Au-Ag (more rare)
- Developed with low capex using established mining methods
- Small footprint – social and environmental benefit



Geologic, Mineralogic and Fluid Inclusion Studies Relating to the Origin of Copper-bearing Tourmaline Breccia Pipes, Chile

R. H. Sillitoe and F. J. Sawkins



tourmaline sericite

↓

tourmaline

↓

tourmaline biotite

↓

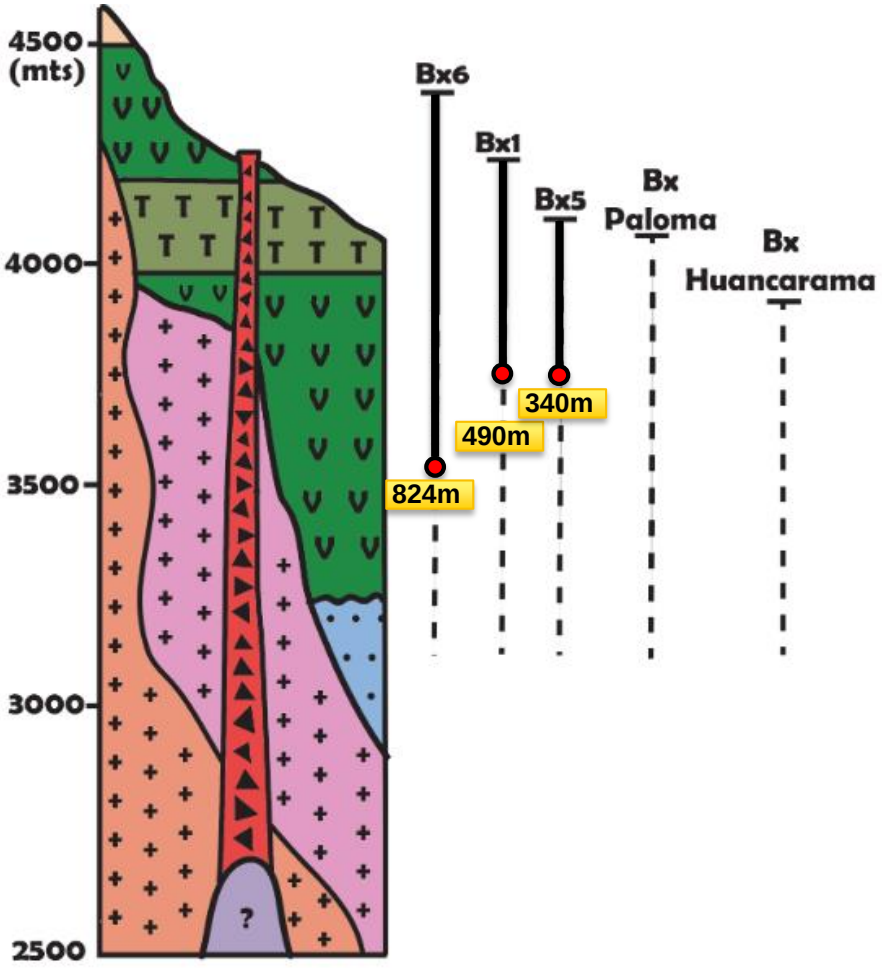
biotite tourmaline

↓

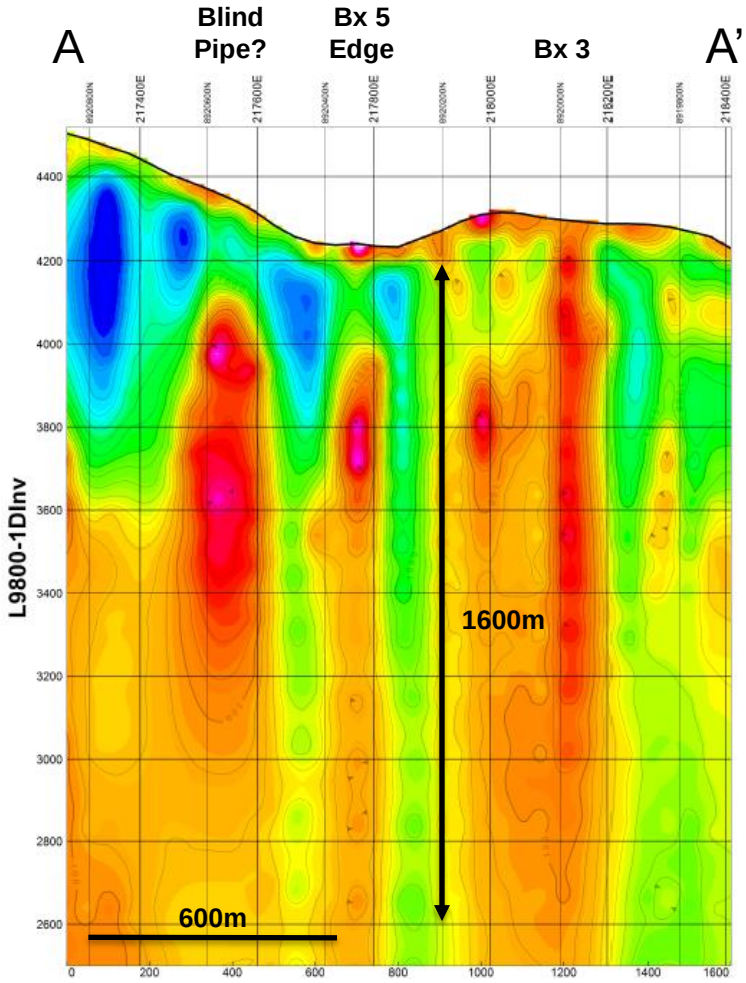
biotite haematite

SOLEDAD GEOLOGY

STRATIGRAPHY AND GEOPHYSICS



CS/NS-AMT RESISTIVITY SURVEY



BRECCIA PIPE 1

PLAN & LEAPFROG MODEL

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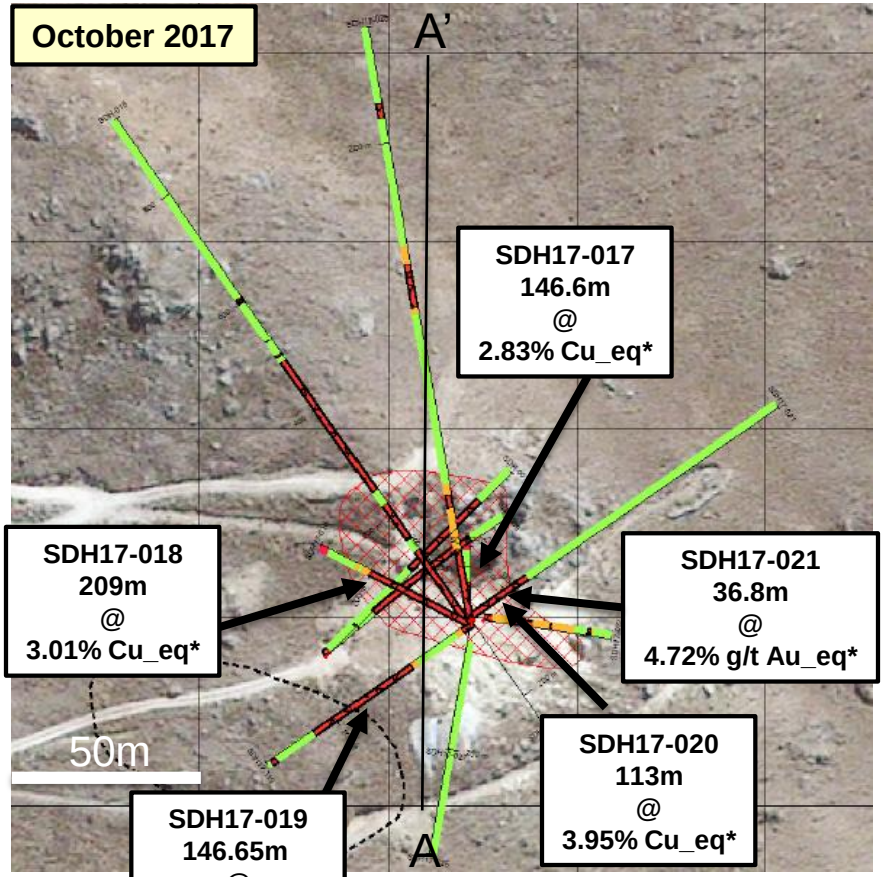
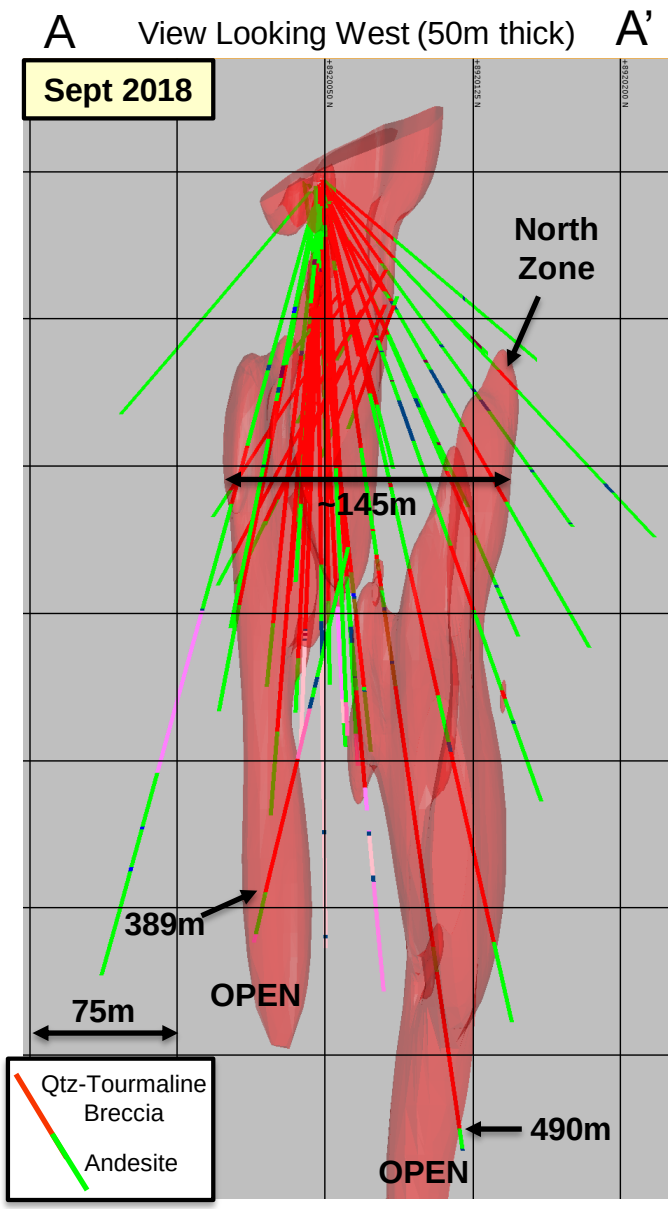
Weighted Average Grade of 49 Holes

Total length of mineralized intervals in 49 holes = 5,720m with 0.96% Cu, 2.12 g/t Au, 65.4 g/t Ag; 2.91% Cu_eq* or 4.44 g/t Au_eq*
USD$185/t



*See Appendix 1



SOLEDAD PROJECT

HIGH GRADE Cu-Au-Ag

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SDH17-018 44-50m 13.88g Au + 3.66% Cu

(in 74m 3.31g Au + 65.5 g Ag + 1.11% Cu from 40m)

Soledad **Chakana Copper**

Los Sulfatos **Anglo American**

Tourmaline-chalcopyrite-cemented breccia.
PALSUL13; 730m @ 3.58% Cu (from 66m)

SOLEDAD

HIGH GRADE FROM Bx 1

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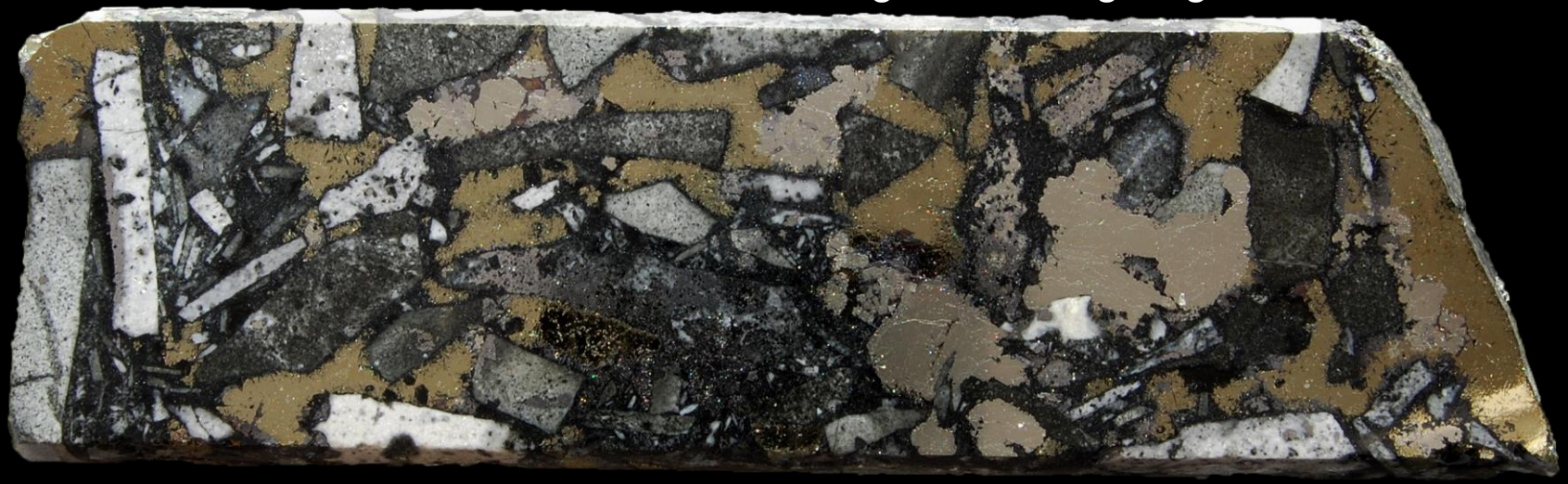
SDH17-018 153.65m: 1m @ 1.21 g/t Au, 246 g/t Ag 4.42% Cu



SDH17-034 376.7m: 1m @ 0.31 g/t Au, 124 g/t Ag 6.92% Cu

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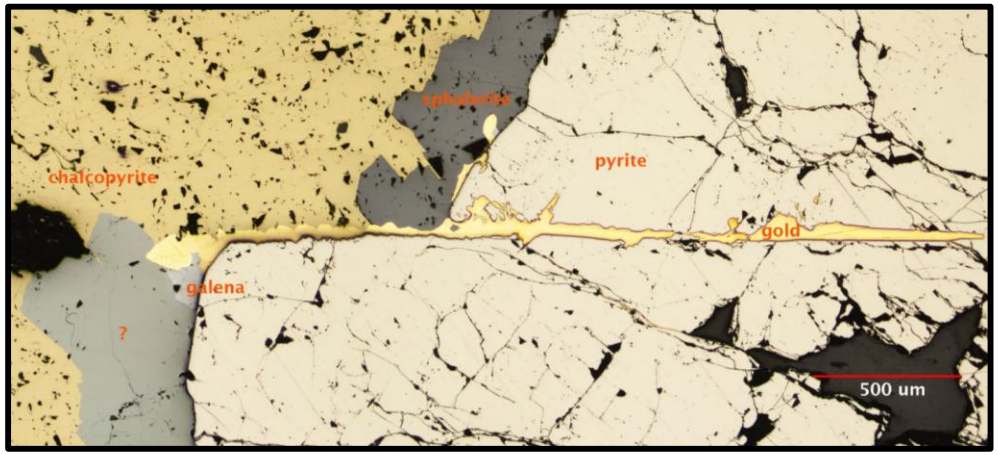
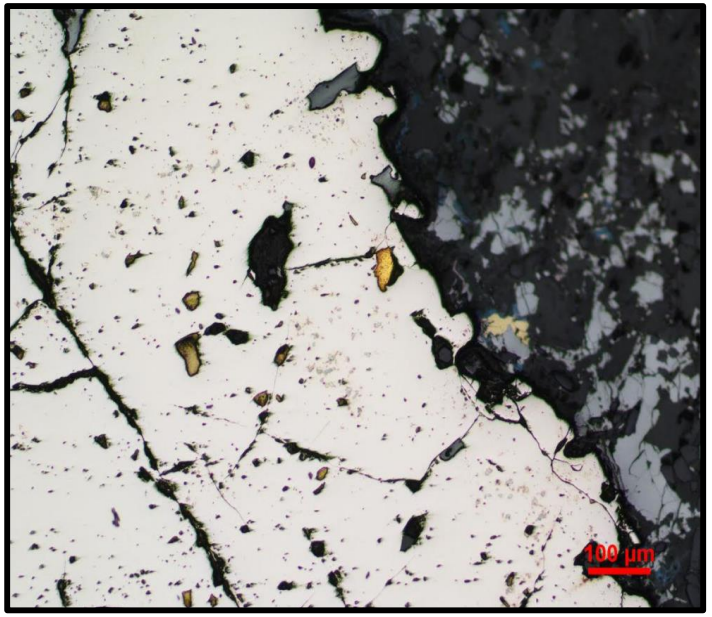
WHERE DOES THE GOLD OCCUR?

- **Gold grains:** associated with pyrite and sulfide grain boundaries (~20µm to 2.8mm grains)
- **Sulfide assemblages:** pyrite, chalcopyrite, digenite, hypogene chalcocite, tetrahedrite ($Cu_{12}Sb_4S_{13}$), sphalerite, galena and arsenopyrite
- **Gangue:** quartz, tourmaline, sericite and chlorite
- **Less common sulfosalts:** bournonite ($PbCuSbS_3$), boulangerite ($Pb_5Sb_4S_{11}$)
- **Paragenesis:** 1) pyrite-electrum, 2) arsenopyrite, 3) chalcopyrite, 4) tetrahedrite, galena, bournonite, boulangerite, 5) sphalerite, 6) electrum



Breccia Pipe 5: SDH-007 71.2m 2.8mm gold/electrum grain along sulfide grain boundaries

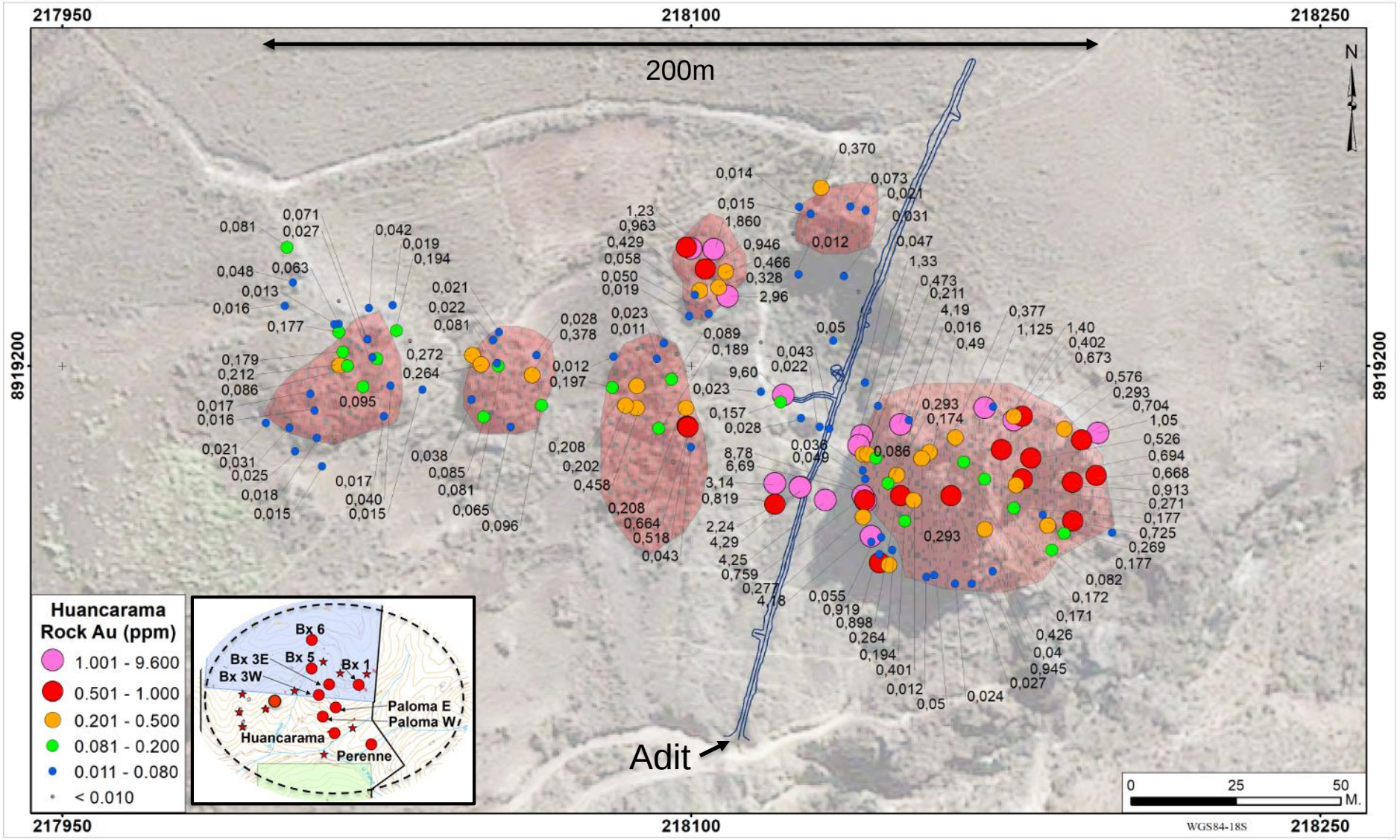


Breccia Pipe 1: SDH-001 62.05m gold/electrum inclusion in pyrite next to sphalerite and chalcopyrite

Petrography by Jim Shannon and Jean Vallance on select samples

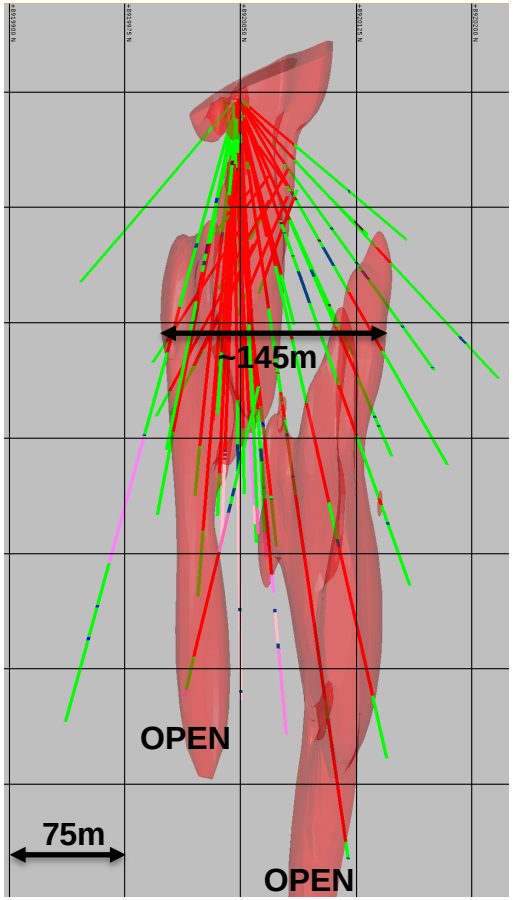
SURFACE EXPRESSION

HUANCARAMA BRECCIA COMPLEX



18 BRECCIA PIPES AS ORE BODIES

Breccia Pipe 1



Conceptual Tonnage Potential

Pipe Diameter x 600m		Tonnes (M) @ 3.0 SG
25m	=	0.84
50m	=	3.48
75m	=	7.87
100m	=	14.0

Upside Potential

- Vertical extent
- Diameter increasing at depth
- Blind/multiple pipes
- Pipes coalescing at depth
- Mineralization in host rocks

SOLEDAD ADVANCEMENTS

- Property expanded to 3,085 ha (100% options)
- 15 confirmed mineralized breccia pipes
- Numerous other targets defined (number of pipes could double)
- 22,200m of drilling completed on 4 pipes, ongoing
- Preliminary metallurgical study underway
- Maiden resource on several pipes expected in 2019

APPENDIX 1

- Any reference to size and grade potential is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in a target being delineated as a mineral resource.
- Cu_eq and Au_eq values were calculated using copper, gold, and silver. Metal prices utilized for the calculations are Cu – US$2.90/lb, Au – US$1,300/oz, and Ag – US$17/oz. No adjustments were made for recovery as the project is an early stage exploration project and metallurgical data to allow for estimation of recoveries are not yet available. The formulas utilized to calculate equivalent values are Cu_eq (%) = Cu% + (Au g/t * 0.6556) + (Ag g/t * 0.00857) and Au_eq (g/t) = Au g/t + (Cu% * 1.5296) + (Ag g/t * 0.01307). Assays for zinc and lead are not used in the metal equivalent calculations.
- The true widths of the mineralized intervals reported in this presentation are difficult to ascertain and additional drilling will be required to constrain the geometry of the mineralized zones.