CHAKANA COPPER CORP.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE THREE MONTHS ENDED AUGUST 31, 2024
(EXPRESSED IN CANADIAN DOLLARS)

GENERAL

This Management Discussion and Analysis ("MD&A") of Chakana Copper Corp. (the "Corporation" or "Chakana") dated October 29, 2024 provides an analysis of the Corporation's financial results for the three months ended August 31, 2024. The following information should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements for the three months ended August 31, 2024 with accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board.

All dollar figures are expressed in Canadian dollars ("CDN"), unless otherwise stated. The Corporation's consolidated financial statements and MD&A are available on www.sedarplus.ca.

CORPORATION OVERVIEW

Chakana was incorporated on May 2, 2011, under the laws of the province of British Columbia, Canada. The Corporation is a mineral exploration corporation listed on the TSX Venture Exchange ("TSX-V") under the symbol "PERU". The Corporation is currently engaged in the exploration and development of mineral properties, with prospects for copper, gold and silver in Peru.

The head office and principal address is Suite 1012 – 1030 West Georgia St., Vancouver, British Columbia, V6E 2Y3, Canada. The records office of the Corporation is located at 1055 West Pender Street, Suite 1500, Vancouver, British Columbia, V6E 4V7, Canada.

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

GENERAL OVERVIEW OF MARKET CONDITIONS

Recent global events including, the war in Ukraine and the conflict in the Middle East, inflation and resulting increased interest rates have all contributed to a global economic recession. As a result, commodities and precious metals prices have fluctuated significantly and financial markets have significantly declined. In addition to these factors, the political situation in Peru over the last couple of years has caused uncertainty for the mining industry, particularly recently with the impeachment of Pedro Castillo and subsequent arrest. Subsequent to Pedro Castillo's impeachment, Ms. Dina Boluarte was sworn in to serve the remainder of the Presidential term until 2026. Ms. Boluarte has appointed an experienced and capable cabinet who has been proactive in setting new policies to encourage investment in Peru's natural resources industries. In management's opinion, these factors were the primary drivers for a decline in the Corporation's share price. These factors may adversely impact the Corporation's operations, and the operations of its suppliers, contractors and service providers, the ability to obtain financing and maintain necessary liquidity, and the ability to explore the Corporation's properties. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

During the period from January 1, 2024 through to the date of this MD&A, copper prices have fluctuated between a low of US $3.69 per pound and a high of US $5.11 per pound, closing at approximately US $4.45 per pound. During the same period, gold and silver prices fluctuated in value, with gold trading between US $1,991 per ounce and US $2,735 per ounce, closing at approximately US $2,735 per ounce, and silver trading between US $22.08 per ounce and US $34.53 per ounce, closing at approximately US $34.53 per ounce.

Peru is the world's second largest copper producer, and a significant producer of gold, silver, lead, zinc, and other metals. Mining is one of Peru's most significant industries. Peru has some US $56 billion of open mining investments, primarily in copper, and is home to mines owned by large foreign companies. Victor Gobitz, president of the Peruvian Institute of Mining Engineers, stated that if the government properly approaches an open dialogue with the mining industry and properly defines the way to develop the country's sustainability, it could create a perfect environment to develop its copper projects.

HIGHLIGHTS

Exploration Developments

The expanded Soledad Project is located in Ancash province of central Peru, approximately 260 kilometres north-northwest of Lima and 35 kilometres south of Barrick's Pierina mine. The Project is part of the Ticapampa-Aija Mining District in the Cordillera Negra, a region with a long history of exploration and mining. Initial exploration focused on tourmaline breccia pipes on concessions optioned from Condor Resources Inc. in 2017. The project was expanded to the south in two subsequent option agreements (Aija and Barrick options) based on the recognition of porphyry copper potential related to multiple intrusions centered upon the Lincuna fault, distal high-sulfidation precious metals mineralization outcropping at surface, and numerous additional mineralized outcropping tourmaline breccia pipes. On October 8, 2024, the Corporation relinquished the Condor concessions representing approximately 25% of the mineral rights under control to focus on the portion of the project deemed to have the greatest discovery potential.

Permitting Update
The Corporation received approval of the environmental permit for the modification of the semi-detailed environmental impact assessment (EIAsd) to allow exploration drilling on the majority of the south half of the on June 28, 2023. The permit allows drilling in the Mega-Gold, La Joya, and Extremadoyro target areas. Additional permitting (Initiation of Activities) is required before drilling in the Compañero Breccia target area can begin.

Exploration Targeting and Drilling Program
On April 5, 2024 the Corporation announced that it has initiated a fully-funded 3,000m drill program in the newly permitted area on the southern half of the project. Three principal target areas chosen for drilling are: 1) Mega-Gold porphyry target, 2) La Joya high-sulfidation epithermal (HSE) zone, and 3) the Estremadoyro breccia pipe. This new area of exploration covers different geological environments at the expanded Soledad Project, including multiple intrusions centered upon the Lincuna fault, and distal high-sulfidation precious metals mineralization. The Lincuna fault is an important regional arc-normal structure related to the Querococha Arch, extending to the northeast just north of the Antamina mine. Intrusive phases at Soledad cut Jurassic to Cenozoic sedimentary and volcanic rocks and are closely related in space and time to the tourmaline breccia pipes and mineralization. The young intrusive rocks include granodiorite, dacite porphyry, and monzodiorite, ranging in age from 15.2 +/= 0.3 million years. These intrusive rocks are cut by tourmaline breccias, which are probably coeval with the waning stages of intrusive and hydrothermal activity. Eight drill holes were completed as of May 31, 2024. An additional five drill holes were completed through June 24, 2024.

Mega-Gold Copper-Gold Porphyry Target
The Mega-Gold target is a very large area occupying 2.5 km2 with anomalous gold in soil overlying pervasive tourmaline-quartz-white mica alteration, overprinted by localized advanced argillic alteration zones and tourmaline breccias. The target area is oriented northeast and is underlain by older andesitic tuff (Calipuy Formation) and a premineral granodiorite, thought to be the first pulse of intrusive activity in the Soledad mineral system. Within the anomaly is a distinct Offset (3D) induced polarization chargeability feature with a similar orientation as the soil anomaly. Modelling shows the chargeability feature to be a vertical intrusive or pipe-like body on the south side of the Lincuna fault with a sub-horizontal feature extending up the hill to the southwest. Soil gold values over the vertical chargeability body reach up to 0.325 g/t. The vertical body is interpreted to be a high-level blind intrusion cutting the earlier granodiorite. Drill results confirmed strongly zoned alteration defining two discrete porphyry targets that warrants additional drilling.

La Joya High-Sulfidation Epithermal (HSE)Target Area
The La Joya target area is associated with high-sulfidation advanced argillic alteration consisting of vuggy silica, alunite, dickite, zunyite, diaspore, and pyrophyllite. The zone of alteration extends 700 metres in a north-south direction at an elevation of approximately 4,500 metres. Surface rock samples collected from the alteration zone have silver and gold values up to 1,300 g/t and 0.36 g/t, respectively. An access road from off-property leads to five scattered historic drill pads on the southernmost 200 metre segment of La Joya, and locals report that Buenaventura completed seven short drill holes, encountering silver mineralization and some gold. We are unable to confirm the Buenaventura history with a QP. Drill results reported on August 29, 2024 confirmed strong near-surface mineralization with 1,005 gpt Ag and 0.45 gpt Au over 0.75 m within 4.5 m of 323.6 gpt Ag and 0.25 gpt Au from 58.0 m.

Estremadoyro Tourmaline Breccia Pipe

The Estremadoyro breccia pipe is exposed along the road near the bottom of the valley and has artisanal workings where copper oxides are clearly visible. Rock samples from breccia exposures reported values up to 1.25 g/t gold, 0.57% copper, and 37.6 g/t silver. The mapped tourmaline breccia is coincident with a distinct conductivity and metal factor (function of chargeability and conductivity) response. Drill results confirmed strong mineralization with 17.7 m of 0.55 g/t Au, 0.77% Cu, and 39.7 g/t Ag and 23.0 m @ 0.61 g/t Au, 1.02% Cu, and 26.1 g/t Ag in two separate drill holes.

CORPORATE MATTERS

- In June 2023, the Corporation issued 1,379,310 common shares valued at $82,558 issued as part of the Condor Option payments.

- On November 6, 2023, the Corporation completed the first tranche of a non-brokered private placement of 20,541,495 units at a price of $0.04 per unit for gross proceeds of $821,660. Each unit consists of one common share and one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.06 per common share for a period of two years. The Corporation may accelerate the expiry of these warrants in the event that for any ten consecutive trading days the closing price of the common shares is greater than $0.09. The Corporation paid aggregate finder's fees of $13,720 and issued 343,000 finder's warrants in connection with the first tranche of the private placement. Each finder's warrant is exercisable to purchase one common share at a price of $0.06 per common share for a period of two years from closing of the private placement. The finder’s warrants were valued at $6,213 using the Black-Sholes option pricing model.

- On January 15, 2024, the Corporation completed the second and final tranche of a private placement issuing 54,459,356 units of the Corporation at a price of $0.04 per unit for gross proceeds of $2,178,374. Each unit consists of one common share in the capital of the Corporation and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.06 per common share for a period of two years from closing of the private placement. The Corporation may accelerate the expiry of these warrants in the event that for any ten consecutive trading days the closing price of the common shares is greater than $0.09. The Corporation paid aggregate finder’s fees of $102,564 and issued 2,996,100 finder’s warrants in connection with the second tranche of the private placement. Each finder's warrant is exercisable to purchase one common share at a price of $0.06 per share for a period of two years from closing of the private placement. The finder’s warrants were valued at $125,072 using the Black-Scholes option pricing model.

- On January 25, 2024, the Corporation issued 2,379,529 common shares valued at US$150,000 related to the Aija Project.

- During the months of April and May 2024, the Corporation issued 13,178,852 common shares on exercise of warrants for proceeds of $790,731.

- On August 14, 2024, the Corporation issued 2,056,650 common shares with respect to the Aija Project and paid US$75,000.

- On October 8, 2024, the Corporation announced that it had relinquished its option to acquire three concessions from Condor Resources Inc. (the “Condor Concessions”) that made up approximately 25% of the Corporation's expanded Soledad Project. As a result, the Corporation recognized an impairment of $5,638,110. The Corporation tried to negotiate a reasonable buyout price but were not successful. The Corporation determined that the remaining property payments in addition to payments already made significantly exceeded the current value of the Condor Concessions. The remaining concessions under option through the Aija and Barrick agreements constitute the expanded Soledad Project and are in good standing. The expanded Soledad Project is the current focus of the Corporation’s exploration efforts.

  As part of a previous royalty purchase agreement with Condor, Condor will grant a 1% net smelter returns royalty in favor of the Corporation over the Condor Concessions with a 2 km area of interest. Condor will have the right to purchase half of the royalty (0.5%) for US$1,000,000. Refer to the Corporation’s News Release dated October 8, 2024.

(EXPRESSED IN CANADIAN DOLLARS)

EXPLORATION AND EVALUATION EXPENDITURES

The Corporation is engaged in investigation, evaluation, exploration and development of mineralized precious and base metal properties and related activities in Peru. The Corporation's wholly owned indirect subsidiary, Chakana Resources S.A.C., holds:; (i) an option to acquire a 100% ownership interest in the Aija Project; (ii) an option to acquire up to a 100% ownership in adjacent mineral concessions owned by Barrick (the "Barrick Option") subject to certain "back-in" rights; and (iii) a 1% net smelter return royalty right ("NSR") on the Condor Concessions plus a 2 km area of interest]. These options are collectively referred to as the "expanded Soledad Project". The Corporation is the operator of all related mineral exploration activities on these projects.

Acquisition costs of the expanded Soledad Project are as follows:

	Soledad Project	Aija Project	Barrick	Total
Balance – May 31, 2023	$ 4,212,021	$ 1,386,624	$ 348,193	$ 5,946,838
Acquisition costs	1,437,861	472,993	-	1,910,854
Foreign exchange on translation	(41,150)	(12,411)	(3,835)	(57,396)
Balance – May 31, 2024	5,608,732	1,847,206	344,358	7,800,296
Acquisition costs	40,627	205,643	-	246,270
Foreign exchange on translation	(11,249)	(20,716)	(3,977)	(35,942)
Impairment or exploration asset	(5,638,110)	-	-	(5,638,110)
Balance – August 31, 2024	$ -	$ 2,032,133	$ 340,381	$ 2,372,514

During the three months ended August 31, 2024 and 2023, the Corporation incurred exploration and evaluation expenditures over the Aija and Barrick portions of the expanded Soledad Project as follows:

	Three Months Ended August 31, 2024	Three Months Ended August 31, 2023
Drilling	$ 218,887	$ -
Exploration support and administration	237,766	178,445
Field operations and consumables	75,689	31,451
Geological consultants	31,336	15,362
Permitting and environmental consulting	25,846	39,656
Transportation	10,028	7,011
	$ 599,552	$ 271,925

SUMMARY OF QUARTERLY RESULTS

Key financial information for the three months ended August 31, 2024, as well as the most recent preceding seven quarters is summarized as follows:

	August 31, 2024	May 31, 2024	February 29, 2024	November 30, 2023
Current Assets	$ 1,115,081	$ 2,447,237	$ 2,343,801	$ 883,260
Current Liabilities	$ 460,381	$ 692,698	$ 518,183	$ 540,882
Total Assets	$ 4,347,279	$ 10,830,918	$ 10,797,848	$ 9,106,598
Total Liabilities	$ 751,878	$ 750,902	$ 590,246	$ 628,664
Operating Expenses	$ (876,152)	$ (1,059,088)	$ (504,763)	$ (447,842)
Net Loss	$ (6,508,731)	$ (1,039,931)	$ (506,837)	$ (450,132)
Loss per Share	$ (0.02)	$ (0.00)	$ (0.00)	$ (0.00)

(EXPRESSED IN CANADIAN DOLLARS)

		August 31, 2023		May 31, 2023		February 28, 2023		November 30, 2022
Current Assets	$	599,569	$	2,492,090	$	2,914,107	$	3,300,836
Current Liabilities	$	567,595	$	441,355	$	388,688	$	495,672
Total Assets	$	8,835,755	$	9,242,069	$	9,258,811	$	9,949,769
Total Liabilities	$	672,265	$	562,019	$	519,632	$	638,114
Operating Expenses	$	(552,943)	$	(496,732)	$	(745,248)	$	(831,746)
Net Loss	$	(590,619)	$	(492,214)	$	(729,635)	$	(757,100)
Loss per Share	$	(0.00)	$	(0.00)	$	(0.00)	$	(0.00)

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED AUGUST 31, 2024

Total operating expenses for the three months ended August 31, 2024 were $876,152 (2023 - $552,943). The significant expenditures for the current quarter were as follows:

- Exploration and evaluation expenditures were $566,552 during the three months ended August 31, 2024 (2023 - $271,925), inclusive of drilling expenses of $218,887 (2023 - $nil). The increase was due to the Corporation completing a private placement and using this funding for its 2024 exploration program while its 2023 exploration program was restricted as it worked on obtaining a drill permit.

- Exploration support and administrative of $237,766 (2023 - $178,445) increased as a result of increased drilling as the Corporation increased its exploration program for the end of last year end beginning of the current year.

- Field expenses of $75,689 (2023 - $31,451) increased as a result of increased drilling as the Corporation increased its exploration program for the end of last year end beginning of the current year.

- Geological consulting fees of $31,336 (2023 - $15,362). Low geological consulting expenses in both periods were a result of the Corporation not employing consultants as it worked on its planned drill program.

- Permitting and environmental consulting fees of $25,846 (2023 - $39,656) decreased as the Corporation successfully obtain certain permits during 2023 that the Corporation was working to obtain.

- Consulting fees were $50,335 and salaries and wages were $82,673 during the three months ended August 31, 2024, compared to $49,738 of consulting fees and $72,602 of salaries and wages for the three months ended August 31, 2024. Both expenses increased from last year as in the comparative period in 2023 the Corporation had reduced salaries and consulting fees of certain members of management.

- General and administrative expenses of $54,882 (2023 - $68,826) reduced during the current period as the Corporation is trying to reduce costs.

- Legal and professional fees of $34,250 (2023 - $25,500) increased during the current year, the Corporation has engaged lawyers in the negotiations to restructure its option agreements.

- Stock-based compensation was $nil (2023 - $19,052). The change in stock-based compensation during the three months ended August 31, 2024, is the result of no new options granted during the prior period.

- During the current period the Corporation recognized an impairment charge of $5,638,110 on relinquishing its option to acquire three concessions from Condor Resources Inc.

As a result of the foregoing, the Corporation recorded a net loss of $6,508,731 during the three months ended August 31, 2024 (2023 - $590,619).

(EXPRESSED IN CANADIAN DOLLARS)

SUMMARY OF MINERAL PROPERTIES

(i) Aija Project, Peru

The Aija Project includes concessions located in the central part of the expanded Soledad Project, contiguous with the Barrick concessions to the south.

On March 20, 2018, the Corporation entered into an Option Agreement (the "Option") with an arm's length third party to acquire 100% of the rights and interest in the Aija Project subject to a 2% NSR. During the year ended May 31, 2021, the Corporation renegotiated the payment schedule.

During the month of December 2022, the Corporation entered into an agreement to amend the payment terms under the Aija option agreement.

Under the terms of the original agreement, a final payment of US$1.5 million was due on May 1, 2023. The parties agreed to extend and amend the terms of the agreement as follows:

Installment	Date	Cash Amount (in US$)	US$ paid in shares
1	Upon execution of Letter of Intent on October 3, 2017 (paid)	75,000	-
2	Upon close of Definitive Agreement on August 1, 2018 (paid)	75,000	-
3	February 1, 2019 (paid)	50,000	-
4	August 1, 2019 (paid)	50,000	-
5	February 1, 2020 (paid)	75,000	-
6	November 1, 2020 (paid)	75,000	-
7	May 1, 2021 (paid)	100,000	-
8	November 1, 2021 (paid)	100,000	-
9	May 1, 2022 (paid)	100,000	-
10	November 1, 2022 (paid)	100,000	-
11	December 1, 2022 – (Cash paid, shares issued)	100,000	75,000
12	May 1, 2023 - (Cash paid, shares issued)	100,000	125,000
13	November 1, 2023 (Cash paid and shares issued)	100,000	150,000
14	August 1, 2024 (Cash paid and shares issued)	75,000[(1)]	75,000
15	November 1, 2024	75,000	-
16	February 1, 2025	150,000	75,000
17	May 1, 2025	150,000	-
18	November 1, 2025	150,000	-
19	May 1, 2026	150,000	-
20	November 1, 2026	250,000	-
	Total	**2,100,000**	**500,000**

(1) The Corporation renegotiated the August 1, 2024 payment to be paid in two installments of $75,000, one installment was paid August 14, 2024 along with the issuance common shares equivalent to $75,000 and the second $75,000 payment to be made November 1, 2024.

The number of common shares will be determined based on the greater of (i) the ten-day volume weighted average trading price of the Chakana common shares as of the date of issuance of such Chakana shares, or (ii) the market value at the time the obligation arises, provided that the shares for each payment may not be issued at a price lower than CDN$0.05 per common share.

As at the date of this MD&A, the Corporation has paid instalments 1 to 14, totaling US$1,175,000.

Under the terms of the Option, the Corporation may purchase all of the 2% NSR at any time for US$2,000,000. There are no drilling or work expenditure commitments under the Option.

The Corporation has completed detailed soil and rock sampling, geological mapping, surface electromagnetic surveys, ground magnetics surveys, and both gradient array and offset induced polarization surveys within the portions of the Aija Project where mineralization is known or expected based upon soil sampling and geological modeling. Results are encouraging with the identification of nine confirmed breccia pipes within the option. The Corporation met with numerous delays in acquiring permits to do this work, largely as a result of inconsistent records at different government ministries. During the year ended May 31, 2021, after receiving the required permits, the Corporation commenced its drilling program starting in 2020. Since then the Corporation has completed 108 drill holes for 22,861.46 metres.

Please refer to news releases on www.sedarplus.ca for the Corporation's drilling results details.

(ii) Barrick Option Agreement

The Barrick Option Agreement covers concessions on the southern half of the expanded Soledad Project.

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

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

The Corporation has completed detailed soil and rock sampling, geological mapping, surface electromagnetic surveys and ground magnetics surveys within the portions of the Barrick Option concessions where mineralization is known or expected based upon soil sampling and geological modeling. Results are encouraging with the identification of seven confirmed breccia pipes, areas of intrusive-hosted mineralization, and an area with high sulfidation alteration within the Barrick Option concessions. The Corporation has obtained access agreements with private surface rights owners and is in the process of modifying the semi-detailed Environmental Impact Assessment (EIAsd) to allow drilling in this area.

In October 2021, the Corporation amended the July 11, 2018 option agreement with Barrick regarding the three concessions owned by Barrick that make up a large portion of the southern half of the Soledad Project. Under the amendment, Chakana must obtain the drill permit for exploration drilling on or before September 27, 2023. The Corporation then has four years from the date of the drill permit to complete a minimum of 4,000 metres of drilling and a National Instrument 43-101-compliant Preliminary Economic Assessment. The start date for this 4-year period is July 5, 2023. Barrick will have a one-time right to reacquire the property with a 70% interest. If Barrick declines, an undivided 100% interest in the concessions will be transferred to Chakana. Six drill holes were completed as of May 31, 2024 for a total of 1,840.3 metres. Five additional holes were completed after May 31, 2024 for 1,030.2 metres. In total, 2,870.5 metres have been completed on the Barrick concessions.

(iii) Condor

The Condor Option covers three concessions on the northern end of the expanded Soledad Project.

On April 17, 2017, the Corporation entered into a Mining Assignment and Option Agreement ("Condor Option") with Minera Vertiente del Sol S.A.C. ("MVS") (the "Agreement"), a subsidiary of Condor Resources Inc. ("Condor"), pursuant to which the Corporation had 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 agreement was amended on March 18, 2019 and November 13, 2020, relating to the Soledad Project.

The Condor Option was exercisable by issuing 500,000 common shares by June 23, 2018 (issued), making aggregate cash payments of US$5,375,000, and completing 12,500 metres of drilling on the Soledad Project. During the year ended May 31, 2018, the Corporation fulfilled the 12,500 metres of exploration drilling requirement on the Soledad Project. On April 14, 2022, the Corporation reached an agreement with Condor to amend the terms of the Condor Option whereby the final payment of US$4.425 million dollars which was due to Condor on April 23, 2022, was extended and amend the terms of the option provided that Chakana may complete the exercise of the option by making cash and share payments over the following three-year period as shown below. As at August 31, 2024, the Corporation has made total payments of $2,950,000 and issued 3,258,620 shares related to the option agreement.

On October 8, 2024, the Corporation relinquished its option to acquire three concessions from Condor Resources Inc. (the "Condor Concessions") that made up approximately 25% of the Corporation's expanded Soledad Project. As a result, the Corporation recognized an impairment of $5,638,110.

As part of a previous royalty purchase agreement with Condor, Condor will grant a 1% net smelter returns royalty in favor of the Corporation over the Condor Concessions with a 2 km area of interest. Condor will have the right to purchase half of the royalty (0.5%) for US$1,000,000.

The Corporation has no additional obligation to pay any of the $2,425,000 option payments or issue any of the shares that were remaining under the option agreement.

Please refer to news releases on www.sedarplus.ca for the Corporation's drilling results details.

CAPITAL STRUCTURE

As of the date of this MD&A, the Corporation has 267,008,571 (August 31, 2024 – 267,008,571) common shares, 84,575,249 (August 31, 2024 – 84,575,249) common share purchase warrants and 10,025,000 (August 31, 2024 – 10,025,000) stock options issued and outstanding.

Issued capital

During the three months ended August 31, 2024, the Corporation issued common shares as follows:

- On August 14, 2024, the Corporation issued 2,056,650 common shares with respect to the Aija Project and paid US$75,000.

During the year ended May 31, 2024, and to the date of this MD&A the Corporation issued common shares as follows:

- On June 22, 2023, the Corporation issued 1,379,310 common shares valued at US $82,558, as per the amended option agreement with Condor.

- On November 6, 2023, the Corporation completed the first tranche of a non-brokered private placement of 20,541,495 units at a price of $0.04 per unit for gross proceeds of $821,660. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.06 per common share for a period of two years. The Corporation may accelerate the expiry of these warrants in the event that for any ten consecutive trading days the closing price of the common shares is greater than $0.09. The Corporation paid aggregate finder's fees of $13,720 and issued 343,000 finder's warrants in connection with the first tranche of the private placement. Each finder's warrant is exercisable to purchase one common share at a price of $0.06 per common share for a period of two years from closing of the private placement. The finder's warrants were valued at $6,213 using the Black-Sholes option pricing model.

- On January 15, 2024, the Corporation completed the second and final tranche of a private placement issuing 54,459,356 units of the Corporation at a price of $0.04 per unit for gross proceeds of $2,178,374. Each unit consists of one common share in the capital of the Corporation and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of $0.06 per common share for a period of two years from closing of the private placement. The Corporation may accelerate the expiry of these warrants in the event that for any ten consecutive trading days the closing price of the common shares is greater than $0.09. The Corporation paid aggregate finder's fees of $102,564 and issued 2,996,100 finder's warrants in connection with the second tranche of the private placement. Each finder's warrant is exercisable to purchase one common share at a price of $0.06 per common share for a period of two years from closing of the private placement. The finder's warrants were valued at $125,072 using the Black-Scholes option pricing model.

- On January 25, 2024 the Corporation issued 2,379,529 common shares in relation to the Aija Option agreement valued at $202,260.

- During the year ended May 31, 2024, 13,178,852 common shares were issued on exercise of common share purchase warrants for total proceeds of $790,731.

(EXPRESSED IN CANADIAN DOLLARS)

The following incentive stock options were outstanding at October 29, 2024 and August 31, 2024:

Expiry Date	Exercise Price	October 29, 2024	August 31, 2024
December 12, 2024	$0.20	900,000	900,000
July 10, 2025	$0.40	1,650,000	1,650,000
April 22, 2026	$0.50	3,275,000	3,275,000
September 29, 2027	$0.075	4,200,000	4,200,000
Total outstanding options	$0.28	10,025,000	10,025,000
Total exercisable options	$0.28	10,025,000	10,025,000

Capital Resources

The Corporation defines capital as consisting of shareholders' equity and cash. The Corporation manages its capital structure to maximize its financial flexibility by making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Corporation does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Corporation's management to sustain 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 August 31, 2024, the Corporation is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Corporation's approach to capital management during the three months ended August 31, 2024.

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 August 31, 2024, the Corporation had cash of $974,654 and working capital of $654,700.

Cash used in operating activities was $(1,088,877) during the three months ended August 31, 2024. The cash used in operating activities is mainly for exploration and evaluation expenditures.

Cash used in investing activities was $(174,641) during the three months ended August 31, 2024, and was primarily related to option payments related to the Corporation's properties.

Cash used in financing activities was $(41,641) during the three months ended August 31, 2024, related to payments related to its leased warehouse.

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. These uncertainties may cast significant doubt about the Corporation's ability to continue as a going concern.

Outlook

The Corporation plans to conduct further exploration on its exploration projects. Further exploration and corporate costs are expected to be funded through future equity financing or other means.

Related Party Transactions

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

During the three months ended August 31, 2024 and 2023, the Corporation paid and/or accrued the following fees to key management personnel:

- During the three months ended August 31, 2024, the Corporation incurred $63,058 (2023 - $56,617) of consulting fees from David Kelley, the Corporation's Chief Executive Officer. As of August 31, 2024, the amount of $106,498 (May 31, 2024 - $72,271) was owed to David Kelley, which is included in accounts payable and accrued liabilities.

- The Corporation is party to a consulting agreement with a firm for which Xavier Wenzel works to provide services as the Corporation's Chief Financial Officer, as well as financial consulting services, accounting and bookkeeping services to the Corporation for $8,500 per month. For the three months ended August 31, 2024, the total fees incurred under this agreement are $25,500 (2023 - $25,500). As of August 31, 2024, the amount of $9,282 (May 31, 2024 - $9,282) was owed to this firm, which is included in accounts payable and accrued liabilities.

- During the three months ended August 31, 2024, the Corporation incurred $3,000 (2023 - $3,000) of consulting expense from John Black, a director of the Corporation. As of August 31, 2024, the amount of $39,500 (May 31, 2024 - $36,500) was owed to Mr. Black, which is included in accounts payable and accrued liabilities. The amount owed is non-interest-bearing, unsecured and due on demand.

- During the three months ended August 31, 2024, the Corporation incurred $15,000 (2023 - $10,500) of consulting expense from Chelmer Consulting Corp., a company controlled by Darren Devine, a director of the Corporation. As of August 31, 2024, the amount of $5,250 (May 31, 2024 - $5,250) was owed to Chelmer Consulting Corp., which is included in accounts payable and accrued liabilities. The amount owed is non-interest-bearing, unsecured and due on demand.

- During the three months ended August 31, 2024, the Corporation incurred $20,535 (2023 - $19,997) of consulting expense from Balfour Holdings LLC, a company owned by Douglas Silver, a director of the Corporation. As of August 31, 2024, the amount of $67,992 (May 31, 2024 - $47,457) was owed to Balfour Holdings LLC, which is included in accounts payable and accrued liabilities.

- During the three months ended August 31, 2024, the Corporation incurred $3,000 (2023 - $3,000) of consulting expense from Tom Wharton, a director of the Corporation. As of August 31, 2024, the amount of $nil (May 31, 2024 - $2,000) was owed to Mr. Wharton, which is included in accounts payable and accrued liabilities. The amount owed is non-interest-bearing, unsecured and due on demand.

OFF BALANCE SHEET ARRANGEMENTS

The Corporation currently has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

The hierarchy is as follows:

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

The fair value of cash under the fair value hierarchy is measured using Level 1 inputs. The Corporation considers that the carrying amounts of all its financial assets and financial liabilities recognized at amortized cost in the consolidated financial statements approximate their fair values 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. The Corporation limits exposure to credit risk on liquid financial assets through maintaining its cash with a high credit quality financial institution.

Liquidity Risk

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

Interest Rate Risk

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

Foreign Currency Risk

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

BUSINESS RISKS AND UNCERTAINTIES

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

CONTRACTUAL OBLIGATIONS

The Corporation leases a warehouse that expires in April 2031. The Corporation is obligated to make $377,747 in minimum lease payments under the premises lease.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

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

- *Impairment of Exploration and Evaluation Assets*

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

- *Going Concern*

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

- *Value-added Tax Receivable*

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

- *Income Taxes*

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

  The determination of the ability of the Corporation to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Corporation. Management is required to assess whether it is probable that the Corporation will benefit from these prior losses and other deferred tax assets. Changes 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 Peruvian sol – the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment, and the Corporation reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

MATERIAL ACCOUNTING POLICIES

The Corporation's material accounting policies are summarized in Note 3 to the audited consolidated financial statements for the year ended May 31, 2024.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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