CHAKANA COPPER CORP.

(FORMERLY REMO RESOURCES INC.)

MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

FOR NINE MONTHS ENDED MAY 31, 2018 AND
FOR THE PERIOD FROM DECEMBER 1, 2016 (DATE OF INCORPORATION)
TO AUGUST 31, 2017

(EXPRESSED IN CANADIAN DOLLARS)

GENERAL

This Management's Discussion and Analysis ("MD&A") of Chakana Copper Corp. (formerly Remo Resources Inc.) (the "Corporation" or "Remo") dated September 27, 2018, provides an analysis of the Corporation's financial results for nine months ended May 31, 2018. The following information should be read in conjunction with the accompanying audited consolidated financial statements for nine months ended May 31, 2018 with accompanying notes which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar figures are expressed in Canadian dollars unless otherwise stated.

COMPANY OVERVIEW

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.

REVERSE-TAKEOVER TRANSACTION

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 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 "Transaction"). In connection with the Transaction, the Corporation consolidated common shares on the basis of one-post consolidation share for each 6.865385 pre-consolidation common shares (the "Consolidation") and changed its name to "Chakana Copper Corp.".

HIGHLIGHTS AND RECENT EVENTS

Completion of $8 Million Private Placement Offering

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 the financing, the Corporation paid cash finders' fees totaling $373,250 and issued 391,000 broker warrants. Each broker warrant entitles the holder to purchase one share of the Corporation at a price of $0.90 per common share for a period of 24 months following the date of issuance.

Completion of RTO Transaction and $10 Million Concurrent Financing

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 and the respective cash of $5,698,750 were held in escrow until the closing of the reverse-takeover transaction ("RTO"); whereby, all subscription receipts were exchanged for post-consolidated shares of Remo on the closing date of the RTO. In connection with the share offering, the Corporation incurred share issuance costs of $75,075 commission paid in cash, issued 127,715 finders' shares, and 277,865 finders warrants exercisable at $0.50 per share for a period of 24 months from the date of issuance. On January 30, 2018, upon the closing of the RTO, 11,397,500 common shares were issued on exchange of 11,397,500 subscription receipts, and respective cash received. Additional share issuance costs of $248,413 cash commissions were paid, and 43,000 finders' shares and 539,825 finders' warrants, exercisable to purchase up to 539,825 common shares of the Corporation at $0.50 per common share for a period of 24 months from the date of issuance, were issued.

MINERAL PROPERTIES

The Corporation is engaged in investigation, evaluation and conducting of exploration activities in the Peru. The Corporation's wholly-owned indirect subsidiary Chakana Resources S.A.C. holds the option to acquire 100% ownership interest in the Soledad copper-gold-silver project (the "Soledad Project") located in central Peru and is the operator of all related mineral exploration activities.

		Total
Balance – August 31, 2017	$	32,755
Acquisition cost – Soledad Project		32,261
Acquisition cost – Aija Project		191,220
Acquisition cost – Other		350,739
Balance – May 31, 2018	$	606,975

Soledad Project, Peru

On April 17, 2017, The Corporation entered into the Mining Assignment and Option Agreement with Minera Vertiente Del Sol S.A.C. ("MVS"), a Peruvian subsidiary of TSXV 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, paying a total of USD $5,375,000, and incurring work expenditures on the Soledad Project.

The Option exercise payments schedule is as follows:

Installment	Date		Amount (in USD $)
1	January 15, 2017	$	10,000
2	April 2017	$	15,000
3	December 23, 2017	$	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 May 31, 2018, the Corporation has paid instalments 1, 2 and 3, totalling USD $50,000.

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 NSR 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.

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	3,300 m	Within forty-two (42) months counted since June 23, 2017; and,
iv	4,400 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 May 31, 2018, the Corporation has drilled 16,227 meters and incurred $5,340,846 of exploration expenditures on the Soledad project. As of May 31, 2018, the Corporation has not applied any Credit Investments to expenditure requirements.

Aija Project, Peru

On March 20, 2018, the Corporation entered into a Definitive Agreement 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. 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 Letter of Intent on October 3, 2017 (paid)	$	75,000
2	Upon close of Definitive Agreement on April 1, 2018 (paid)	$	74,000
3	October 1, 2018	$	50,000
4	April 1, 2019	$	50,000
5	October 1, 2019	$	75,000
6	April 1, 2020	$	75,000
7	October 1, 2020	$	100,000
8	April 1, 2021	$	100,000
9	October 1, 2021	$	100,000
10	April 1, 2022	$	100,000
11	October 1, 2022	$	1,500,000
	Total	$	2,299,000

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

Under the terms of the Option, the vendor is entitled 2% NSR which the Corporation may purchase anytime for USD $2,000,000.

For the nine months ended May 31, 2018, the Corporation incurred exploration and evaluation expenditures as follows:

		Nine months ended May 31, 2018		Incorporation Date to August 31, 2017
Drilling	$	2,278,335	$	144,430
Exploration support and administration		943,788		228,317
Field operations and consumables		591,659		75,524
Geological consultants		217,586		143,816
Sampling and geological costs		442,852		25,567
Transportation		205,190		42,782
	$	4,679,410	$	661,436

SELECTED ANNUAL INFORMATION

Key financial information for the nine months ended May 31, 2018 is summarized as follows, reported in Canadian dollars except for per share amounts:

		May 31, 2018		August 31, 2017
Current Assets	$	13,733,912	$	2,936,963
Current Liabilities	$	486,930	$	410,156
Exploration and Evaluation Assets	$	606,975	$	32,755
Total Assets	$	14,689,085	$	3,026,583
Total Operating Expenses	$	(7,768,936)	$	(1,185,978)
Net Loss	$	(8,476,508)	$	(1,209,729)
Loss per Share	$	(0.15)	$	(0.06)

SUMMARY OF QUARTERLY RESULTS

Key financial information for the three months ended May 31, 2018 is summarized as follows, reported in Canadian dollars except for per share amounts:

		Three months ended May 31, 2018		Three months ended May 31, 2017
Current Assets	$	13,733,912	$	629,620
Current Labilities	$	486,930	$	116,599
Total Assets	$	14,689,085	$	673,806
Total Liabilities	$	486,930	$	116,599
Operating Expenses	$	(3,461,069)	$	(78,182)
Net Loss	$	(3,495,573)	$	(79.071)
Loss per share	$	(0.06)	$	(0.01)

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MAY 31, 2018

Total operating expenses for three months ended May 31, 2018 were $3,461,069. Due to the Corporation's comparative period starting from December 1, 2016 (Date of Incorporation) to May 31, 2017 being in start-up phase, there was minimal activity and business expenses. The significant expenditures for the current quarter were as follows:

- Exploration and evaluation expenditures were $2,565,686 during three months ended May 31, 2018, inclusive of drilling expenses of $1,199,174, exploration support and administration of $597,668, field expenses of $381,595, sampling and geological costs of $282,240, and travel expenses of $ 105,009.

- Consulting expenses were $103,047 and salaries and wage expenses were $136,840 during the three months ended May 31, 2018. General and administrative expenses were $315,702 during the three months ended May 31, 2018. Travelling expenses were $54,650 during three months ended May 31, 2018 primarily due to increased travel to and from site for exploration activities. During the three months ended May 31, 2018, the Corporation incurred $28,123 of legal and professional fees. Stock-based compensation and investor relations expenses were $129,582 and $127,438, respectively during the three months ended May 31, 2018.

As a result of the foregoing, the Corporation recorded a comprehensive loss of $3,280,904 during the three months ended May 31, 2018.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED MAY 31, 2018

As part of the change in corporate structure as a result of the completion of the reverse acquisition, the Corporation has adopted a May 31, 2018 as the first financial year-end after the Transaction.

Total operating expenses for nine months ended May 31, 2018 were $7,768,936. The significant expenditures were as follows:

- Exploration and evaluation expenditures were $4,679,410 during the nine months ended May 31, 2018, inclusive of drilling expenses of $2,278,335, exploration support and administration of $943,788, field expenses of $591,660, geological consulting of $217,586, sampling and geological costs of $442,852, and travel expenses of $205,190.

- Consulting expenses were $233,292 and salary and wage expenses were $282,157 during the nine months ended May 31, 2018. General and administrative expenses were $530,405 during the nine months ended May 31, 2018. Travelling expenses were $190,035 during the nine months ended May 31, 2018 primarily due to increased travel to and from site for exploration activities. During the nine months ended May 31, 2018, the Corporation incurred $216,730 legal, professional and accounting fees.

- As a result of the Transaction, the Corporation incurred a non-cash and non-recurring listing expense of $649,997.

As a result of the foregoing, the Corporation recorded a comprehensive loss of $8,398,400 during the nine months ended May 31, 2018.

CAPITAL STRUCTURE

As of the date of this MD&A, the Corporation has 80,613,572 common shares, 5,133,317 common share purchase warrants, and 4,010,000 stock options issued and outstanding.

During the nine months ended May 31, 2018, the Corporation issued common shares as follows:

- On March 23, 2018, the Corporation completed a brokered private placement by issuing 8,888,889 common shares at $0.90 per common 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 broker warrants. Each broker 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.

- On January 30, 2018, upon closing of the Transaction, the Corporation issued 200,000 common shares as finder's fee.

- On November 7 and 9, 2017, the Corporation issued 8,602,500 common shares for gross proceeds of $4,301,250 and issued 11,397,500 subscription receipts for gross proceeds of $5,698,750, respectively. The subscriptions receipts and cash of $5,698,750 were 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, entitling the holders thereof to acquire up to 277,865 common shares of the Corporation at a price of $0.50 per common share for a period of 24 months from the date of issue. Upon the closing of the Transaction, the Corporation issued 11,397,500 common shares of the exchange of 11,397,500 subscription receipts and incurred additional share issuance costs of $248,413 cash commissions are expected to be paid, and 43,000 common shares and 539,825 warrants, entitling the holders thereof to acquire up to 539,825 common shares of the Corporation exercisable at $0.50 per common share for a period of 24 months from the date of issue, are expected to be issued.

- 7,6908,332 common shares on exercise of warrants at an exercise price of $0.05 per common share for gross proceeds of $380,417;

- 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;

Subsequent to May 31, 2018, the Corporation issued the following common shares:

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

- 43,225 common shares on exercise of 43,225 warrants at $0.40 per common share for gross proceeds of $17,290.

The following warrants were outstanding as of the date of this MD&A:

Grant Date	Expiry Date	Number of warrants issued	Weighted Average Exercise Price
June 29, 2017	December 29, 2018	2,436,000	$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	23,275	$0.40
July 28, 2017	January 28, 20a9	596,250	$0.60
July 28, 2017	July 28, 2019	163,550	$0.40
November 13, 2017	November 13, 2019	277,865	$0.50
January 30, 2018	January 30, 2020	539,825	$0.50
March 23, 2018	March 23 ,2020	391,000	$0.90
		5,133,317	$0.59

The following incentive stock options were outstanding at the date of this report:

	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	3,585,000	4.29	$0.45	3,585,000	$0.45
$0.94	425,000	4.83	$0.10	106,250	$0.03
	4,010,000	4.39	$0.55	3,691,250	$0.47

CAPITAL RESOURCES

The Corporation defines capital as consisting of shareholder's 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 Corporations 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 May 31, 2018, 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 nine months ended May 31, 2018.

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 May 31, 2018, the Corporation had cash of $13,159,191 and working capital of $13,246,982.

To maintain liquidity, the Corporation issued common shares for cash proceeds during nine months ended May 31, 2018.

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

- On November 7 and 9, 2017, the Corporation issued 8,602,500 common shares for gross proceeds of $4,301,250 and issued 11,397,500 subscription receipts for gross proceeds of $5,698,750, respectively. The subscriptions receipts and cash of $5,698,750 were 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, entitling the holders thereof to acquire up to 277,865 common shares of the Corporation at a price of $0.50 per common share for a period of 24 months from the date of issue. Upon the closing of the Transaction, the Corporation issued 11,397,500 common shares of the exchange of 11,397,500 subscription receipts and incurred additional share issuance costs of $248,413 cash commissions are expected to be paid, and 43,000 common shares and 539,825 warrants, entitling the holders thereof to acquire up to 539,825 common shares of the Corporation exercisable at $0.50 per common share for a period of 24 months from the date of issue, are expected to be issued.

Cash used in operating activities was $6,893,179 during the nine months ended May 31, 2018. The change in working capital is attributed primarily to the increase in exploration and evaluation activities.

Cash used in investing activities was $886,687 during the nine months ended May 31, 2018 was primarily related to purchases of property and equipment and acquisition of mineral properties.

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 the Soledad Project. Further exploration and corporate costs are expected to be funded through future equity financing.

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 nine months ended May 31, 2018, the Corporation paid and/or accrued the following fees to key management personnel:

		Nine months ended May 31, 2018	Incorporation Date to August 31, 2017
Management			
Fees			
David Kelley, CEO	$	139,658	39,557
Kevin Ma, CFO		55,400	18,900
Stock-based compensation			
David Kelley, CEO		319,454	-
Kevin Ma, CFO		47,918	-
Subtotal	$	562,430	58,457
Directors			
Fees			
Doug Kirwin, Director	$	57,554	18,999
Darren Devine, Director		45,000	15,000
Tom Wharton, Director		3,000	-
Stock-based compensation			
Doug Kirwin, Director		95,836	-
Darren Devine, Director		71,877	-
John Black, Director		71,877	-
Tom Wharton, Director		71,877	-
Subtotal	$	417,021	33,999
Total Related Party Compensation	$	979,451	92,456

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

Trade Related Party Transactions

As at May 31, 2018 the Corporation has the following amounts due to related parties:

		Nine months ended May 31, 2018	Incorporation Date to August 31, 2017
Management			
David Kelley, CEO	$	13,167	39,557
Kevin Ma, CFO		-	-
Subtotal	$	13,167	39,557
Directors			
Doug Kirwin, Director	$	6,888	-
Darren Devine, Director		5,250	10,000
Tom Wharton, Director		3,000	-
Subtotal	$	15,138	10,000
Total Due to Related Party	$	28,305	49,557

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 judgement 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 hierarch 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 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 because of 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 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.

BUSINESS RISKS AND UNCERTAINTIES

Additional information on risks and uncertainties relating to Chakana's business is provided in Remo's Filing Statement dated December 4, 2017 to 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 which expire from April 30, 2019 to August 1, 2019. The Corporation is obligated to make $156,899 in minimum lease payments under the premise leases in the fiscal year ending May 31, 2018.

CRITICAL ACCOUNTING 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.

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 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 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 each of 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.

SIGNIFICANT ACCOUNTING POLICIES

The Corporation's significant accounting policies are summarized in Note 3 to the audited consolidated financials for the nine months ended May 31, 2018.

FUTURE CHANGES IN ACCOUNTING POLICIES

The IASB has issued or amended a number of new standards that were not effective at May 31, 2018. These standards have not been early adopted in these consolidated financial statements.

IFRS 7, Financial Instruments Disclosures (effective January 1, 2018) requires new disclosures resulting from the amendments to IFRS 9.

IFRS 9, Financial Instruments (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets and liabilities.

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRS Interpretations Committee ("IFRIC") 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Asset from Customers, and SIC 31 Revenue Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation is currently evaluating the impact the standard is expected to have on its consolidated financial statements.
IFRS 16, Leases was issued in January 2016 (effective January 1, 2019) and provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Corporation is currently evaluating the impact the standard is expected to have on its consolidated financial statements.

Management does not expect any other IFRS or IFRIC pronouncements that are not yet effective to have a material impact on the Corporation.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The President and Chief Executive Officer and Chief Financial Officer of the Corporation are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There was no change in the Corporation's internal controls over financial reporting that occurred during the nine months ended May 31, 2018 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Corporation is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. The Corporation's President and Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the design of the disclosure controls and procedures that as of May 31, 2018, the Corporation's disclosure controls and procedures provide reasonable assurance that material information is made known to them by others within the Corporation are appropriately designed.

Limitations of Controls and Procedures

The Corporation's management, including the President and Chief Executive Officer and Chief Financial Officer, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

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 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. 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.