CHAKANA COPPER CORP.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THREE AND NINE MONTHS ENDED FEBRUARY 29, 2020

(EXPRESSED IN CANADIAN DOLLARS)

GENERAL

This Management's Discussion and Analysis ("MD&A") of Chakana Copper Corp. (the "Corporation" or "Chakana") dated April 29, 2020, provides an analysis of the Corporation's financial results for three and nine months ended February 29, 2020. The following information should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements for three and nine months ended February 29, 2020 with accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard ("IAS") 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board.

All dollar figures are expressed in Canadian dollars unless otherwise stated. The Corporation's condensed interim consolidated financial statements and MD&A are available on www.sedar.com.

CORPORATION OVERVIEW

Chakana Copper Corp. was incorporated on May 2, 2011, under the laws of the province of British Columbia, Canada, and changed its name from Hadrian Resources Inc. on August 4, 2011 to Chakana Copper Corp. on January 30, 2018. The Corporation is a mineral exploration corporation listed on the TSX Venture Exchange ("TSX-V") under the symbol "PERU". The Corporation is currently engaged in the exploration and development of mineral properties, with prospects for silver, gold and copper in Peru.

The head office and principal address is 800 West Pender Street, Suite 1430, Vancouver, British Columbia, V6C 2V6, Canada. The records office of the Corporation is located at 1055 West Pender Street, Suite 1500, Vancouver, British Columbia, V6E 4V7, Canada.

The Corporation is currently advancing the Soledad Project near Aija, in the Ancash region of the highly prolific Miocene mineral belt of Peru. The Corporation's goal is to find and advance mineral projects to an economic resource within a single commodity cycle for further development by mid-tier and/or major mining companies. The Corporation looks for de-risked projects that have the characteristics of large above average grade mineral systems with significant upside potential. The Corporation employs the latest technological innovations to test the upside potential of projects with aggressively funded exploration programs.

GENERAL OVERVIEW OF MARKET CONDITIONS

During the period May 31, 2019 through to February 29, 2020, gold and silver prices started to appreciate, with gold trading between US $1,275 per ounce and US $1,672 per ounce, closing at US $1,564 per ounce at February 29, 2020, and silver trading between US $14 per ounce and US $19 per ounce, closing at US $16 per ounce at February 29, 2020. During the same period copper prices have fluctuated between a low of US$2.537 per pound and a high of US$2.866 per pound closing at US$2.546 per pound on February 28, 2020. Since mid-June 2019 to the date of this report gold price has continued to increase while silver and copper prices have declined.

The uncertain economic conditions combined with lower precious and base metal prices during calendar 2018 and the first half of calendar 2019 has created a challenging environment for the resource and exploration sectors focused on these metals. This factors in conjunction with the global pandemic caused by COVID-19 have caused many junior/exploration-stage companies to experience downward pressure in share prices. In addition, the Republic of Peru underwent changes in government policies creating unanticipated delays in the mine permitting thus exacerbating investor concerns. The market capitalization of the Corporation is impacted by all these factors. Also, certain re-sell restrictions on the Corporation's common shares expired resulting in an over-hang of stock held by previous private placement subscribers. As described above, the global pandemic has created significant volatility in gold and silver prices since January as discussed above. If gold prices stay high and silver prices increase, or if appreciation develops in base metal prices in 2020 once the pandemic settles, this may provide better opportunities for funding and more activity in the precious metals or base metals exploration sector.

Since February 2020, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation in future periods.

(EXPRESSED IN CANADIAN DOLLARS)

HIGHLIGHTS

- On May 13, 2019, the Corporation completed a private placement with Gold Fields Nazca Holdings Inc., a group company of Gold Fields Limited, pursuant to which a wholly-owned subsidiary of Gold Fields Limited acquired a 16.14% interest in the Corporation. The private placement involved the issue of 15,686,275 common shares of the Corporation at a price of $0.51 per common share for total gross proceeds of $8,000,000.
- On June 24, 2019, the Corporation announced that it has commenced its Phase 3 drill program approved for up to 20,000 metres (or "m") at the expanded Soledad gold-silver-copper project in central Peru. A total of 25,211m has already been drilled on the project by Chakana.
  - The program will test numerous targets and complete definition drilling on additional mineralized breccia pipes
  - 92 targets defined and ranked based on systematic surface exploration work
  - 23 outcropping tourmaline breccia pipes, 12 more to be confirmed by drilling
- On July 29, 2019, the Corporation announced the first drill results from scout drilling on Breccia Pipe 7 (Bx 7) at the Soledad copper-gold-silver project in central Peru. All four drill holes intersected significant mineralization, including 31.0m with 0.68 g/t Au, 205.9 g/t Ag, and 0.23% Cu from 157m in hole SDH19-111 and 35.0m with 0.80 g/t Au, 53.8 g/t Ag, 0.35% Cu from surface in hole SDH19-114. This is the first time Bx 7 has been drilled.
- On September 10, 2019, the Corporation announced that drilling from a step-out platform encountered to the downward continuation of Breccia Pipe 5 (Bx 5). The body is very well mineralized, open and has important exploration implications to all the targets at Soledad.

EXPLORATION AND EVALUATION EXPENDITURES

The Corporation is engaged in investigation, evaluation and exploration activities in Peru. The Corporation's wholly owned indirect subsidiary, Chakana Resources S.A.C., holds: (i) the option to acquire 100% ownership interest in the Soledad Project ("Condor Option") and owns an NSR on the Soledad Project, (ii) holds an option to acquire 100% ownership interest in the adjacent Aija Project ("Aija Project"), and (iii) holds an option to acquire up to 100% ownership in other adjacent mineral concessions owned by Minera Barrick Misquichilca S.A. ("Barrick Option"). All three options are collectively referred as the "Soledad Project". The Corporation is the operator of all related mineral exploration activities on these projects. Results of exploration at Soledad are summarized under

Results of Operations.

Acquisition costs of the Soledad Project are as follows:

		Condor Option		Aija Project		Total
Balance – May 31, 2018 (restated)	$	439,575	$	201,147	$	640,722
Acquisition costs		1,434,950		80,534		1,515,484
Foreign exchange on translation		5,586		1,260		6,846
Balance – May 31, 2019		1,880,111		282,941		2,163,052
Acquisition costs		196,090		165,938		362,028
Foreign exchange on translation		(20,372)		(17,240)		(37,612)
Balance – February 29, 2020	$	2,055,829	$	431,639	$	2,487,468

(EXPRESSED IN CANADIAN DOLLARS)

During the three and nine months ended February 29, 2020 and February 28, 2019, the Corporation incurred exploration and evaluation expenditures as follows:

	Three Months Ended February 29, 2020	Three Months Ended February 28, 2019	Nine Months Ended February 29, 2020	Nine Months Ended February 28, 2019
Drilling	$ -	$ 36,568	$ 749,465	$ 1,206,472
Exploration support and administration	264,971	337,002	892,399	802,769
Field operations and consumables	76,578	207,075	645,864	749,738
Geological consultants	67,631	67,264	173,804	211,113
Sampling and geological costs	2,030	149,752	170,590	615,299
Transportation	27,817	38,680	174,355	146,576
	$ 439,027	$ 836,341	$ 2,806,477	$ 3,731,967

SUMMARY OF QUARTERLY RESULTS

Key financial information for the three months ended February 29, 2020, as well as the most recently preceding seven quarters is summarized as follows:

	February 29, 2020	November 30, 2019	August 31, 2019	May 31, 2019
Current Assets	$ 7,612,318	$ 8,736,439	$ 10,785,640	$ 12,526,764
Current Liabilities	$ 353,615	$ 410,263	$ 1,019,449	$ 526,094
Total Assets	$ 11,484,646	$ 12,433,122	$ 14,413,372	$ 16,004,287
Total Liabilities	$ 353,615	$ 410,263	$ 1,019,449	$ 526,094
Operating Expenses	$ (952,239)	$ (1,477,790)	$ (2,039,072)	$ (1,800,891)
Net Loss	$ (1,198,970)	$ (1,453,327)	$ (2,164,498)	$ (2,400,226)
Loss per Share	$ (0.01)	$ (0.02)	$ (0.02)	$ (0.02)

	February 28, 2019	November 30, 2018	August 31, 2018	May 31, 2018 (restated)
Current Assets	$ 7,560,688	$ 9,115,740	$ 11,031,999	$ 13,533,996
Current Liabilities	$ 453,096	$ 561,067	$ 593,172	$ 486,930
Total Assets	$ 9,756,497	$ 11,098,456	$ 12,616,829	$ 14,727,591
Total Liabilities	$ 453,096	$ 561,066	$ 593,172	$ 486,930
Operating Expenses	$ (1,336,747)	$ (1,498,976)	$ (2,574,467)	$ (3,302,395)
Net Loss	$ (1,074,243)	$ (1,762,699)	$ (2,651,245)	$ (3,457,068)
Loss per Share	$ (0.01)	$ (0.02)	$ (0.03)	$ (0.06)

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED FEBRUARY 29, 2020

Total operating expenses for three months ended February 29, 2020 were $952,239 (February 28, 2019 - $1,336,747). The significant expenditures for the current quarter were as follows:

- Exploration and evaluation expenditures were $439,027 during the three months ended February 29, 2020 (February 28, 2019 - $836,341), inclusive of drilling expenses of $nil (February 28, 2019 - $36,568). Reduced drilling expenses were a result of suspending the drill program to wait for additional drill permits. Exploration support and administration of $264,971 (February 28, 2019 - $337,002) and field expenses of $76,578

(February 28, 2019 - $207,075). Geological consulting fees of $67,631 (February 28, 2019 - $67,264) and sampling and geological costs of $2,030 (February 28, 2019 - $149,752) were due to reduced drilling activity. Transportation expenses of $27,817 (February 28, 2019 - $38,680) remained consistent with the prior period.

- Consulting expenses were $92,298 and salaries and wage expenses were $95,784 during the three months ended February 29, 2020, compared to $56,878 consulting expenses and $148,087 salaries and wages for the three months ended February 28, 2019. The reduction in salaries and wages is due to a reduction of employee count in the current period compared to the prior period.

- General and administrative expenses were $125,019 during the three months ended February 29, 2020, compared to $84,838 during the three months ended February 28, 2019. The increase in general and administrative expenses was primarily due to the write-off of value-added tax ("VAT") receivables that have been applied to general and administrative expenses.

- During the three months ended February 29, 2020, the Corporation incurred $31,415 of legal and professional fees (February 28, 2019 - $49,013). Decrease in legal and professional fees were the result of increased costs in the prior period due to the legal and accounting fees related to resolving previously reported issues with the misused funds during the period ended February 28, 2019.

- Stock-based compensation and investor relations expenses were $58,547 and $39,097, respectively, during the three months ended February 29, 2020 (February 28, 2019 - $31,306 and $58,001, respectively). Increased stock-based compensation expense realized during the three months ended February 29, 2020 is the result of amortization of share-based expense from stock options granted during the period. Investor relations expense decreased during the three months ended February 29, 2020 due to a reduction in marketing and promotions campaigns and attending various trade shows and exhibitions for the current period.

As a result of the foregoing, the Corporation recorded a net loss of $1,198,970 during the three months ended February 29, 2020 (February 28, 2019 - $1,074,243).

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED FEBRUARY 29, 2020

Total operating expenses for nine months ended February 29, 2020 were $4,469,101 (February 28, 2019 - $5,410,190). The significant expenditures were as follows:

- Exploration and evaluation expenditures were $2,806,477 during the nine months ended February 29, 2020 (February 28, 2019 - $3,731,967), inclusive of drilling expenses of $749,465 (February 28, 2019 - $1,206,472). Reduced drilling expenses were a result of reduced drilling metres for the current period. Exploration support and administration of $892,399 (February 28, 2019 - $802,769), field expenses of $645,864 (February 28, 2019 - $749,738) and transportation expenses of $174,355 (February 28, 2019 - $146,576). Geological consulting fees $173,804 (February 28, 2019 - $211,113) and sampling and geological costs of $170,590 (February 28, 2019 - $615,299) were reduced compared to the prior period when extensive surface surveys were being conducted.

- Consulting expenses were $204,748 and salaries and wages were $337,488 during the nine months ended February 29, 2020, compared to $170,078 consulting expense and $511,248 salaries and wages for the nine months ended February 28, 2019. The reduction in salaries and wages is due to a reduction of employee count in the current period compared to the prior period.

- General and administrative expenses were $574,123 during the nine months ended February 29, 2020, compared to $366,533 during the three months ended February 28, 2019. The increase in general and administrative expenses was primarily due to the write-off of VAT receivables that have been applied to general and administrative expenses. Travel and meals expenses were $110,408 during the nine months ended February 29, 2020 (February 28, 2019 - $92,396).

(EXPRESSED IN CANADIAN DOLLARS)

- During the nine months ended February 29, 2020, the Corporation incurred $125,669 of legal and professional fees (February 28, 2019 - $77,055). Increase in legal and professional fees were the result of increased costs due to the legal and accounting fees related to the previously reported misused funds.

- Stock-based compensation and investor relations expenses were $75,157 and $159,159, respectively, during the nine months ended February 29, 2020 (February 28, 2019 - $146,648 and $247,609, respectively). Stock-based compensation expense realized during the nine months ended February 29, 2020 is the result of amortization of share-based expense from stock options previously granted. Investor relations expense decreased during the nine months ended February 29, 2020 due to a reduction in ongoing marketing and promotions campaigns.

As a result of the foregoing, the Corporation recorded a net loss of $4,798,267 during the nine months ended February 29, 2020 (February 28, 2019 - $5,488,187).

SUMMARY OF MINERAL PROPERTIES

(i) Soledad Project, Peru (the "Condor Option")

On April 17, 2017, the Corporation entered into a Mining Assignment and Option Agreement (the "Condor Option") with Minera Vertiente del Sol S.A.C. ("MVS"), a Peruvian subsidiary of TSX-V listed Condor Resources Inc. ("Condor"), pursuant to which the Corporation has the sole and exclusive option to acquire 100% of the rights and interests in the Soledad Project, subject to a 2% net smelter return royalty ("NSR").

The Corporation's option to acquire 100% of the rights and interests in the Soledad Project is exercisable by issuing 500,000 common shares by June 23, 2018 (issued), making aggregate cash payments of US $5,375,000 and incurring work expenditures on the Soledad Project.

The Condor Option exercise cash payments schedule is as follows:

Installment	Date		Amount (in US$)
1	February 2017 (paid)	$	10,000
2	Upon signing the Agreement on April 17, 2017 (paid)		15,000
3	December 23, 2017 (paid)		25,000
4	June 23, 2018 (paid)		50,000
5	December 23, 2018 (paid)		50,000
6	June 23, 2019 (paid)		75,000
7	December 23, 2019 (paid)		75,000
8	June 23, 2020		100,000
9	December 23, 2020		150,000
10	June 23, 2021		200,000
11	December 23, 2021		4,625,000
	Total	$	5,375,000

As at February 29, 2020 the Corporation has paid instalments 1 to 7, totalling US $300,000. The June 23, 2018 instalment was accompanied with the issuance of 500,000 shares of the Corporation.

On March 18, 2019, the Corporation purchased a 1% NSR on the Soledad Project for $369,902 (US $275,000) and 900,000 common shares. As a result of the Corporation purchasing the NSR, the Condor Option was amended to reflect a reduction of the NSR from 2% to 1%, with the Corporation having the right to repurchase 50% of the NSR (or 0.5% NSR) for US $1,000,000 subsequent to exercising the Condor Option. If the Corporation does not exercise the Condor Option, Condor has the right to purchase 50% of the NSR (or 0.5% NSR) for US $1,000,000. The amendment to the Condor Option also eliminated Chakana's pre-royalty payment obligations.

(EXPRESSED IN CANADIAN DOLLARS)

Pursuant to the Condor Option, the Corporation must complete 12,500 metres of exploration drilling at the Soledad Project.

As at February 29, 2020, the Corporation has drilled over 12,500 metres on the Soledad Project, therefore meeting all of its drilling commitments under the Condor Option.

Exploration activity highlights on the Soledad Project to the date hereof include:

- **Targets:** There are six confirmed outcropping breccia pipes identified to date.
- **Core Drilling:** Total drilling of 30,273 metres in 116 holes drilled to date.

Breccia pipes and targets tested include:

Year	Bx 1*	Bx 5	Bx 3E	Bx 6	Bx 3W	Bx 7	Bx Corral 1	Bx 1SE	Other	Total
2017	4,558.76	2,520.50	-	-	-	-	-	-	-	7,079.26
2018	10,235.05	1,579.50	2,567.72	3,093.60	-	-	-	-	-	17,475.87
2019	-	1,957.90	-	1,615.60	493.70	759.45	478.63	163.25	249.30	5,717.83
Total	14,793.81	6,057.90	2,567.72	4,709.20	493.70	759.45	478.63	163.25	249.30	30,272.96

*includes Main and North breccia pipes

Significant core lengths of mineralization were encountered, including these select holes completed on Bx 1, Bx 5, Bx 6 and Bx 7:

Breccia	DDH#	From(m)	To (m)	Interval	Au (g/t)	Ag(g/t)	Cu%
Bx 1	**SDH17-018**	0.00	209.00	209.00	2.22	69.6	0.96
	including	0.00	40.00	40.00	4.21	18.6	
	including	40.00	114.00	74.00	3.31	65.5	1.11
	SDH18-059	0.00	233.00	233.00	1.36	57.2	0.85
	including	0.00	46.00	46.00	2.11	26.1	
	including	46.00	233.00	187.00	1.18	64.9	1.05
	SDH18-077	0.00	244.00	244.00	1.41	55.6	0.91
	including	0.00	50.00	50.00	1.68	17.7	
	including	50.00	244.00	194.00	1.34	65.4	1.13
Bx 5	**SDH17-041**	0.00	176.00	176.00	1.81	27.5	
	including	12.00	176.00	164.00	1.68	27.4	0.51
	SDH18-080	0.00	264.00	264.00	1.30	24.3	0.71
	including	0.00	30.00	30.00	1.33	45.8	0.05
	including	30.00	264.00	234.00	1.30	21.6	0.79
Bx 6	**SDH18-090**	14.00	44.00	30.00	0.53	17.4	0.03
	and	61.00	103.00	42.00	1.02	115.9	0.51
	SDH18-102	28.00	87.30	59.30	1.28	497.2	0.53
	including	64.50	87.30	22.80	2.93	1283.2	1.37
Bx 7	**SDH19-111**	132.65	195.00	62.35	0.43	118.4	0.13
	including	157.00	188.00	31.00	0.68	205.9	0.23
	SDH18-112	65.35	197.00	131.65	0.59	56.9	0.09
	including	149.00	181.00	32.00	0.83	127.4	0.14

Please refer to news releases dated October 6, 2017, February 22, 2018, June 26, 2018, October 18, 2018, November 13, 2018, February 7, 2019; April 2, 2019; July 29, 2019; and September 10, 2019 on www.sedar.com and the Corporation's website at www.chakanacopper.com.

(EXPRESSED IN CANADIAN DOLLARS)

While drilling the outcropping breccia pipe at Bx 1, a blind breccia pipe was intersected (North Zone). Drilling at Bx 1, Bx 5 and Bx 6 have confirmed increasing diameters with depth. Mineralization in Bx 1 North Zone has been intersected to 490m depth (down hole), in Bx 5 to 455m depth and in Bx 6 Lower Breccia to 778m depth. All breccia pipes are open at depth.

- **Geophysics:** Both down-hole and surface electromagnetic surveys and a ground magnetics survey were completed within the portions of the Soledad Project where breccia pipes were known or expected based upon soil sampling and geological modeling. This work identified conductive features, some of which yielded additional sulfide mineralization while others remain untested.

- **Geological Modeling:** The Corporation utilizes specialized consultants and exploration software in order to track results and then model results daily in 3-D. This permits a tighter control on drill hole directions while permitting real-time discussions between Peru-based staff and officers or consultants based around the world.

- **Soil Geochemical and Outcropping Rock Sampling** has been completed over the most prospective portions of the Soledad Project. Results have been integrated into our modeling and have yielded both new targets and extensions to known zones. Some follow-up sampling continues as a result of this work.

(ii) Aija Project, Peru ("Aija Project")

On March 20, 2018, the Corporation entered into an Option Agreement (the "Aija Option") with an arm's length third-party, pursuant to which the Corporation has the option to acquire 100% of the rights and interest in the Aija Project subject to a 2% NSR. The Aija Project includes 3 principal concessions and 7 smaller parcels within one of the principal concessions, totalling in aggregate 574.71 hectares. These concessions are contiguous with the southern boundary of the Soledad Project.

The Corporation's option to acquire 100% of the rights and interests in the Aija Project is exercisable by making aggregate cash payments of US $2,300,000 as follows:

Installment	Date		Amount (in US$)
1	Upon execution of Letter of Intent on October 3, 2017 (paid)	$	75,000
2	Upon close of Definitive Agreement on August 1, 2018 (paid)		75,000
3	February 1, 2019 (paid)		50,000
4	August 1, 2019 (paid)		50,000
5	February 1, 2020 (paid)		75,000
6	August 1, 2020		75,000
7	February 1, 2021		100,000
8	August 1, 2021		100,000
9	February 1, 2022		100,000
10	August 1, 2022		100,000
11	February 1, 2023		1,500,000
	Total	$	2,300,000

As at February 29, 2020, the Corporation has paid instalments 1 to 5, totalling US $325,000.

Under the terms of the Aija Option, the vendor is entitled to a 2% NSR. The Corporation may repurchase the 2% NSR at any time for US $2,000,000. There are no drilling or work expenditure commitments under the Aija Option.

The Corporation has completed detailed soil and rock sampling, geological mapping, surface electromagnetic surveys, and ground magnetics surveys within the portions of the Aija Project where breccia pipes were known or expected based upon soil sampling and geological modeling. Results are encouraging with the identification of 9 confirmed breccia pipes within the option. The next steps will be core drilling. The Corporation has met with numerous delays in acquiring permits to do this work, largely as a result of inconsistent records at different government ministries. Chakana continues to work with these ministries in order to resolve these matters.

(iii) Barrick Option Agreement

On July 11, 2018, Mineral Barrick Misquichilca S.A. ("Barrick") granted the Corporation an option (the "Barrick Option") to acquire a 100% interest in three concessions adjoining the southern extent of the Aija Project. Under terms of the Barrick Option, the Corporation has 5 years to complete a minimum of 2,000 metres of exploration drilling and produce a Preliminary Economic Assessment report compliant with National Instrument 43-101 *Standards for Disclosure for Mineral Projects*. Upon exercise of the Barrick Option, Barrick will retain a 2% NSR subject to the Corporation's right to purchase 50% of the NSR (1%) for US $2,000,000.

Barrick will have a one-time right to reacquire a 70% interest in the concessions within 120 days of exercising the option (the "Back-In Closing Date") by paying the Corporation three times the aggregate amount of exploration expenditures incurred since the execution date and cancelling the 2% NSR. If a production decision is not made within 7 years of the back-in closing date, Barrick will make pre-royalty payments of US $75,000 per year until a production decision is made for a maximum of 5 years (US $375,000). If the Corporation does not contribute its share of project costs their interest will be diluted to 10%, upon which their interest will be converted to a 2% NSR with Barrick's right to purchase 50% of the royalty for US $2,000,000.

The Corporation has completed detailed soil and rock sampling, geological mapping, surface electromagnetic surveys, and ground magnetics surveys within the portions of the Barrick Option concessions where breccia pipes were known or expected based upon soil sampling and geological modeling. Results are encouraging with the identification of 7 confirmed breccia pipes within the Barrick Option concessions. The next steps will be core drilling and possibly additional geophysical surveys in areas without coverage. The Corporation has met with numerous delays in acquiring permits to do this work.

CAPITAL STRUCTURE

As of the date of this MD&A, the Corporation has 93,199,847 common shares, nil common share purchase warrants, and 5,185,000 stock options issued and outstanding.

Issued Capital

During the nine months ended February 29, 2020, no common shares were issued and by the Corporation.

During the year ended May 31, 2019, the Corporation issued common shares as follows:

- On May 13, 2019 the Corporation completed a private placement of 15,686,275 common shares at a price of $0.51 per share for gross proceeds of $8,000,000. In connection to the private placement, the Corporation recorded $72,249 of share issuance costs related to the legal costs of completing the private placement.

- On April 17, 2019, the Corporation issued 900,000 common shares at a deemed price of $0.42 per share as required in connection to the acquisition of a 1% NSR pursuant to the Condor Option. The Corporation recorded $7,823 of share issuance costs in relation to the issuance of the common shares for this acquisition.

- On June 19, 2018, the Corporation issued 500,000 common shares to Condor Resources Inc. in accordance with its option obligations pursuant to the Condor Option to acquire rights and interest in the Soledad Project in Peru.

- On June 7, 2018, the Corporation issued 43,225 common shares on the exercise of warrants at an exercise price of $0.40 per share for gross proceeds of $17,290.

Cancellation of Shares

On October 4, 2019, the Corporation signed a settlement agreement with a former employee to return to treasury for cancellation 4,000,000 common shares of the Corporation as reimbursement for the misused funds and related loss to the Corporation. These shares represent 100% of the former employee's shareholding in the Corporation. These 4,000,000 common shares were cancelled on November 14, 2019. A reduction of $600,000 in share capital has been recorded against deficit within shareholders' equity.

(EXPRESSED IN CANADIAN DOLLARS)

The following warrants were outstanding at February 29, 2020:

Grant Date	Expiry Date	Number of Warrants Issued	Weighted Average Exercise Price
March 23, 2018	March 23 ,2020	391,000	$0.90
		391,000	$0.90

Subsequent to February 29, 2020, the 391,000 share purchase warrants exercisable at $0.90 per warrant expired without being exercised.

The following incentive stock options were outstanding at February 29, 2020:

	Options Outstanding			Options Exercisable	
Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Exercise Price
$0.40	2,585,000	2.79	$0.40	2,585,000	$0.40
$0.94	425,000	3.33	$0.94	425,000	$0.94
$0.20	1,475,000	4.82	$0.20	368,750	$0.20
$0.20	700,000	2.93	$0.20	175,000	$0.20
	5,185,000	2.87	$0.48	3,553,750	$0.48

On November 14, 2019, the Corporation cancelled 1,000,000 stock options previously issued to a former employee.

During the nine months ended February 29, 2019, the Corporation granted 2,175,000 incentive stock options to employees and consultants. Of the 2,175,000 incentive stock options, 1,475,000 may be exercised within 5 years from the date of grant at a price of $0.20 per common share and 700,000 options may be exercised within 3 years from the date of grant at the price of $0.20 per common share.

CAPITAL RESOURCES

The Corporation defines capital as consisting of shareholders' equity and cash. The Corporation manages its capital structure to maximize its financial flexibility by making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Corporation does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Corporation's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable.

As at February 29, 2020, the Corporation is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Corporation's approach to capital management during the nine months ended February 29, 2020.

(EXPRESSED IN CANADIAN DOLLARS)

LIQUIDITY

The Corporation's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements at any point in time. The Corporation has historically financed its operations primarily through the sale of share capital by way of private placements.

As at February 29, 2020, the Corporation had cash of $7,429,800 and working capital of $7,258,703.

Cash used in operating activities was $4,390,635 during the nine months ended February 29, 2020. The cash used in operating activities is for exploration and evaluation expenditures.

Cash used in investing activities was $453,265 during the nine months ended February 29, 2020 and was primarily related to purchases of equipment and acquisition of exploration and evaluation assets.

The development of the Corporation in the future will depend on the Corporation's ability to obtain additional financings. In the past, the Corporation has relied on the sale of equity securities to meet its cash requirements. Future developments, in excess of funds on hand, will depend on the Corporation's ability to obtain financing through joint venturing of projects, debt financing, equity financing or other means. There can be no assurances that the Corporation will be successful in obtaining any such financing or in joint venturing its property; failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Corporation's properties.

OUTLOOK

The Corporation plans to conduct further exploration on its exploration projects. Further exploration and corporate costs are expected to be funded through future equity financing. As of the date of this MD&A, the Corporation has approximately $6.9 million in cash and cash equivalents. Exploration will continue to focus on mineralization hosted in tourmaline breccia pipes. Surface exploration over the northern half of the property has largely been completed and drill targets have been defined. Approximately 15,000 additional metres are planned for high priority breccia pipe targets in this area pending approval of drill permits. The goal of this drilling, combined with previous drilling, is to produce the first mineral resource estimate for the project in 2020. Metallurgical studies will be completed to complement the resource estimate. Additional surface exploration work will continue on the south half of the Soledad Project to define additional drill targets, which will be tested once permits for this area are obtained. Based on the level of exploration activity, the Corporation will continue its community relations and development program in the areas close to the Soledad Project.

RELATED PARTY TRANSACTIONS

The Corporation's related parties include key management personnel and companies related by way of directors or shareholders in common.

Key Management Personnel Compensation

During the nine months ended February 29, 2020 and February 28, 2019, the Corporation paid and/or accrued the following fees to key management personnel:

		February 29, 2020		February 28 2019
Management				
David Kelley, CEO	$	198,216	$	229,123
Kevin Ma, CFO		69,300		61,436
Subtotal		267,516		290,559
Directors				
John Black, Director		6,000		7,105
Darren Devine, Director		35,000		52,105

(EXPRESSED IN CANADIAN DOLLARS)

Doug Kirwin, Director		59,474		68,850
Tom Wharton, Director		22,000		16,105
Subtotal		122,474		144,165
Total Related Party Compensation	$	389,990	$	434,724

Key management includes the Corporation's Board of Directors and members of senior management.
Trade Related Party Transactions

As at February 29, 2020, the Corporation has the following amounts due to related parties:

		February 29, 2020		**May 31, 2019**
Management				
David Kelley, CEO	$	14,502	$	-
Kevin Ma, CFO		15,335		-
Subtotal		29,837		-
Directors				
John Black, Director		23,000		14,000
Darren Devine, Director		5,250		5,250
Doug Kirwin, Director		2,093		6,764
Tom Wharton, Director		2,000		4,000
Subtotal		32,343		30,014
Total Due to Related Party	$	62,180	$	30,014

OFF BALANCE SHEET ARRANGEMENTS

The Corporation currently has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels.

The hierarchy is as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

The fair value of cash under the fair value hierarchy is measured using Level 1 inputs. The Corporation considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the condensed interim consolidated financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

FINANCIAL RISK FACTORS

The Corporation's risk exposure and the impact on the Corporation's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of potential loss to the Corporation if the counterparty to a financial instrument fails to meet its contractual obligations. The Corporation's credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The Corporation limits exposure to credit risk on liquid financial assets through maintaining its cash with high credit quality financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations with cash. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Corporation is exposed to liquidity risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation has no interest-bearing debt. The Corporation's sensitivity to interest rates is minimal.

Foreign Currency Risk

Foreign currency risk is the risk on fluctuation of currency related to monetary items with a settlement currency other than Canadian dollars. The functional currency of Chakana is the Canadian dollar and the functional currency of the subsidiary is the US dollar. The Corporation is exposed to foreign currency risk on fluctuations related to cash, receivables, prepayments and accrued liabilities that are denominated in US dollars and Canadian dollars. The Corporation has not used derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

BUSINESS RISKS AND UNCERTAINTIES

Additional information on risks and uncertainties relating to Chakana's business is provided in Remo Resources Inc.'s ("Remo") Filing Statement dated December 4, 2017 under the heading **Risk Factors**. This Filing Statement is accessible under the Corporation's profile at www.sedar.com.

CONTRACTUAL OBLIGATIONS

The Corporation leases various premises under operating leases that expire from January 31, 2020 to July 31, 2020. The Corporation is obligated to make $171,337 in minimum lease payments under the premise leases in the fiscal year ending May 31, 2020.

SETTLEMENT AGREEMENT

On October 4, 2019, the Corporation signed a settlement agreement pursuant to which 4,000,000 common shares of the Corporation, owned by a former employee of the Corporation, were relinquished as compensation for misuse of funds by the former employee. These 4,000,000 shares were cancelled on November 14, 2019. Additionally, as a result of the former employee's termination for cause, 1,000,000 stock options, issued September 17, 2017, have been cancelled.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Corporation's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ significantly from these estimates.

Areas requiring a significant degree of judgment relate to the recoverability and measurement of deferred tax assets and liabilities, the ability to continue as a going concern and the capitalization of development costs. Actual results may differ from those estimates and judgments. Areas requiring a significant degree of estimation include allowances for doubtful accounts.

Judgments that have the most significant effect on the amounts recognized in the Corporation's condensed interim consolidated financial statements are as follows

- *Exploration and Evaluation Assets*

  The net carrying value of each mineral property is reviewed regularly for conditions that suggest potential indications of impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising, such that no more work is being planned in the foreseeable future.

- *Going Concern*

  The assessment of the Corporation's ability to continue as a going concern involves critical judgment based on historical experience and expectations of the Corporation's ability to generate adequate financing. Significant judgment is used in the Corporation's assessment of its ability to continue as a going concern.

- *Value-added Tax Receivable*

  The Corporation has a signed agreement with the Peruvian Ministry of Energy and Mines to receive a refund on value-added taxes for certain exploration related expenditures incurred by the Corporation in Peru, prior to the Corporation generating sales. These value-added tax receivables are subject to review by the Peruvian tax authorities. Management is required to assess the likelihood of approval for the expenditures filed for refund and collectability of the value-added tax receivables from the Peruvian Ministry of Energy and Mines.

- *Income Taxes*

  Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases (temporary differences), and losses carried forward.

  The determination of the ability of the Corporation to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Corporation. Management is required to assess whether it is probable that the Corporation will benefit from these prior losses and other deferred tax assets. Change in economic conditions, metal prices and other factors could result in revision to the estimates of the benefits to be realized or the timing of utilizing the losses.

- *Functional Currency*

  The functional currency for each of the Corporation's subsidiary is the US dollar – the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Corporation reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

SIGNIFICANT ACCOUNTING POLICIES

The Corporation's significant accounting policies are summarized in Note 3 to the audited consolidated financial statements for the year ended May 31, 2019.

ACCOUNTING STANDARDS AND AMENDMENTS ADOPTED

IFRS 16 – Leases

The Corporation adopted all of the requirements of IFRS 16 effective June 1, 2019. IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*. There was no material impact on the Corporation's condensed interim consolidated financial statements upon the adoption of this new standard.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may be deemed "forward-looking statements", including statements regarding developments in the Corporation's operations in future periods, adequacy of financial resources, and future plans and objectives of the Corporation. All statements in this document, other than statements of historical fact, which address events or developments that the Corporation expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or events or conditions that "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future exploration programs, liquidity and effects of accounting policy changes.

Although the Corporation believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals, and general economic, market or business conditions including but not limited to the impact of the COVID-19 pandemic, see General Overview of Market Conditions on Page 2 of this MD&A. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Readers are cautioned not to place undue reliance on this forward-looking information.

Forward-looking statements are based on the beliefs, estimates and opinions of the Corporation's management on the date the statements are made. The Corporation undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Corporation and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Corporation's transactions and exploration and development programs on reasonable terms, and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.