CHAKANA COPPER CORP.

(FORMERLY REMO RESOURCES INC.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2018

(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

MANAGEMENT'S COMMENTS ON UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited condensed interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Chakana Copper Corp. (the "Corporation") have been prepared by and are the responsibility of the Corporation's management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Corporation's independent auditor, D&H Group LLP, has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the condensed consolidated interim financial statements by an entity's auditor.

CHAKANA COPPER CORP. (FORMERLY REMO RESOURCES INC.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT FEBRUARY 28, 2018 AND MAY 31, 2017 (UNAUDITED)

(expressed in Canadian Dollars)

	February 28, 2018	May 31, 2017
ASSETS		
Current Assets		
Cash	$ 7,779,724	$ 598,389
Prepaid and other current assets (Note 8)	1,383,519	11,622
	9,163,243	610,011
Non-Current Assets		
Exploration and evaluation asset (Note 7)	361,159	32,755
Equipment (Note 10)	227,487	11,431
Total Assets	$ 9,751,889	$ 654,197
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Note 11)	$ 543,651	$ 116,081
Total Liabilities	$ 543,651	$ 116,081
Shareholders' Equity		
Common shares (Note 12)	13,075,732	662,542
Reserves (Notes 12 and 13)	1,155,149	149,941
Stock options (Note 14)	1,233,092	-
Accumulated and other comprehensive loss	(71,071)	(1,738)
Deficit	(6,184,664)	(272,629)
	$ 9,208,238	$ 538,116
Total Liabilities and Shareholders' Equity	$ 9,751,889	$ 649,197

Nature of Operations (Note 1)
Subsequent Events (Note 23)

Approved on behalf of the Board of Directors

/s/ Tom Wharton
Tom Wharton, Director

/s/ Darren Devine
Darren Devine, Director

CHAKANA COPPER CORP. (FORMERLY REMO RESOURCES INC.)
CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2018 (UNAUDITED) AND
FOR THE PERIOD FROM DECEMBER 1, 2016 (DATE OF INCORPORATION) TO FEBRUARY 28, 2017 (UNAUDITED)

(expressed in Canadian Dollars)

	Nine Months Ended February 28, 2018	Incorporation Date to February 28, 2017
OPERATING EXPENSES		
Consulting fees	$ 276,834	$ -
Exploration and evaluation expenditures (Note 15)	2,723,338	-
General and administrative expenses	262,949	28
Investor relations	146,795	-
Legal and professional fees	262,448	29,272
Salaries and wages	145,317	-
Stock based compensation (Note 14)	1,233,092	-
Travel and meals	175,918	16,930
Operating Expenses	(5,226,691)	(46,230)
Other		
Foreign exchange loss	(37,842)	-
Interest expense	4,027	-
Listing expense (Note 7)	(651,529)	-
Net Loss	(5,912,035)	(46,230)
Other Comprehensive Loss		
Foreign currency translation	(69,333)	-
Total Comprehensive Loss	$ (5,981,368)	$ (46,230)
Basic and diluted loss per share (Note 16)	$ (0.13)	$ -
Weighted average number of shares outstanding (basic and diluted) (Note 16)	45,138,775	1

CHAKANA COPPER CORP. (FORMERLY REMO RESOURCES INC.)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2018 (UNAUDITED)
FOR THE PERIOD FROM DECEMBER 1, 2016 (DATE OF INCORPORATION) TO FEBRUARY 28, 2017 (UNAUDITED)

(expressed in Canadian Dollars)

	Nine Months Ended February 28, 2018	Incorporation Date to February 28, 2017
Cash Flows used in Operating Activities		
Net loss	$ (5,912,035)	$ (46,230)
Items not affecting cash from operations		
Listing expense	651,529	-
Stock based compensation	1,233,092	-
	(4,027,414)	(46,230)
Changes in non-cash working capital		
Decrease in prepaids and other current assets	(475,515)	(29)
Increase in subscription receipts receivable	(889,265)	-
Increase in accounts payable and accrued liabilities.	418,454	32,884
	(4,973,740)	(13,375)
Cash Flows used in Investing Activities		
Purchases of equipment	(216,056)	-
Acquisition of mineral properties	(328,404)	(32,755)
Acquisition of Remo, net of cash	467	-
	(543,993)	(32,755)
Cash Flows from Financing Activities		
Net proceeds from issuance of common shares	12,666,318	-
Proceeds from exercise of warrants	102,083	-
Shareholder loan	-	46,102
	12,768,401	46,102
Changes in cash during the period	7,250,668	(28)
Foreign exchange on cash	(69,333)	-
Cash – Beginning of the period	$ 598,389	$ -
Cash (Indebtedness) – End of the period	$ 7,779,724	$ (28)

Supplemental cash flow information (Note 19)

CHAKANA COPPER CORP. (FORMERLY REMO RESOURCES INC.)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2018 (UNAUDITED)

(Expressed in Canadian Dollars, except per share amounts)

	Common Shares						
	Shares	**Amount**	**Accumulated Other Comprehensive Loss**	**Reserves**	**Stock options**	**Deficit**	**Total**
Balance – May 31, 2017 (Unaudited)	32,716,667	$ 662,542	$ (1,738)	$ 149,941	$ -	$ (272,629)	$ 538,116
Net loss for the period	-	-	-	-	-	(5,912,035)	(5,912,035)
Other comprehensive loss for the period	-	-	(69,333)	-	-	-	(69,333)
Stock option grant	-	-	-	-	1,233,092	-	1,233,092
Shares issued for:	-	-	-	-	-	-	-
Reverse acquisition of Remo	1,299,994	649,997	-	-	-	-	649,997
Cash	28,089,500	13,235,800	-	-	-	-	13,235,800
Fair value assigned to warrants in private placements	-	(1,043,059)	-	1,043,059	-	-	-
Share issuance costs	370,715	(560,466)	-	-	-	-	(560,466)
Warrant exercise (Note 13)	2,041,666	130,918	-	(37,851)	-	-	93,067
Balance – February 28, 2018	64,518,542	$ 13,075,732	$ (71,072)	$ 1,155,149	$ 1,233,092	$ (6,184,664)	$ 9,208,238

The accompanying notes are integral to these condensed interim consolidated financial statements

1. General Information and Nature of Operations

Chakana Copper Corp. (formerly Remo Resources Inc.) (the "Corporation" or "Remo") 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 and changed its name to Chakana Copper Corp. on January 30, 2018. The Corporation is listed on the TSX Venture Exchange ("TSX-V") under the symbol "PERU". The Corporation is currently engaged in acquisition, development and operation of mineral properties, with its principal focus at this stage on the exploration of the Soledad copper-gold-silver project located in Central Peru (the "Soledad Project").

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

Nature of Operations

The Corporation is in the process of exploring and developing its mineral properties. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, successful permitting, the ability of the Corporation to obtain necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of each mineral property. Furthermore, the acquisition of title to mineral properties is a complicated and uncertain process, and while the Corporation has taken steps in accordance with normal industry standards to verify its title to the mineral properties in which it has an interest, there can be no assurance that such title will ultimately be secured. The carrying amounts of mineral properties are based on costs incurred to date, and do not necessarily represent present or future values.

Reverse Takeover

On January 30, 2018, the Corporation completed the acquisition of Chakana Copper Corp. ("Chakana"), a private British Columbia corporation incorporated on December 1, 2016. Chakana's wholly-owned subsidiary, Chakana Resources S.A.C, a limited liability company formed under the laws of the Peru on December 1, 2016, holds an option to acquire a 100% interest in the Soledad Project in Peru, and is the operator of all related mineral exploration activities. The Corporation acquired all of the issued and outstanding shares of Chakana through a three-cornered amalgamation involving a wholly-owned subsidiary of the Corporation and Chakana (the "Reverse Takeover Transaction", the "Transaction", or the "RTO"). In connection to the Transaction, the Corporation consolidated its common shares on the basis of one-post consolidation share for each 6.865385 pre-consolidation shares (the "Consolidation") and changed its name to "Chakana Copper Corp.".

2. Basis of Preparation, Statement of Compliance, and Adoption of International Financial Reporting Standards

(a) Basis of Preparation and Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements were approved by the Board of Directors on April 30, 2018.

The Corporation's financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 17, and are presented in Canadian dollars except where otherwise indicated.

Where fair value is used to measure assets and liabilities in preparing these financial statements, it is estimated at the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair values are determined from inputs that are classified within the fair value hierarchy defined under IFRS as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Inputs for the asset or liability that are unobservable

3. Significant Accounting Policies

The significant accounting policies used in the preparation of these financial statements are summarized below.

(a) Basis of Consolidation

The Corporation's consolidated financial statements include the accounts of the Corporation and its subsidiary. Subsidiaries are entities controlled by the Corporation, where control is achieved by the Corporation being exposed to, or having rights to, variable returns from its involvement with the entity and having the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Corporation and are deconsolidated from the date that control ceases.

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

(b) Cash

Cash is comprised of cash at banks.

(c) Exploration and Evaluation Asset

Exploration and evaluation asset is comprised of a mineral property owned by the Corporation and is initially measured at the fair value of the consideration paid for the mineral rights acquired. The amounts shown for mineral property represents the cost of acquisition and do not reflect present or future values. These costs will be amortized against future production or written off if the assets are abandoned or sold.

Exploration and evaluation costs, except for the cost of acquisition, are expensed as incurred until management has determined that there is sufficient evidence to show the technical feasibility and commercial viability of the extraction of the mineral resources from the mineral properties. Once technical feasibility and commercial viability is demonstrated in the mineral properties, exploration and evaluation expenditures are capitalized as exploration and evaluation assets.

At each reporting date, exploration and evaluation assets are tested for indications of impairment.

(d) Equipment

Equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment comprises of its purchase price and any costs directly attributable to brining the asset to the location and condition necessary for it to be capable of operating in a manner intended by management.

The cost of equipment, less residual value (if any), is depreciated over the estimated useful life of the asset on a straight-line basis as follows:

Machinery and Equipment	3-10 years

Where components of an item of property and equipment have different useful lives or for which different deprecation rates would be appropriate, they are accounted for as separate items of property and equipment.

An item of property and equipment is derecognized upon disposal or replacement. Any gains or loss arising on recognition of the asset (calculated as the difference between the net proceeds of disposition and the carrying amount of the asset) is included on the Consolidated Statement of Operations and Comprehensive Income (Loss) when the asset is derecognized.

(e) Impairment

Impairment tests for non-current assets are performed when there is an indication of impairment. At each reporting date, an assessment is made to determine whether there are any indications of impairment. If any indication of impairment exists, an estimate of the non-current asset's recoverable amount is calculated. The recoverable amount is determined at the higher of fair value less costs of disposal and the asset's value in use. If the carrying value of a non-current asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to profit and loss so as to reduce the carrying amount of the non-current asset to its recoverable amount.

(f) Current and Deferred Income Taxes

Income tax expense comprises current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss except to the extent that they relate to a business combination or to items recognized directly in equity or in other comprehensive income.

Current income taxes are the expected taxes payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous periods.

Deferred income taxes are recognized using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. However, deferred income taxes are not recognized if they arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit nor loss.

Deferred income taxes are determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets and liabilities are presented as non-current in the financial statements.

Deferred income tax assets and liabilities are offset if there is a legally enforceable right of offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

(g) Warrants

When the Corporation issues units that are comprised of a combination of shares and warrants, the value is assigned to shares and warrants based on the residual value method. The fair value assigned to the warrants is determined based on a Black-Scholes option pricing model. The value of the shares is then determined by the proceeds from the issuance of units less the calculated fair value of the warrants.

(h) Share-based Payment Transactions

The Corporation has a stock option plan that provides for the granting of options to officers, directors, consultants and related company employees to acquire shares of the Corporation. The fair value of the options is measured on grant date and is recognized as an expense with a corresponding increase in reserves as the options vest. Options granted to employees and others providing similar services are measured on grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received. On vesting, share-based payments are recorded as an operating expense and as reserves. When options are exercised, the consideration received is recorded as share capital. In addition, the related share-based payments originally recorded as contributed surplus are transferred to share capital. When an option is cancelled, or expires, the initial recorded value is reversed and charged to deficit.

(i) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities and include key management of the Corporation and its parent. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

(j) Foreign Currencies

The consolidated financial statements are presented in Canadian dollars. The functional currency of the Corporation and its controlled entities are measured using the principal currency of the primary economic environment in which each entity operates. The functional currency of the Canadian entity is in Canadian dollars, and the functional currency of the Chakana Resources S.A.C is U.S. dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are retranslated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Foreign exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the costs of assets when they are regarded as an adjustment to interest costs on those currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation which settlement is neither planned nor likely to occur, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

(k) Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period.

Diluted earnings (loss) per share is calculated using the treasury share method whereby all "in the money" options, warrants and equivalents are assumed to have been exercised at the beginning of the period and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period.

Where dilutive potential ordinary shares have an anti-dilutive impact they are excluded from the calculation of diluted earnings (loss) per share.

(l) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(m) Financial Instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset (i) held for trading, or (ii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Corporation manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Corporation has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held to maturity investments are measured at amortized cost using the effective interest method less any impairment.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including cash) are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

AFS financial assets

Investments and other assets are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognized in other comprehensive income. Impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, are recognized directly in profit or loss rather than equity. When an investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in the investments revaluation reserve is included in profit or loss.

The fair value of AFS monetary assets denominated in a foreign currency are translated at the spot rate at the statement of financial position date. The change in fair value attributable to translation differences on amortized cost of the asset is recognized in profit or loss, while other changes are recognized in equity. The Corporation does not hold any AFS financial assets.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments;
- it has become probable that the borrower will enter bankruptcy or financial reorganization; or
- a significant or prolonged decline in value.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized; the previously recognized impairment loss is reversed through profit or loss. The impairment on AFS equity instruments is not reversed if the value of the AFS equity investments subsequently increases. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

Derecognition of financial assets

A financial asset is derecognized when:

- the contractual right to the asset's cash flows expire; or
  if the Corporation transfers the financial asset and substantially all risks and rewards of ownership t another entity.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial liability.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Corporation has classified accounts payable and accrued liabilities, and subscriptions payable as other financial liabilities.

Derecognition of financial liabilities

The Corporation derecognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire.

(n) Fair Value Measurement

Where fair value is used to measure assets and liabilities in preparing these financial statements, it is estimated at the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair values are determined from inputs that are classified within the fair value hierarchy defined under IFRS as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Inputs for the asset or liability that are unobservable

4. Significant Accounting Judgments and Estimates

The preparation of the Corporation's 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 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.

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

- *Exploration and Evaluation Asset*

  The net carrying value of the exploration asset is reviewed regularly for conditions that suggest potential indications 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 judgement based on historical experience and expectations of the Corporation's ability to generate adequate financing. Significant judgements are used in the Corporation's assessment of its ability to continue as a going concern.

- *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 judgement 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 the Corporation's subsidiary is the U.S. 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 which determined the primary economic environment.

- Acquisition Accounting

  Chakana has accounted for the reverse acquisition of Remo as an asset acquisition. Significant judgements and estimates were required to determine that the application of this accounting treatment was appropriate for the transaction. These included, among others, the determination that Remo was not considered a business under IFRS 3: Business Combination, for the basis of calculation of the fair value of the consideration transferred and the estimate of the fair value of the net assets acquired.

5. Recently Adopted Accounting Standards

For the nine months ended February 28, 2018, the Corporation adopted the following accounting standards:

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. IFRS 9 is effective for annual period beginning on or after January 1, 2018. The adoption of IFRS 9 did not have an impact on the consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers
In May 2014, the International Accounting Standards Board ("IASB") issued IFRS 15 Revenue from Contracts with Customers, which specifies how and when an entity will recognize revenue as well as requiring entities to provide users of financial statements with more informative, relevant disclosures. IFRS 15 is effective for annual period beginning on or after January 1, 2018. The adoption of IFRS 15 did not have an impact on the consolidated financial statements.

(expressed in Canadian dollars)

6. Accounting Standards and Amendments Issued but Not yet Adopted

The IASB has issued or amended a number of new standards that were not effective at February 28, 2018. These standards have not been early adopted in these consolidated financial statements.

IFRS 16 - Leases
This new standard was issued with the objective to recognize all leases on the balance sheet. IFRS 16 requires lessees to recognize a "right of use" asset and a lease liability calculated using a prescribed methodology. The mandatory effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019. Early adoption is permitted provided that IFRS 15, Revenue from Contracts with Customers, is also adopted. The Corporation is currently assessing the impact these standards and amendments may have on its financial statements.

IFRS 2 – Share-based Payment
On June 30, 2016, the IASB issued amendments to IFRS 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments apply for annual periods beginning on or after January 1, 2018. The Corporation intends to adopt the amendments to IFRS 2 in its consolidated financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined. The Corporation is currently assessing the impact these standards and amendments may have on its financial statements.

7. Reverse Acquisition

On January 30, 2018, pursuant to the terms of an amalgamation agreement (the "Amalgamation Agreement") the Corporation and Chakana completed an amalgamation, whereby the Corporation acquired all of the issued and outstanding share capital of the Chakana, being 1,299,994 common shares, as a means by which Chakana will attain a public listing of its common shares.

The acquisition constitutes an asset acquisition as the Corporation does not met the definition of a business, as defined in IFRS 3, Business Combinations. Additionally, as a result of the RTO, the statement of financial position has been adjusted for the elimination of the Corporations share capital, contributed surplus and accumulated deficit within shareholders' equity.

As a result of this asset acquisition, a listing expense of $649,997 has been recorded. This reflects the difference between the estimated fair value of Chakana shares deemed to have been issued to the Corporation's shareholders less the fair value of the assets of the Corporation acquired.

The preliminary allocation of estimated consideration transferred is subject to change and is summarized as follows:

Purchase Price	
1,299,994 common shares of the Corporation at $0.50 per shares	$ 649,997
Total Purchase Price	$ 649,997
Allocation of Purchase Price	
Cash	$ 467
Prepaid expenses and other current assets	7,117
Accounts and accrued liabilities	(9,116)
Charge related to public company listing	651,529
	$ 649,997

(expressed in Canadian dollars)

8. Prepaids and other current assets

		February 28, 2018		May 31, 2017
VAT receivable	$	485,528	$	2,896
Prepaid expenses		897,991		8,726
	$	1,383,519	$	11,622

9. Exploration and Evaluation Asset

		Total Soledad Project, Peru
Balance – May 31, 2017	$	32,755
Acquisition cost		328,404
Balance – February 28, 2018	$	361,159

Soledad Project, Peru

On April 17, 2017, the Corporation entered into the Mining Assignment and Option Agreement with Minera Vertiente del Sol SAC (“MVS”) (the “Agreement”) a subsidiary of 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 Copper / Gold Project, Peru (the “Soledad Project”), subject to a 2% net smelter return royalty (“NSR”). The closing date for the Agreement was June 23, 2017.

The Corporation’s option to acquire rights and interests in the Soledad Project is exercisable by issuing 500,000 common shares by June 23, 2018, paying a total of USD $5,375,000, and complete 12,500m of drilling on the Soledad Project.

The Option exercise payments schedule are as follows:

Installment	Date	Amount (in USD$)
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*;	$50,000
5	December 23, 2018	$50,000
6	June 23, 2019	$75,000
7	December 23, 2019	$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**

* Payment accompanied with 500,000 Chakana shares

As at February 28, 2018, the Corporation has paid instalments 1, 2 and 3, totalling USD $50,000.

(expressed in Canadian dollars)

In addition to paying MVS a 2% NSR upon commencing of commercial production on the Soledad Project, the Corporation is required to make pre-royalty payments to MVS as follows:

Years	**Amount per year (in USD$)**
From the sixth to the tenth year, counted as from June 23, 2017	$25,000
From the eleventh to the fifteenth year, counted as from June 23, 2017	$60,000
From the sixteenth year on, counted as from June 23, 2017	$100,000
	$185,000

Pre-royalty payments are credited from NSR payments on commencement of commercial production.

Under the Mining Assignment and Option Agreement, the Corporation may purchase from MVS 50% of the NSR, equal to a 1% NSR, for the total amount of USD $2,000,000 at any time.

Pursuant to the Mining Assignment and Option Agreement, the Corporation must complete 12,500 meters of exploration drilling ("Drilling Schedule") on the Soledad Project according to the following schedule:

Stage	**Meters (m)**	**Date**
i	3,000 m	Within eighteen (18) months counted since June 23, 2017
ii	2,500 m	Within thirty (30) months counted since June 23, 2017
iii	3,000 m	Within forty-two (42) months counted since June 23, 2017; and,
iv	4,000 m	Within fifty-four (54) months counted since June 23, 2017.
Total	**12,500 m**	

In the event of non-compliance with the Drilling Schedule, the Corporation is required to pay MVS 100% of the total cost of the unrealized drilling at USD $100 per meter. The Corporation is permitted to offset a portion of the drilling requirements by certain making investments toward the development of the Soledad Project ("Credible Investments"). A maximum of 40% of the drilling meters required by the Drilling Schedule are permitted to be replaced with Credible investments.

As at February 28, 2018, the Corporation has drilled 10,790 meters and incurred $2,723,338 of exploration expenditures on the Soledad Project (see note 15). As of February 28, 2018, the Corporation has not applied any Credible Investments to the expenditure requirement.

History of the Soledad Project

Disclosed in the financial statements of Condor, the company acquired ownership of a Peruvian incorporated company MVS and transferred ownership of the Soledad concessions into MVS. In February 2016, Condor entered into a comprehensive agreement with Compania Minera Casaplaca S.A. ("Casaplaca") which granted Casaplaca a two-stage option to earn up to 70% interest in the Soledad project in the Aija Province, Peru. In February 2017, Casapalca terminated the option earn-in agreement on the Soledad Project. Condor has not spent any significant expenditures towards the Soledad Project.

(expressed in Canadian dollars)

Aija Project

On October 3, 2017, the Corporation signed a binding letter of intent ("LOI") with a third party, pursuant to which the Corporation has the sole and exclusive option (the "Option") to acquire 100% of the rights and interest for the Aija Project, Peru, a property contiguous with the southern boundary of the Soledad project. The Option includes 3 principal concessions, and 7 smaller parcels within one of the principal concessions, totalling 574.71 hectares. These concessions are in close proximity to the Corporation's Soledad Project.

The Option exercise payments schedule are as follows:

Installment	Date	Amount (in USD$)
1	Upon execution of LOI (paid)	$75,000
2	Upon signing of definitive agreement (paid)	$75,000
3	6 months counted as from definitive agreement date	$50,000
4	12 months counted as from definitive agreement date	$50,000
5	18 months counted as from definitive agreement date	$75,000
6	24 months counted as from definitive agreement date	$75,000
7	30 months counted as from definitive agreement date	$100,000
8	36 months counted as from definitive agreement date	$100,000
9	42 months counted as from definitive agreement date	$100,000
10	48 months counted as from definitive agreement date	$100,000
11	54 months counted as from definitive agreement date	$1,500,000
	Total	**$2,300,000**

Installments #1 and #2 was paid on October 3, 2017 and April 1, 2018, respectively.

Under the terms of the Option, the third-party is entitled 2% NSR which the Corporation may purchase all of the 2% NSR at any time for USD $2,000,000.

10. Equipment

		Equipment
Cost		
As at May 31, 2017	$	11,431
Additions:		216,056
Disposals		-
As at February 28, 2018	$	227,487
Accumulated depreciation		
As at May 31, 2017	$	-
Depreciation		-
Disposals		-
As at February 28, 2018	$	-
Net Book Value		
As at February 28, 2018	$	227,487

(expressed in Canadian dollars)

11. Accounts Payable and Accrued Liabilities

	February 28, 2018	May 31, 2017
Accounts Payable	$ 514,560	$ 80,522
Accrued Liabilities	29,091	36,078
	$ 543,651	$ 116,599

Included in accounts payable are amounts totalling $32,568 (May 31, 2017 - $ nil) due to related parties.

12. Share Capital

(a) Authorized Share Capital

The Corporation is authorized to issue an unlimited number of common shares without par value. At February 28, 2018, the Corporation had 64,518,542 common shares outstanding.

(b) Issued Share Capital

During nine months ended February 28, 2018, the Corporation issued common shares as follows:

(i.) On November 7 and 9, 2017, the Corporation issued 8,602,500 common shares for gross proceeds of $4,301,250 and 11,397,500 subscription receipts for gross proceeds of $5,698,750, with aggregate total gross proceeds of $10,000,000. The subscriptions receipts will be held in escrow until the closing of the Transaction; whereby, all subscription receipts will be exchanged for post-consolidated common shares of Remo on the closing date of the Transaction. In connection with the share offering, the Corporation incurred share issuance costs of $75,075 commission paid in cash, issued 127,715 common shares, and 277,865 warrants exercisable at $0.50 per common share for a period of 24 months from the date of issuance. On January 30, 2018, upon the closing of the Transaction, the common shares on conversion of the subscription receipts were issued and respective cash received. Additional share issuance costs of $248,413 cash commissions were paid, and 43,000 common shares and 539,825 warrants, exercisable at $0.50 per common share for a period of 24 months from the date of issuance, were issued.

(ii.) Between June 28, 2017 and July 29, 2017, the Corporation issued a total of 8,089,500 units at a price of $0.40 per unit for gross proceeds of $3,235,800. Each unit comprised of one common share and one-half share purchase warrant. Each whole warrant is exercisable at $0.60 per common share for a period of 18 months from the date of issue. Share issuance costs consist of finders' fees of $187,740 paid in cash, issuance of 893,301 warrants, exercisable at $0.40 per common share for a period of 24 months from the date of issue and $24,438 of legal and filing fees.

(iii.) On June 12, 2017, the Corporation issued 500,000 common shares through the exercise of 500,000 warrants for aggregate proceeds of $25,000

(expressed in Canadian dollars)

13. Warrants

Details regarding warrants issued and outstanding are summarized as follows:

	Weighted Average exercise price	Number of shares issued or issuable on exercise
Balance – May 31, 2017	$0.05	8,108,333
Issuance of warrants	$0.40	4,044,750
Issuance of warrants	$0.50	469,351
Issuance of warrants	$0.60	817,690
Exercise of warrants	$0.05	(2,041,666)
Balance – February 28, 2018	$0.29	11,398,458

The expiry of warrants are as follows:

Grant Date	Expiry Date	Number of warrants issued	Weighted Average Exercise Price
April 7, 2017	April 7, 2018	5,416,667	$0.05
April 20, 2017	April 20, 2018	650,000	$0.05
June 29, 2017	December 29, 2018	2,973,500	$0.60
June 29, 2017	June 29, 2019	230,551	$0.40
July 17, 2017	January 17, 2019	475,000	$0.60
July 17, 2017	July 17, 2019	66,500	$0.40
July 28, 2017	January 28, 2019	596,250	$0.60
July 28, 2017	July 28, 2019	172,300	$0.40
November 9, 2017	November 9, 2019	277,865	$0.50
January 30, 2018	January 30, 2022	539,825	$0.50
		11,398,458	$0.29

During the period nine months ended February 28, 2018, the Corporation issued 5,331,797 warrants and recorded a total fair value of $1,043,060.

The fair value of the warrants has been estimated using the Black-Scholes Option Pricing Model assuming a risk-free interest rate ranging from 1.09% to 2.21 % an expected life of 1.5 to 4 years, an expected volatility ranging from 102.82% to 115.84%, and no expected dividends. The expected volatility was determined using the average historical volatility of similar entities that are publicly listed on the basis that the Corporation has limited historical information.

14. Stock Options

The Corporation adopted a stock option plan (the "Plan") whereby it can grant stock options to directors, officers, employees, and consultants of the Corporation. The maximum number of common shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Corporation at any time.

(expressed in Canadian dollars)

The changes in incentive stock options outstanding are summarized as follows:

	Weighted average exercise price	Number of shares issued or issuable on exercise	Amount
Balance – May 31, 2017		-	$ -
Stock options granted	$0.40	3,860,000	1,233,092
Stock options cancelled	$0.40	(225,000)	(71,877)
Balance – February 28, 2018	$0.40	3,635,000	$ 1,161,215

During the nine months ended February 28, 2018, the Corporation granted 3,635,000 incentive stock options to employees, consultants, and directors. The options may be exercised within 5 years from the date of grant at a price of $0.40 per common share.

The fair value of options at the date of grant was estimated using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 1.57% per annum, an expected life of options of 5 years, an expected volatility of 112.26%, and no expected dividends.

Incentive stock options outstanding and exercisable February 28, 2018 are summarized as follows:

	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	3,635,000	4.79	$0.40	3,635,000	$0.40
	3,635,000	4.79	$0.40	3,635,000	$0.40

15. Exploration and Evaluation Expenditures

For the nine months ended February 28, 2018, the Corporation incurred exploration and evaluation expenditures as follows:

	Nine months ended February 28, 2018	Date of Incorporation to February 28, 2017
Drilling	$ 1,229,221	$ -
Exploration support and administration	562,905	-
Field operations and consumables	256,948	-
Geological consultants	376,429	-
Sampling and geological costs	185,894	-
Transportation	111,941	-
	$ 2,723,338	$ -

(expressed in Canadian dollars)

16. Loss Per Share

The following table sets forth the computation of basic and diluted loss per common share for the three and nine months ended February 28, 2018

	Nine Months Ended February 28, 2018	Date of Incorporation to February 28, 2017
Numerator		
Net loss for the period	$ (5,912,035)	$ (46,230)
Denominator		
Basic – weighted average number of common shares outstanding	45,138,775	1
Effect of dilutive securities	-	-
Diluted – adjusted weighted average number of common shares outstanding	45,138,775	1
Loss Per Share – Basic and Diluted	$(0.13)	$ -

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period.

The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive.

There were 11,398,458 share purchase warrants excluded from the calculation of diluted weighted average number of common shares outstanding during the nine months ended February 28, 2018 as they were anti-dilutive since the Corporation was in a loss position.

17. Financial Instruments

Financial Assets and Liabilities

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Corporation considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

The following table provides an analysis of the Corporation's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- 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 recorded amounts accounts payable and accrued liabilities approximate their fair value due to their short term nature. The Corporation's fair value of cash under the fair value hierarchy is measured using Level 1 inputs.

As at February 28, 2018, the Corporation does not have any level 2 financial liabilities. The Corporation does not any have level 3 financial assets or liabilities.

There were no transfers between level 1 and 2 during the nine months ended February 28, 2018.

Financial Instrument Risk Exposure

The Corporation's financial instruments expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions are undertaken to support those operations. Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates the financial risks in co-operation with the Corporation's operating units. The Corporation's overall risk management program seeks to minimize potential adverse effects on the Corporation's financial performance, in the context of its general capital management objectives as further described in Note18.

Concentration of Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation's primary exposure to credit risk is in its cash accounts.

The Corporation's maximum exposure to credit risk at the date of the statement of financial position from its financial instruments is summarized as follows:

	February 28, 2018
Cash	$ 7,779,724
	$ 7,779,724

The Corporation manages credit risk on liquid financial assets through maintaining its cash with high quality financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations associated with financial liabilities. The Corporation has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements.

The Corporation's ongoing liquidity is impacted by various external events and conditions. The Corporation expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through operating cash flows, as well as future equity and debt financing.

The Corporation coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 18. The Corporation's financial liabilities are comprised of its accounts payable and accrued liabilities of which at February 28, 2018 are summarized as follows:

		February 28, 2018
Accounts payable and accrued liabilities with contractual maturities -		
Within 90 days or less	$	543,651
Later than 90 days, not later than one year		-
	$	543,651

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Corporation is exposed to interest rate risk of cash balances. The Corporation periodically monitors cash balances and is of the opinion that it has no significant exposure at February 28, 2018 to interest rate risk through its other financial instruments.

Currency Risk

Currency risk is the risk that the Corporation will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Corporation is exposed to foreign currency risk on fluctuations related to cash, receivables, prepayments, and accrued liabilities that are denominated in U.S 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.

As at February 28, 2018 the Corporation is exposed to currency risk at the balance sheet date through the following financial assets and liabilities, which are denominated in U.S. dollars:

		U.S. Dollar
Cash	$	65,252
	$	65,252

Based on the above net exposure at February 28, 2018, a 10% depreciation or appreciation of the U.S. dollar against the Canadian dollar would result in an approximately $6,525 decrease or increase respectively in both net and comprehensive loss. The Corporation has not employed any currency hedging programs during the current period.

18. Management of Capital

The Corporation's primary objectives in capital management are to safeguard the Corporation's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the development of the Soledad Project. Capital is comprised of the Corporation's shareholders' equity. The Corporation manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. To maintain or adjust its capital structure, the Corporation may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

(expressed in Canadian dollars)

19. Supplemental Cash Flow Information

The Corporation did not make any cash payments and had no cash receipts for interest or income taxes during the nine months ended February 28, 2018.

20. Segmented Information

The Corporation's exploration and evaluation activities are located in Peru, with its head office function in Canada. All of the Corporation's capital assets, including equipment and the exploration and evaluation asset are located in Peru.

21. Related Party Disclosures

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

(a) Key Management Personnel Compensation

During the nine months ended February 28, 2018, the Corporation paid and/or accrued the following fees to key management personnel:

	February 28, 2018
Management	$ 169,568
Directors	108,156
	$ 277,724

Key management includes the Corporation's Board of Directors and members of senior management.

(b) Due to Related Parties

As at February 28, 2018 the Corporation has the following amounts due to related parties:

	February 28, 2018
Management	$ 14,476
Directors	18,092
	$ 32,568

22. Commitments under operating leases

The Corporation leases various premises under operating leases which expire from May 2, 2018 to July 31, 2018. The Corporation is obligated to make $58,421 in minimum lease payments under the premise leases in the fiscal year ending May 31, 2018.

23. Subsequent Events

Subsequent to February 28, 2018, the Corporation issued the following equity instruments:

- 6,066,666 common shares on exercise of warrants at an exercise price of $0.05 per common share for gross proceeds of $303,333;

- 8,750 common shares on exercise of warrants at an exercise price of $0.40 per common share for gross proceeds of $3,500;

- 537,500 common shares on exercise of warrants at an exercise price of $0.60 per common share for gross proceeds of $322,500;

- 50,000 common shares at an exercise price of $0.40 per common share for gross proceeds of $20,000;

- Granted an aggregate of 435,000 stock options to certain employees, and consultants of the Corporation; and

- On March 23, 2018, the Corporation completed a brokered private placement by issuing 8,888,889 common shares at $0.90 per share for gross proceeds of $8 million. In connection with this private placement, the Corporation paid cash finders' fees totaling $373,250 and issued 391,000 warrants. Each warrant entitles the holder to purchase one common share of the Corporation at a price of $0.90 per common share for a period of 24 months following the date of issuance.