CHAKANA COPPER CORP.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025
(EXPRESSED IN CANADIAN DOLLARS)

GENERAL

This Management Discussion and Analysis ("MD&A") of Chakana Copper Corp. (the "Corporation" or "Chakana") dated April 29, 2025 provides an analysis of the Corporation's financial results for the nine months ended February 28, 2025. The following information should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements for the nine months ended February 28, 2025 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 La Joya Project (previously referred to as part of the "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 La Joya 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. The Corporation initially focused their exploration efforts on tourmaline breccia hosted mineralization in the northern and central part of the Soledad project (Condor and Aija options). This exploration failed to identify sufficient resources to justify additional investment in exploration and property payments so these areas have been relinquished to focus on the southern part of the project (La Joya – Barrick option) where porphyry copper-gold and high sulfidation epithermal precious metals potential has been identified.

GENERAL OVERVIEW OF MARKET CONDITIONS

Recent global events including, the war in Ukraine and the conflict in the Middle East, inflation, the imposition of tariffs by several countries and resulting increased interest rates have all contributed to a global economic instability. As a result, commodities and precious metals prices have fluctuated significantly and financial markets have become volatile. Since the impeachment and arrest of Pedro Castillo in 2022, Peru has been relatively stable under the administration of 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. However, informal miners in Peru have become a significant problem in several areas which needs to be addressed with new policies by the current administration. There are no issues with informal miners within the Corporation's La Joya project area. 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.

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 $5.16 per pound, closing at approximately US $4.46 per pound. During the same period, gold and silver prices fluctuated in value, with gold trading between US $1,991 per ounce and US $3,113 per ounce, closing at approximately US $3,082 per ounce, and silver trading between US $22.08 per ounce and US $34.84 per ounce, closing at approximately US $30.59 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 La Joya 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 breccias. On October 8, 2024, the Corporation relinquished the Condor concessions and on February 11, 2025 the Corporation relinquish its interest in the Aija option agreement to focus prospective Barrick option, now referred to as the La Joya.

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 and La Joya 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 3,000m drill program in the newly permitted area on the southern half of the Soledad Project. Three principal target areas chosen for drilling were: 1) Mega-Gold porphyry target, 2) La Joya high-sulfidation epithermal (HSE) zone, and 3) the Estremadoyro breccia pipe (now relinquished). This new area of exploration covers different geological environments than previously pursued in the 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. Soil gold values over the chargeability body reach up to 0.325 g/t. The chargeability feature is interpreted to be a high-level blind intrusion cutting the earlier granodiorite. Drill results confirmed a pyrite shell with strongly zoned alteration defining two discrete porphyry targets that warrants additional drilling. Hyperspectral core scanning studies provide a clear vector to higher temperature alteration sitting beneath the pyrite shell within an area of strong conductivity. Although untested, this target is believed my management to be the core of a mineralized porphyry intrusion.

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. The high-grade silver results suggest preservation of the HSE system with potential for strong gold mineralization at depth and warrants additional drilling. The target is a horizontal or manto-like body of mineralization extending away from the feeder structure within favorable permeable stratigraphy in the Calipuy volcanic section. Mineralized manto mineralization is mined elsewhere in the Aija Ticapampa district.

(EXPRESSED IN CANADIAN DOLLARS)

CORPORATE MATTERS

- 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.
- Effective February 28, 2025 the Company completed the consolidation of its common shares on the basis of one new-post consolidation common share for every ten pre-consolidation common shares.

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 up to a 100% ownership in mineral concessions owned by Barrick (the "Barrick Option") subject to certain "back-in" rights; and (ii) a 1% net smelter return royalty right ("NSR") on the Condor Concessions plus a 2 km area of interest. The Barrick option is referred to as the "La Joya Project". The Corporation is the operator of all related mineral exploration activities on this project.

Historic acquisition costs of the Soledad Project are as follows:

	Condor Option	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	309,329	-	349,956
Foreign exchange on translation	(11,249)	42,924	21,216	52,891
Impairment of exploration asset	(5,638,110)	(2,199,459)	-	(7,837,568)
Balance – February 28, 2025	$ -	$ -	$ 365,573	$ 365,573

(EXPRESSED IN CANADIAN DOLLARS)

During the three months and nine months ended February 28, 2025 and 2024, the Corporation incurred exploration and evaluation expenditures over the Aija and Barrick portions of the expanded Soledad Project as follows:

	Three Months Ended February 28, 2025	Three Months Ended February 28, 2024	Nine Months ended February 28, 2025	Nine Months ended February 28, 2024
Drilling	$ 9,019	27,164	$ 233,691	$ 27,164
Exploration support and administration	89,890	93,194	441,910	403,189
Field operations and consumables	16,535	14,097	106,783	62,727
Geological consultants	6,598	1,652	64,640	26,510
Permitting and environmental consulting	3,888	40,388	40,897	94,327
Sampling and geological costs	-	5,562	-	5,562
Transportation	2,168	4,040	14,020	14,232
	$ 128,098	186,097	$ 901,941	$ 633,711

SUMMARY OF QUARTERLY RESULTS

Key financial information for the three months ended February 28, 2025, as well as the most recent preceding seven quarters is summarized as follows:

	February 28 2025	November 30, 2024	August 31, 2024	May 31, 2024
Current Assets	$ 392,813	$ 647,718	$ 1,115,081	$ 2,447,237
Current Liabilities	$ 669,984	$ 554,852	$ 460,381	$ 692,698
Total Assets	$ 1,652,665	$ 4,076,767	$ 4,347,279	$ 10,830,918
Total Liabilities	$ 955,214	$ 287,804	$ 751,878	$ 750,902
Operating Expenses	$ (381,208)	$ (458,183)	$ (876,152)	$ (1,059,088)
Net Loss	$ (2,843,950)	$ (470,466)	$ (6,508,731)	$ (1,039,931)
Loss per Share	$ (0.11)	$ (0.02)	$ (0.24)	$ (0.05)

	February 29, 2024	November 30, 2023	August 31, 2023	May 31, 2023
Current Assets	$ 2,343,801	$ 883,260	$ 599,569	$ 2,492,090
Current Liabilities	$ 518,183	$ 540,882	$ 567,595	$ 441,355
Total Assets	$ 10,797,848	$ 9,106,598	$ 8,835,755	$ 9,242,069
Total Liabilities	$ 590,246	$ 628,664	$ 672,265	$ 562,019
Operating Expenses	$ (504,763)	$ (447,842)	$ (552,943)	$ (496,732)
Net Loss	$ (506,837)	$ (450,132)	$ (590,619)	$ (492,214)
Loss per Share	$ (0.03)	$ (0.03)	$ (0.03)	$ (0.03)

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED FEBRUARY 28, 2025

Total operating expenses for the three months ended February 28, 2025 were $381,208 (2024 - $504,763). The significant expenditures for the current quarter were as follows:

- Exploration and evaluation expenditures were $128,098 during the three months ended February 28, 2025 (2024 - $186,097), inclusive of:
  - drilling expenses of $9,019 (2024 - $27,164).
  - Exploration support and administrative of $89,890 (2024 - $93,194)
  - Field expenses of $16,838 (2024 - $14,097)
  - Geological consulting fees of $6,598 (2024 - $1,652)
  - Permitting and environmental consulting fees of $3,888 (2024 - $40,388)
  - Sampling and geological costs of $nil (2024 - $5,562)
  - Transportation expenses of $2,168 (2024 - $4,040)

  Exploration and evaluation expenditures remained low as a result of the Corporation's low exploration program for both years.

- Consulting fees were $51,465 and salaries and wages were $90,856 during the three months ended February 28, 2025, compared to $48,365 of consulting fees and $79,232 of salaries and wages for the three months ended February 28, 2024. Both expenses remained relatively consistent year on year.

- General and administrative expenses of $45,765 (2024 - $81,645) decreased as the company reduced certain of its operations in Peru as well as at head office.

- Legal and professional fees of $34,250 (2024 - $56,250) remained relatively consistent year on year.

- Stock-based compensation was $nil (2024 - $12,488). The change in stock-based compensation during the three months ended February 28, 2024 is the result of no new options granted during the current period.

- During the current period the Corporation recognized an impairment charge of $2,462,190 on relinquishing its option to acquire the Aija Project.

As a result of the foregoing, the Corporation recorded a net loss of $2,843,950 during the three months ended February 28, 2025 (2024 - $506,837).

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025

Total operating expenses for the nine months ended February 28, 2025 were $1,715,543 (2024 - $1,505,548). The significant expenditures for the current quarter were as follows:

- Exploration and evaluation expenditures were $901,941 during the nine months ended February 28, 2025 (2024 - $633,711),
    - inclusive of drilling expenses of $233,691 (2024 - $27,164).
    - Exploration support and administrative were $441,910 (2024 - $403,189),
    - Field expenses were $106,783 (2024 - $62,727),
    - Geological consulting fees of $64,640 (2024 - $26,510),
    - Permitting and environmental consulting fees were $40,897 (2024 - $94,327),
    - Sampling and geological costs of $nil (2024 - $5,562) and
    - Transportation expenses were $14,020 (2024 - $14,232).

  Increased exploration expenses were a result of the Corporation's drill program during the first quarter in 2024 while no such drill program was incurred during the comparative period exploration program for 2023.

- Consulting expenses were $155,491 and salaries and wages were $257,530 during the nine months ended February 28, 2025, compared to $144,242 of consulting fees and $236,979 of salaries and wages for the nine months ended February 28, 2024. Both consulting fees and wages and salaries remained relatively constant year to year.

- General and administrative expenses were $156,784 during the nine months ended February 28, 2025, compared to $212,389 during the nine months ended February 28, 2024. These expenditures decreased as the company reduced certain of its operations in Peru as well as at head office.

- During the nine months ended February 28, 2025, the Corporation incurred $110,750 of legal and professional fees (2024 - $115,049). These expenditures remained relatively consistent year on year.

- Stock-based compensation and was $nil (2024 - $43,230) during the nine months ended February 28, 2025. There was no Stock-based compensation expense during the current period as this expense is the result of amortization of share-based expense from stock options granted during prior periods, these options have fully vested resulting in no expense for the current period.

- investor relations expenses was $48,434, (2024 - $39,092) during the nine months ended February 28, 2025. These expenditures remained relatively consistent year on year.

- During the current period the Corporation recognized an impairment charge of $8,100,300 on relinquishing its options to acquire three concessions from Condor Resources Inc and the Aija Project.

As a result of the foregoing, the Corporation recorded a net loss of $9,823,147 during the nine months ended February 28, 2025 (2024 - $1,547,588).

SUMMARY OF MINERAL PROPERTIES

(i) Barrick Option Agreement

The Barrick Option Agreement covers concessions referred to as the La Joya Project.

On July 11, 2018, Barrick granted the Corporation an option (the "Barrick Option") to acquire a 100% interest in three concessions covering the La Joya 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 that make up the La Joya 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.

(ii) Aija Option Agreement

The Aija Option Agreement covered ten concessions in the central part of the expanded Soledad Project.

On March 20, 2018, the Corporation entered into an Option Agreement (the "Aija Option") with an arms-length third party to acquire 100% of the rights and interest in the Aija Project (the "Aija Project") subject to a 2% NSR. Under the terms of the agreement and subsequent amendments, the Corporation was o pay a total of US$2,100,000 and issue shares equivalent to US$500,000 using the price which is 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 $0.05 per share. As at February 28, 2025 the Corporation has paid a total of US1,250,000 and issued a total of 792,030 Shares.

On February 11, 2025, the Corporation announced that the Board decided to relinquish its option to acquire an interest on the Aija Project given insufficient resources identified during exploration. The required payments to keep the option were in excess of what the Board determined to be the value of the project. As a result, the company recognized an impairment of $2,462,190. The Corporation has no obligation to pay any of the remaining $850,000 option payments or issue any additional shares.

(iii) Condor Option Agreement

The Condor Option covered 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 a following three-year period. During the term of this option agreement and up to October 8, 2024 the Corporation made total payments of $2,950,000 and issued 3,258,620 shares related to the option agreement.

On October 8, 2024, the Corporation announced that the Board decided to relinquish its option to acquire three concessions from Condor Resources Inc. given insufficient resources identified during exploration. The required payments to keep the option were in excess of what the board determined to be the value of the project. As a result, the company recognized an impairment of $5,638,110.

As part of a previous royalty purchase agreement with Condor, Condor has granted 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.

CAPITAL STRUCTURE

As of the date of this MD&A, the Corporation has 267,008,571 (February 28, 2025 – 267,008,571) common shares, 56,205,456 (February 28, 2025 – 84,575,249) common share purchase warrants and 9,125,000 (February 28, 2025 – 10,025,000) stock options issued and outstanding.

Effective February 28, 2025 the company completed the consolidation of its common shares on the basis of one new-post consolidation common share for every ten pre-consolidation common shares. All share data in these financial statements have given effect to this consolidation on a retroactive basis.

Issued capital

During the nine months ended February 28, 2025, the Corporation issued common shares as follows:

- On August 14, 2024, the Corporation issued 205,665 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 137,931 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 2,054,149 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 $0.60 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 $0.90. The Corporation paid aggregate finder's fees of $13,720 and issued 34,300 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 $0.60 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 5,445,936 units of the Corporation at a price of $0.40 per unit for gross proceeds of $2,178,374. Each unit

(EXPRESSED IN CANADIAN DOLLARS)

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 $0.60 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 $0.90. The Corporation paid aggregate finder's fees of $102,564 and issued 299,610 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 $0.60 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 237,953 common shares in relation to the Aija Option agreement valued at $202,260.

- During the year ended May 31, 2024, 1,317,885 common shares were issued on exercise of common share purchase warrants for total proceeds of $790,731.

The following incentive stock options were outstanding at January 28, 2025 and February 28, 2025:

Expiry Date	Exercise Price	January 28, 2025	February 28, 2025
July 10, 2025	$4.00	165,000	165000
April 22, 2026	$5.00	327,500	327,500
September 29, 2027	$0.75	420,000	420000
Total outstanding options	$0.28	912,500	912,500
Total exercisable options	$0.28	912,500	912,500

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 February 28, 2025, the Corporation is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Corporation's approach to capital management during the nine months ended February 28, 2025.

LIQUIDITY

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

As at February 28, 2025, the Corporation had cash of $266,724 and working capital of deficit of $277,171.

Cash used in operating activities was $(1,623,019) during the nine months ended February 28, 2025. The cash used in operating activities is mainly for exploration and evaluation expenditures.

Cash used in investing activities was $(349,955) during the nine months ended February 28, 2025, and was primarily related to option payments related to the Corporation's properties.

Cash used in financing activities was $(44,535) during the nine months ended February 28, 2025, 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 nine months ended February 28, 2025 and 2024, the Corporation paid and/or accrued the following fees to key management personnel:

- During the nine months ended February 28, 2025, the Corporation incurred $196,047 (2024 - $177,328) of consulting fees from David Kelley, the Corporation's Chief Executive Officer. As of February 28, 2025, the amount of $196,972 (May 31, 2024 - $72,271) was owed to David Kelley, which is included in accounts payable and accrued liabilities. The amount owed is non-interest-bearing, unsecured and due on demand.

- 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 nine months ended February 28, 2025, the total fees incurred under this agreement are $76,500 (2024 - $76,500). As of February 28, 2025, the amount of $27,846 (May 31, 2024 - $9,282) was owed to this firm, which is included in accounts payable and accrued liabilities. The amount owed is non-interest-bearing, unsecured and due on demand.

- During the nine months ended February 28, 2025, the Corporation incurred $9,000 (2024 - $9,000) of consulting expense from John Black, a director of the Corporation. As of February 28, 2025, the amount of $42,500 (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 nine months ended February 28, 2025, the Corporation incurred $45,000 (2024 - $33,000) of consulting expense from Chelmer Consulting Corp., a company controlled by Darren Devine, a director of the Corporation. As of February 28, 2025, the amount of $21,000 (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 nine months ended February 28, 2025, the Corporation incurred $62,692 (2024 - $60,878) of consulting expense from Balfour Holdings LLC, a company owned by Douglas Silver, a director of the Corporation. As of February 28, 2025, the amount of $77,456 (May 31, 2024 - $47,457) was owed to Balfour Holdings LLC, which is included in accounts payable and accrued liabilities. The amount owed is non-interest-bearing, unsecured and due on demand.

- During the nine months ended February 28, 2025, the Corporation incurred $9,000 (2024 - $9,000) of consulting expense from Tom Wharton, a director of the Corporation. As of February 28, 2025, the amount of $6,000 (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 $411,810 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.