



**CHAKANA**  
C O P P E R

# Advanced High Grade Copper- Gold-Silver Exploration in the Peruvian Andes

New York Mining Club Luncheon  
June 7 2018

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Historical exploration information contained in this Presentation has been obtained from publicly available third party sources and Chakana has not verified any such information. Technical information in this Presentation has been approved by David Kelley, a director of Chakana, and a Qualified Person as defined by NI 43-101 – Standards of Disclosure for Mineral Projects.

Disclosure in this presentation relating to the definition of an initial inferred resource is qualified by the fact that the potential quantity and grade of any such inferred resource is conceptual in nature and that at this time there is insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the exploration target being delineated.

- ◆ A well defined, highly mineralized 4 km<sup>2</sup> Tourmaline Breccia Pipe field (9 pipes) with **surface down, vertically extensive mineralization** confirmed in drilling.
- ◆ Previous exploration was focused on discovering a porphyry copper deposit. CHAKANA is focused on demonstrating that the ***breccia pipes are potentially economic deposits***
- ◆ **First 36 CHAKANA holes intercept high-grade Cu-Au-Ag** in Breccia Pipes 1 and 5; Highlights\*

|             |           |                                  |           |                                  |
|-------------|-----------|----------------------------------|-----------|----------------------------------|
| <b>Bx 1</b> | SDH17-018 | 209m @ 3.01% Cu_eq (4.60g Au_eq) | SDH17-020 | 113m @ 3.95% Cu_eq (6.04g Au_eq) |
| <b>Bx 5</b> | SDH17-041 | 164m @ 1.84% Cu_eq (2.82g Au_eq) | SDH17-042 | 182m @ 1.49% Cu_eq (2.28g Au_eq) |

- ◆ **CHAKANA** began a 21,200m drill program in August, 2017 designed to define mineralization in sufficient detail to permit a resource estimate on 2 pipes out of 9 currently known; 16,200m drilling completed in 60 holes.
- ◆ **Considerable upside potential:** Results to date confirm adjacent blind pipes may be intersected. Pipes appear to increase in size to depth and have high-grade margins. Numerous other targets to test.

\*See Appendix 1 and 2



# MANAGEMENT and BOARD



**Doug Kirwin**  
*Chairman*

**David Kelley**  
*CEO & President*

**John Black**  
*Director*

Economic Geologists

- 125 years of experience
- 6 degrees in geology

- 16 discoveries
- 6 mines

## PERUVIAN ANDES LOCATION

- ◆ 35 km S of Barrick's Pierina Gold Mine; 60 km WSW of Antamina
- ◆ Located in the heart of the Cordillera Negra, Peru's highly mineralized Miocene copper-gold belt
- ◆ Ancash – main mining province in Peru
- ◆ Progressive mining-friendly administration
- ◆ Excellent road access and reasonable elevation: 4000-4600m
- ◆ Surface privately owned



# 6

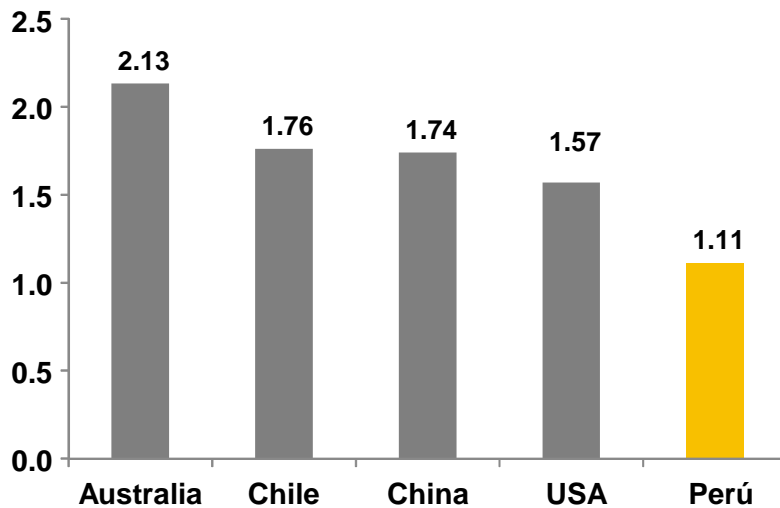
## A PREFERRED MINING JURISDICTION **PERU**

- ◆ Top global producer - 2<sup>nd</sup> in copper, 6<sup>th</sup> in gold
- ◆ Fraser Institute - #1 for mining investment in Latin America
- ◆ Mining is 14% of GDP, 60% of export revenue
- ◆ Corporate tax rate 29.5%
- ◆ Scaled royalty scheme on operating revenue
  - 1% GV <US\$60m OR, 3% GV >US\$120m
- ◆ Total mining investment in 2016 reached US\$43b
- ◆ Pending mining project investment US\$46b

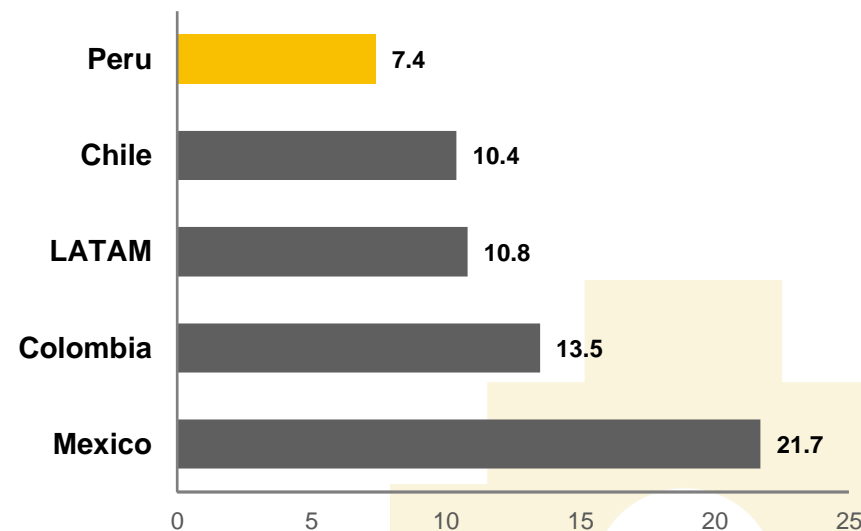


# LOW COST GLOBAL COPPER PRODUCER

Copper Cash Costs  
(US\$/lb)

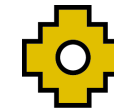


Electricity Rates\*  
(US\$/kWh)

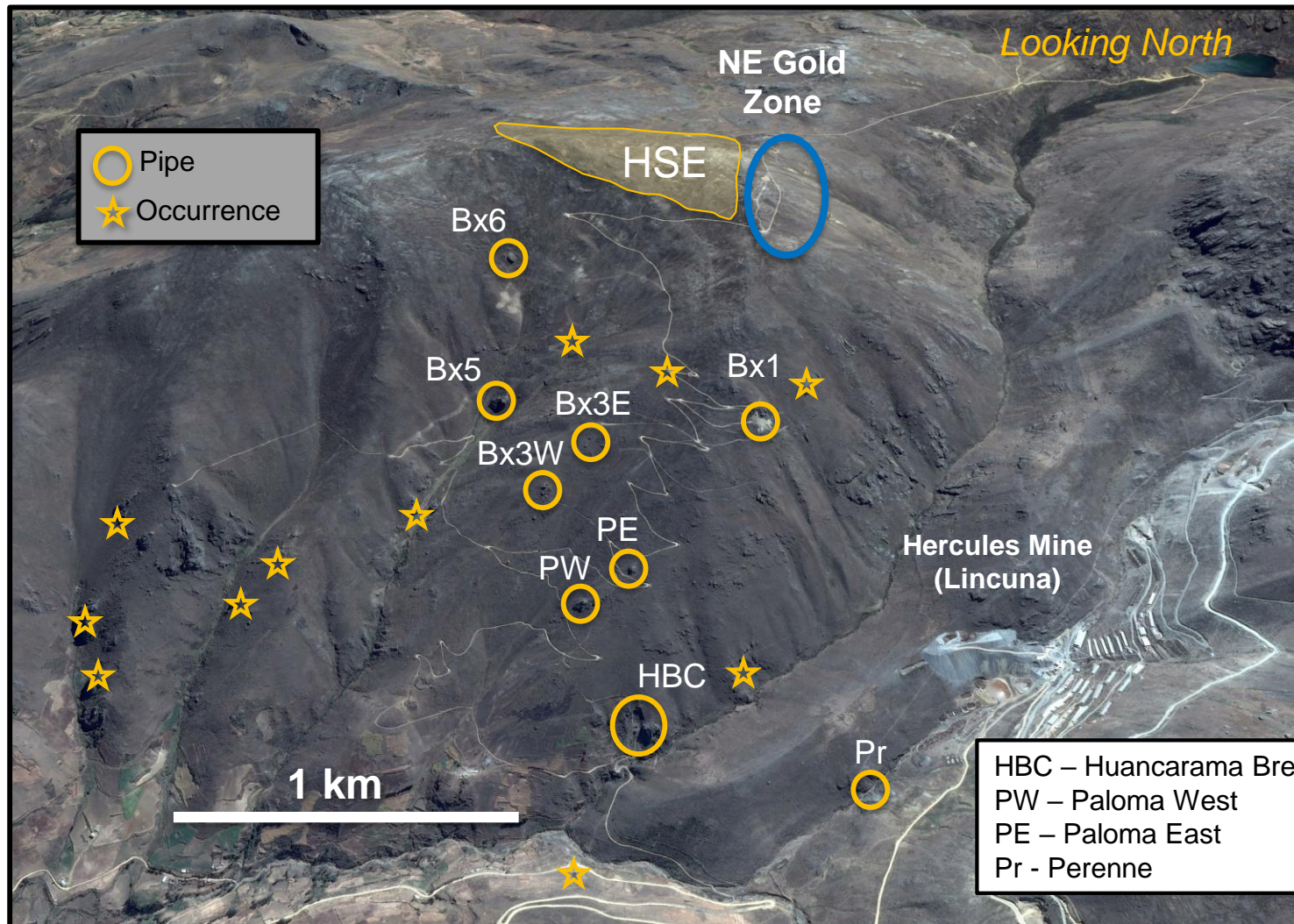


\*Source: Cochilco, Osinergmin, Morgan Stanley Research.





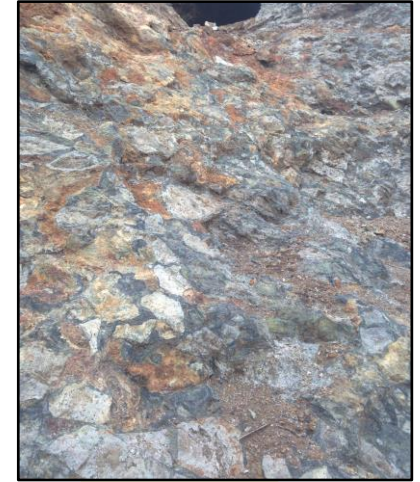
# MINERALIZED BRECCIA PIPES



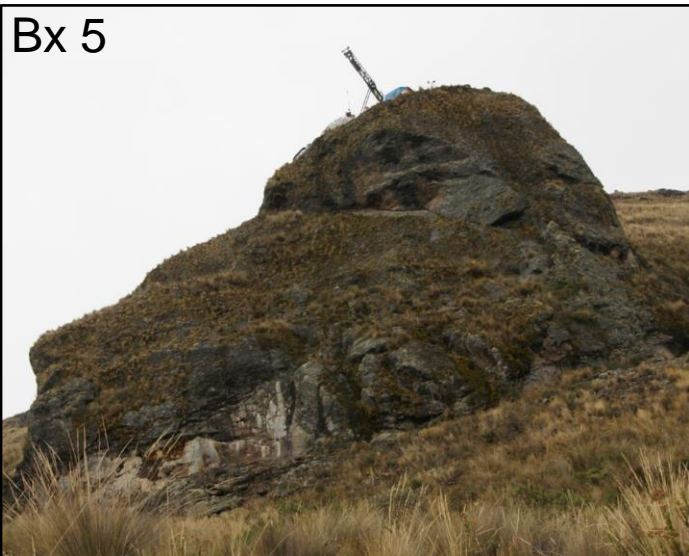


# TOURMALINE BRECCIA PIPES

Bx 1



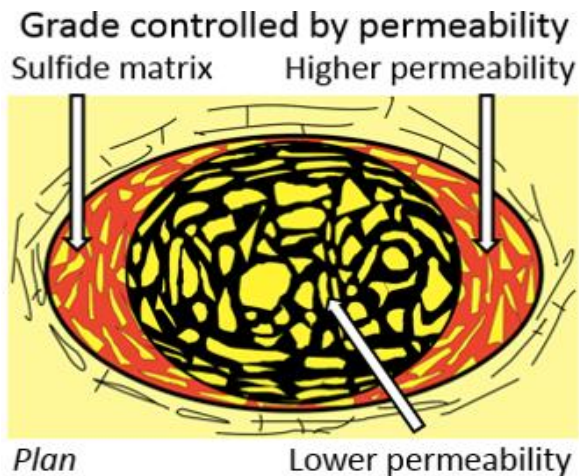
Bx 5



# TOURMALINE BRECCIA PIPES

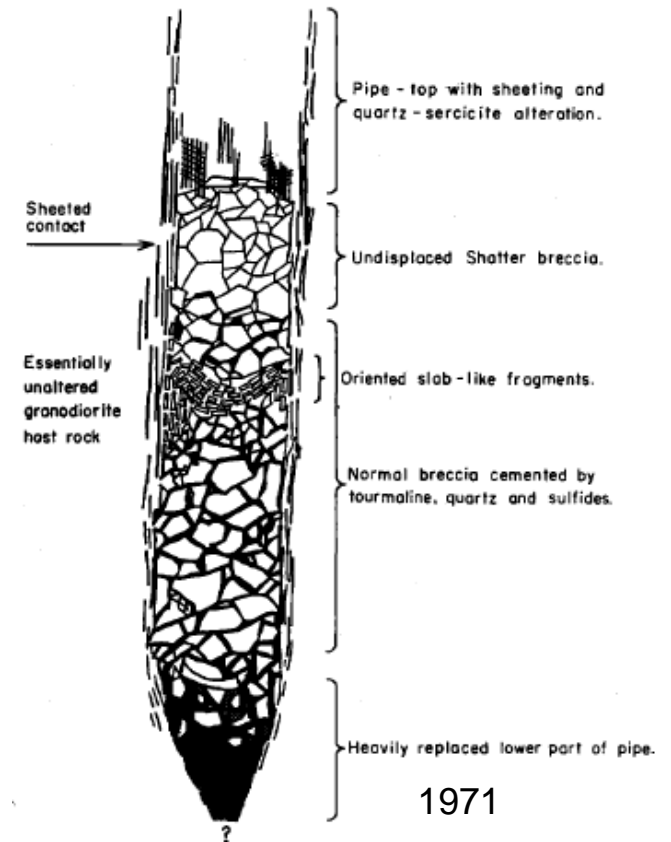
## ATTRACTIVE TARGETS

- ◆ Common in porphyry camps globally
- ◆ Can be world-class deposits (e.g. in Chile - Los Sulfatos, Sur-Sur, Donoso)
- ◆ Occur in clusters – can mine multiple pipes
- ◆ Vertical continuity – known to be >2 km
- ◆ Predictable geometries
- ◆ High grades: Cu-Mo or Cu-Au-Ag (more rare)
- ◆ Developed with low capex using established mining methods
- ◆ Small footprint – social and environmental benefit



Geologic, Mineralogic and Fluid Inclusion Studies Relating to the Origin of Copper-bearing Tourmaline Breccia Pipes, Chile

R. H. SILLITOE AND F. J. SAWKINS

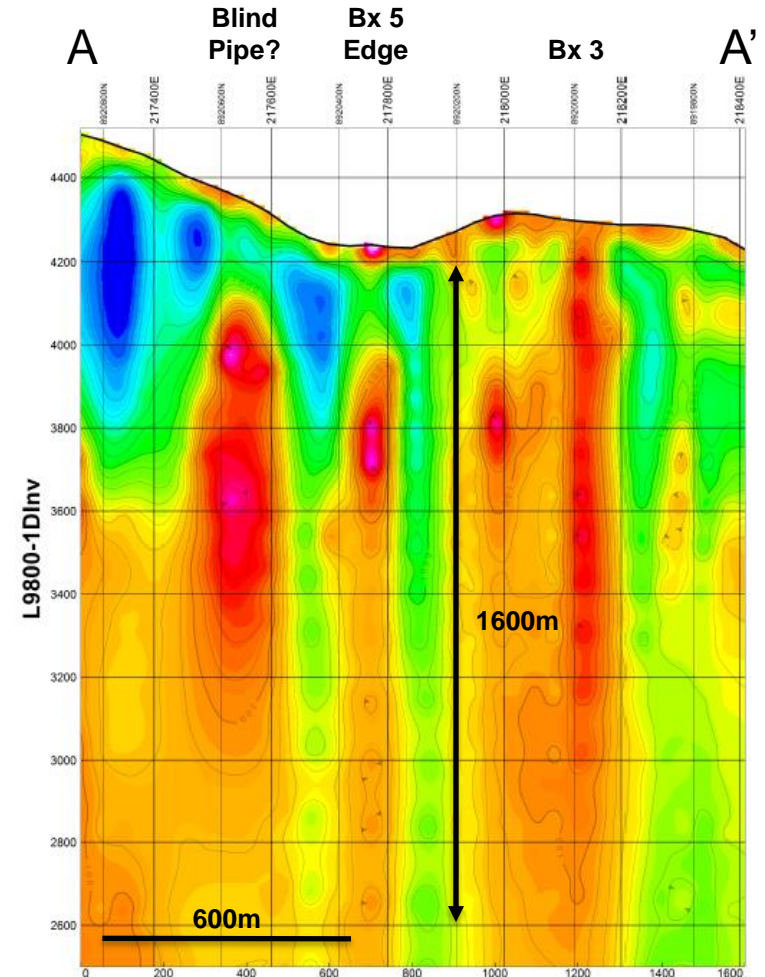
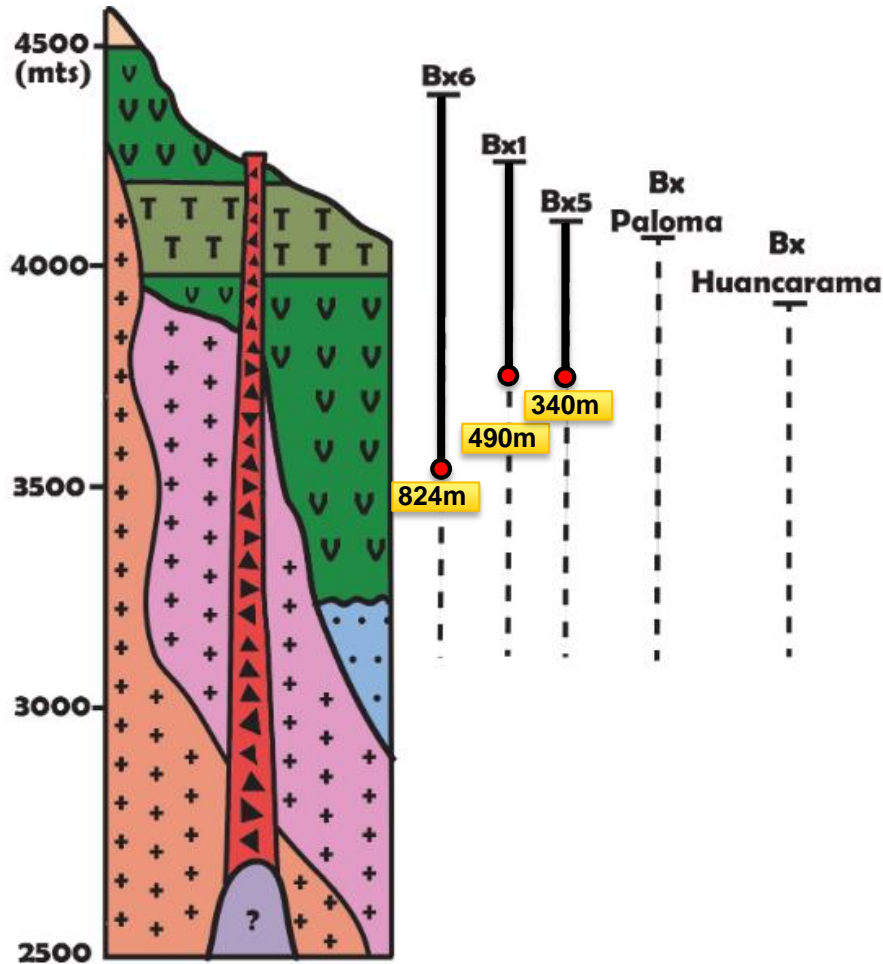


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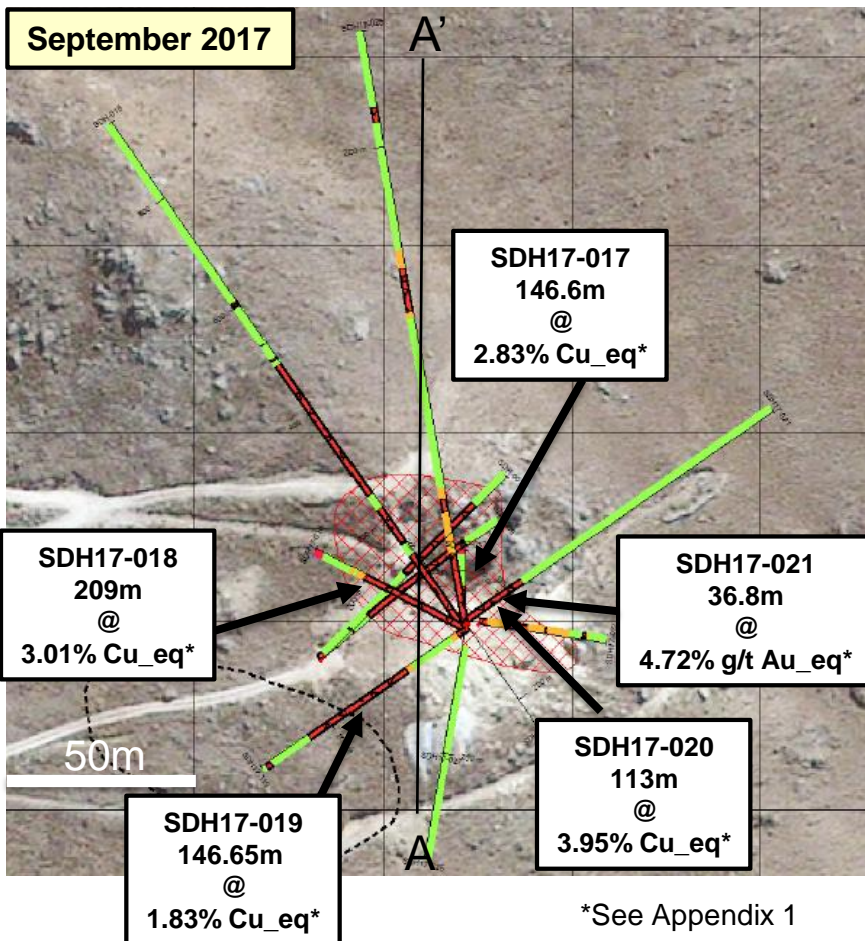
# STRATIGRAPHY AND GEOPHYSICS

## CS/NS-AMT RESISTIVITY SURVEY





# PLAN & LEAPFROG MODEL

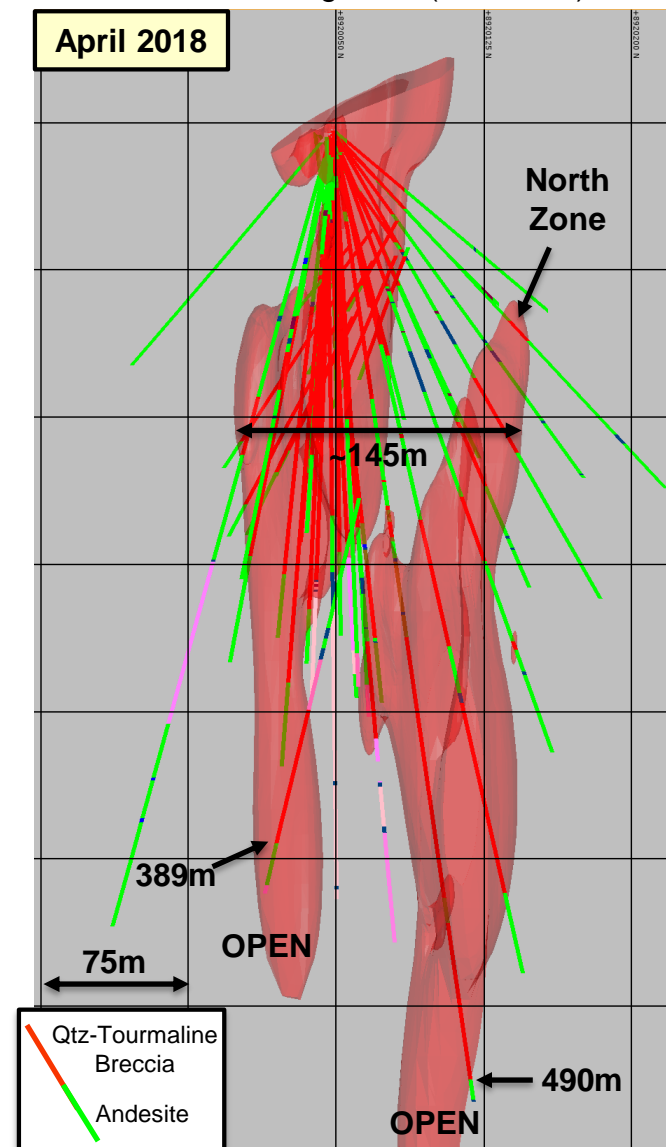


## Weighted Average Grade of First 5 Holes

Total length of mineralized intervals in 1<sup>st</sup> five holes = 588.6m with  
0.97% Cu, 2.64 g/t Au, 67.1 g/t Ag; 3.27% Cu\_eq\* or 5.00 g/t Au\_eq\*  
USD\$209/t

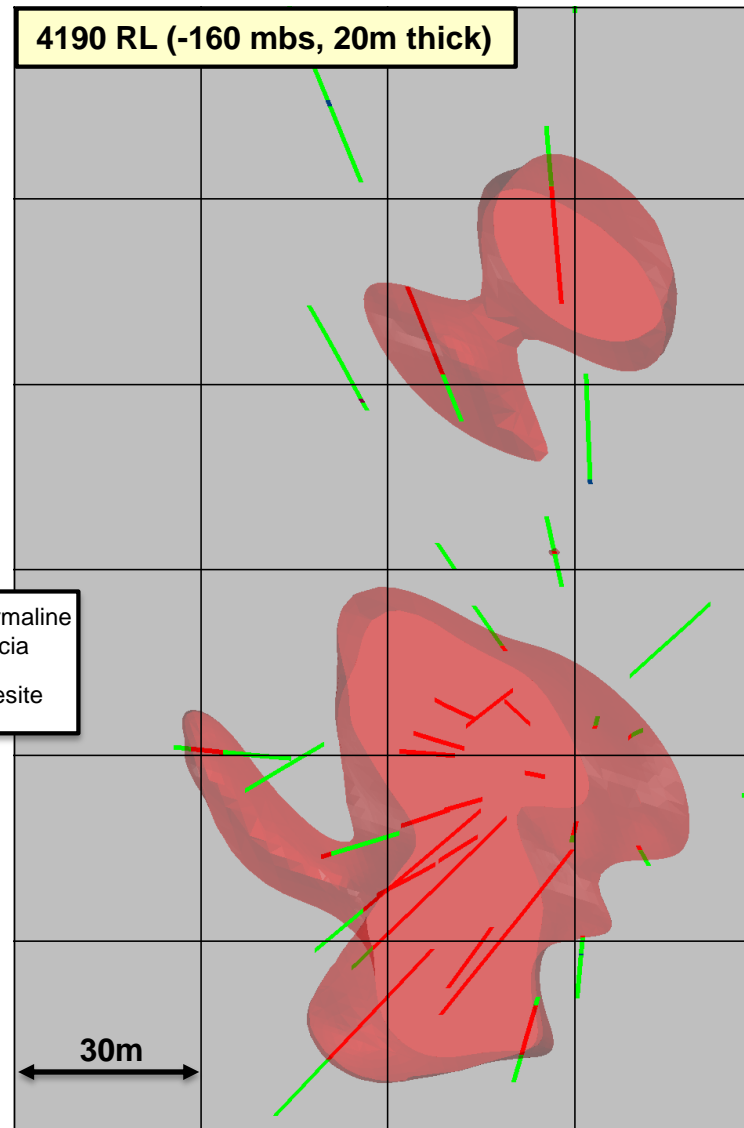
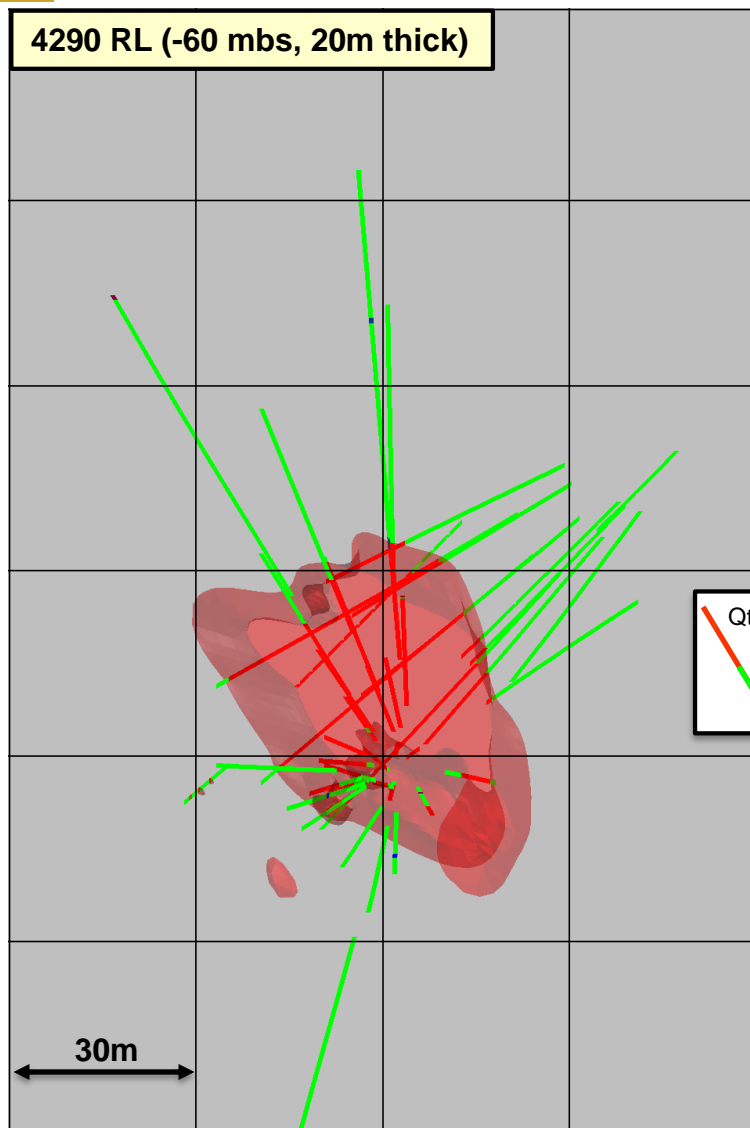
A View Looking West (50m thick) A'

**April 2018**





# LEVEL PLANS – Bx 1



Qtz-Tourmaline  
Breccia  
Andesite



SDH17-018 44-50m **13.88g Au + 3.66% Cu**  
(in 74m 3.31g Au + 65.5 g Ag + 1.11% Cu from 40m)

### Soledad Chakana Copper



### Los Sulfatos Anglo American



Tourmaline-chalcopryrite-cemented breccia.  
PALSUL13; 730m @ 3.58% Cu (from 66m)



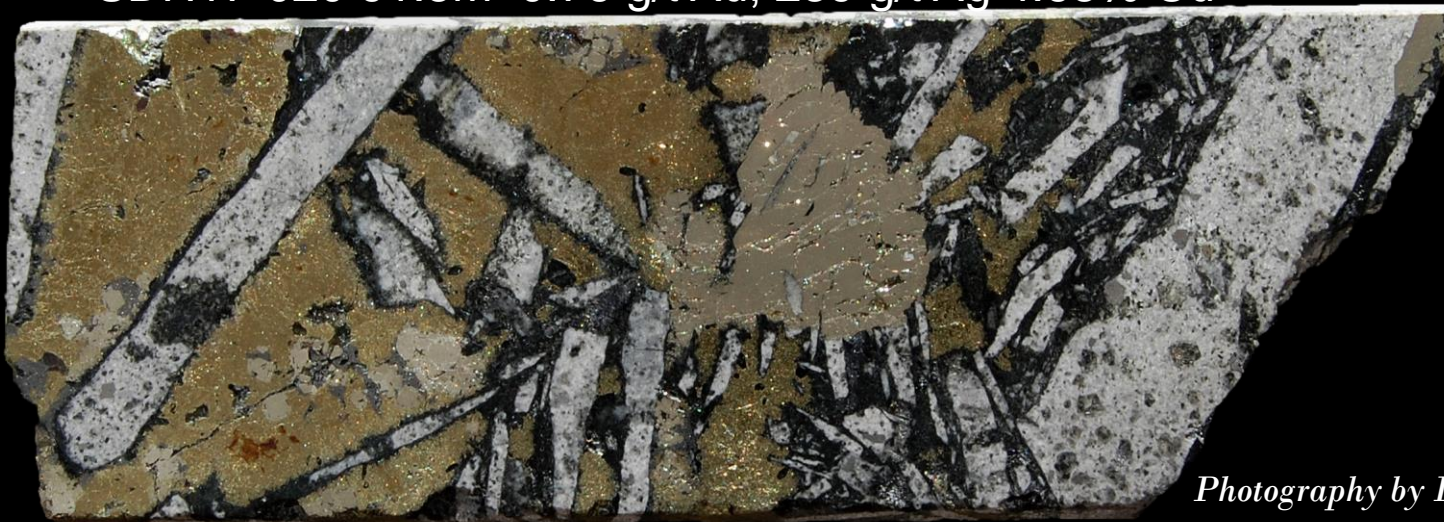


# HIGH GRADE FROM Bx 1

SDH17-018 153.65m 1.21 g/t Au, 246 g/t Ag 4.42% Cu



SDH17-020 91.5m 0.76 g/t Au, 239 g/t Ag 4.68% Cu

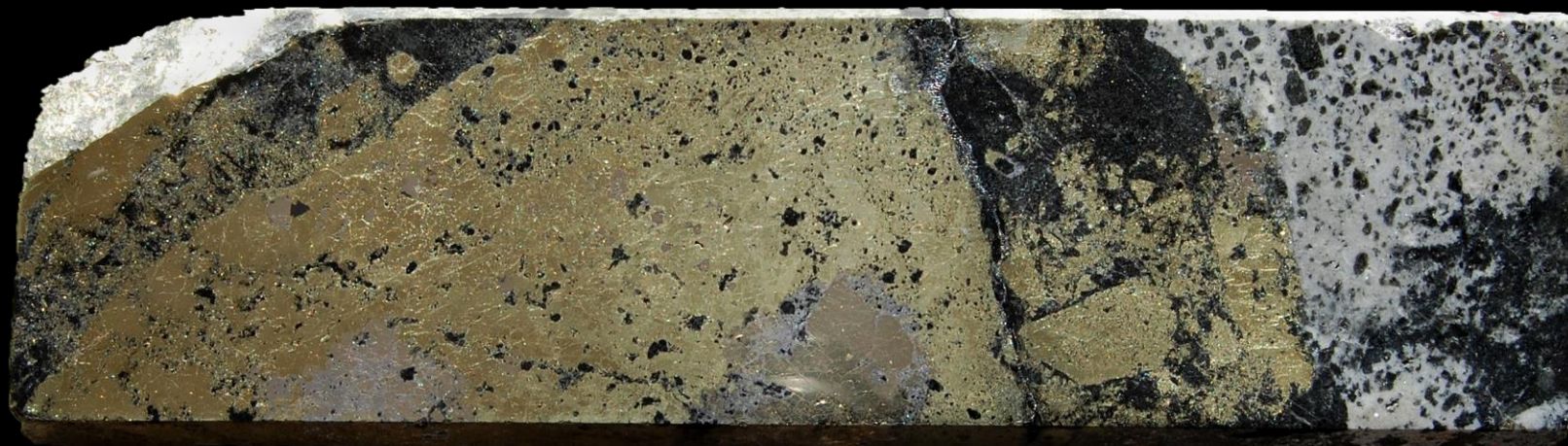


*Photography by Lisa Schrag*





# HIGH GRADE FROM Bx 1



SDH17-034 376.7m 0.31 g/t Au, 124 g/t Ag 6.92% Cu



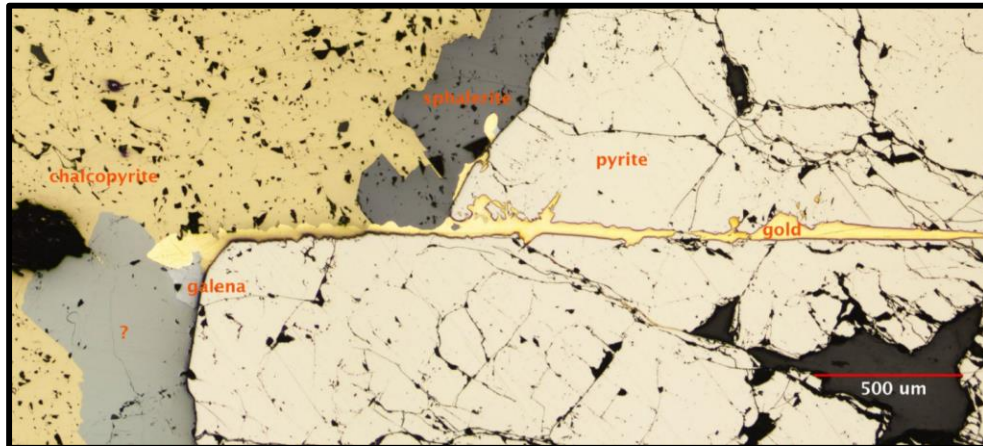
*Photography by Lisa Schrag*



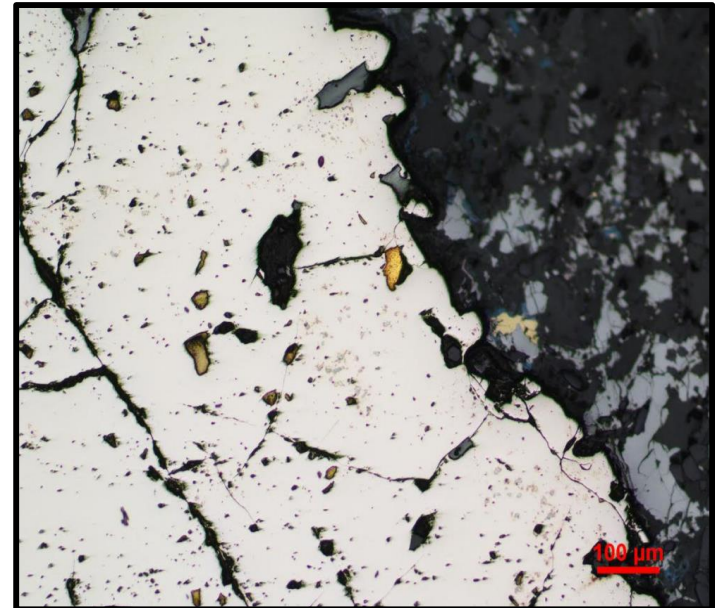
# WHERE DOES THE GOLD OCCUR?

- ♦ **Gold grains:** associated with pyrite and sulfide grain boundaries (~20µm to 2.8mm grains)
- ♦ **Sulfide assemblages:** pyrite, chalcopyrite, digenite, hypogene chalcocite, tetrahedrite ( $\text{Cu}_{12}\text{Sb}_4\text{S}_{13}$ ), sphalerite, galena and arsenopyrite

- ♦ **Gangue:** quartz, tourmaline, sericite and chlorite
- ♦ **Less common sulfosalts:** Bournonite ( $\text{PbCuSbS}_3$ ), Boulangerite ( $\text{Pb}_5\text{Sb}_4\text{S}_{11}$ )
- ♦ **Paragenesis:** 1) pyrite-electrum, 2) arsenopyrite, 3) chalcopyrite, 4) tetrahedrite, galena, bournonite, boulangerite, 5) sphalerite, 6) electrum



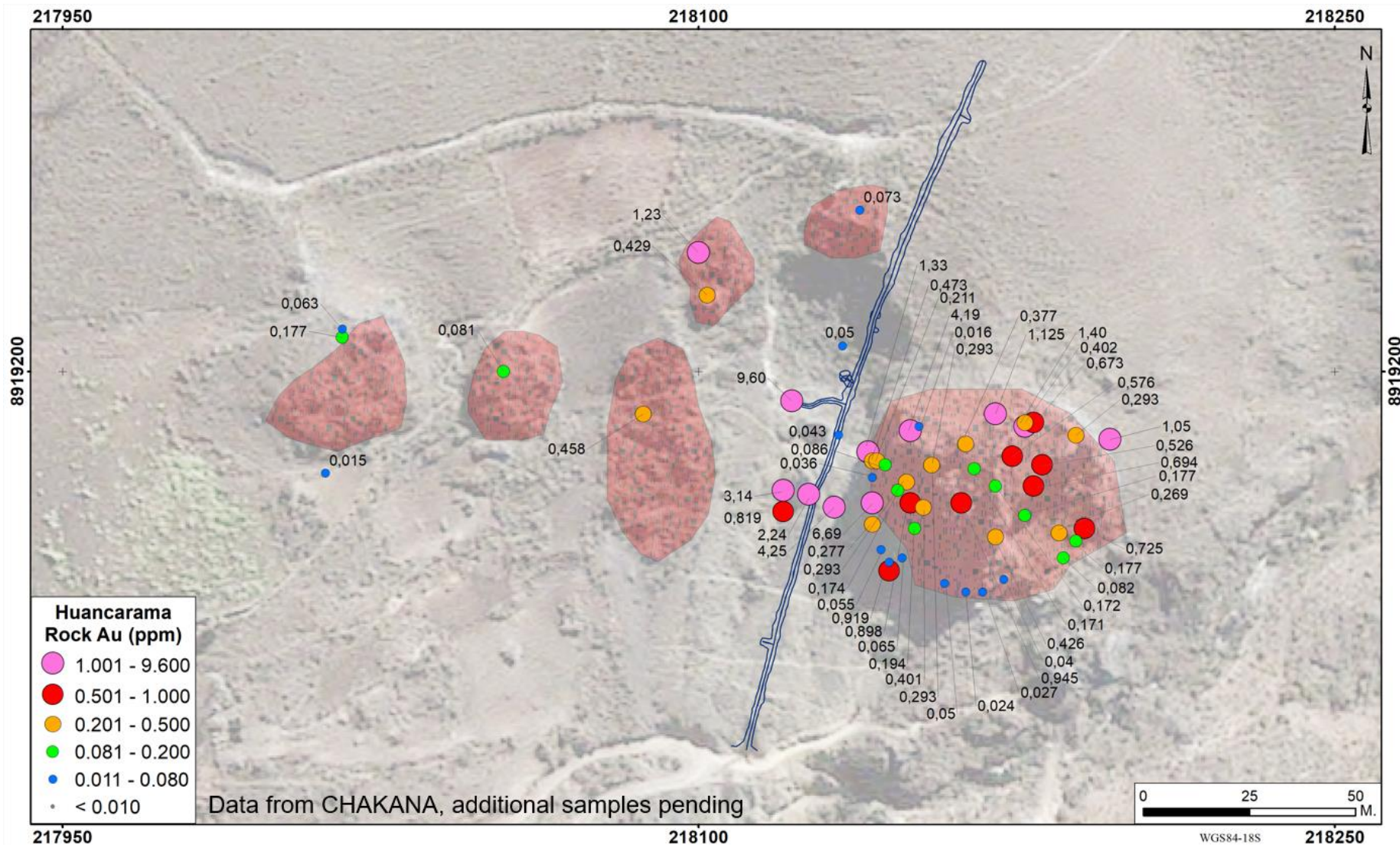
Breccia Pipe 5: SDH-007 71.2m 2.8mm gold/electrum grain along sulfide grain boundaries



Breccia Pipe 1: SDH-001 62.05m gold/electrum inclusion in pyrite next to sphalerite and chalcopyrite



# HUANCARAMA BRECCIA COMPLEX



# 19 Breccia Pipe versus Vein

Breccia Pipe 1



## Conceptual Tonnage Potential

| Pipe Diameter<br>to 600m | Tonnes (M)<br>@<br>3.0 SG | Equivalent<br>Vein Dimensions<br>1.5m wide x 250m depth x ? length |
|--------------------------|---------------------------|--|
|--------------------------|---------------------------|--|

25m = 0.84

 750m

50m = 3.48

 3,100m

75m = 7.87

 7,000m

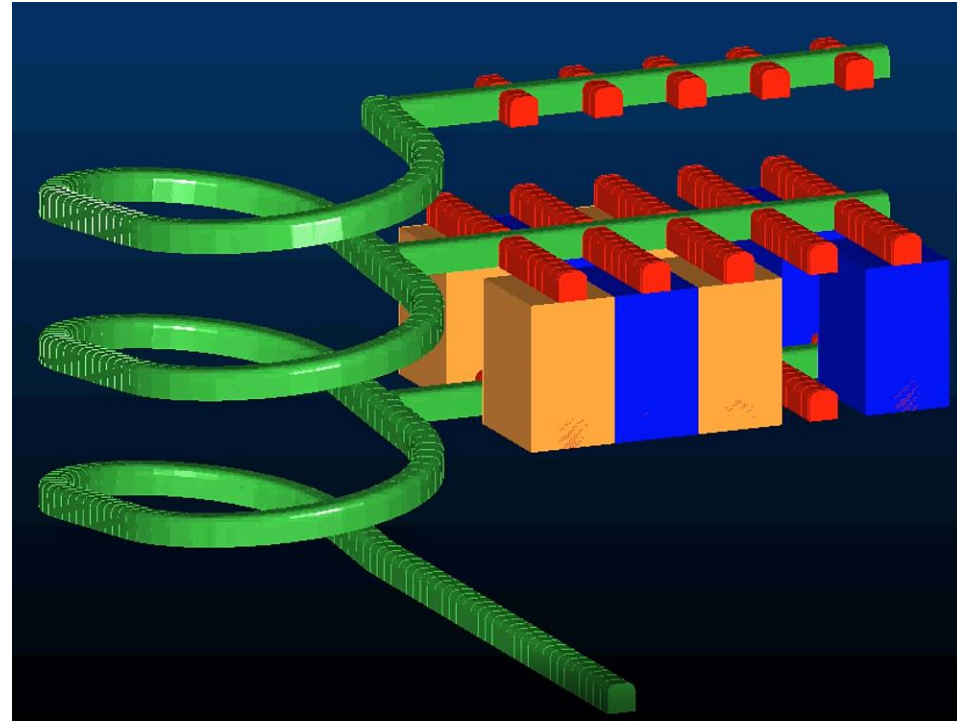
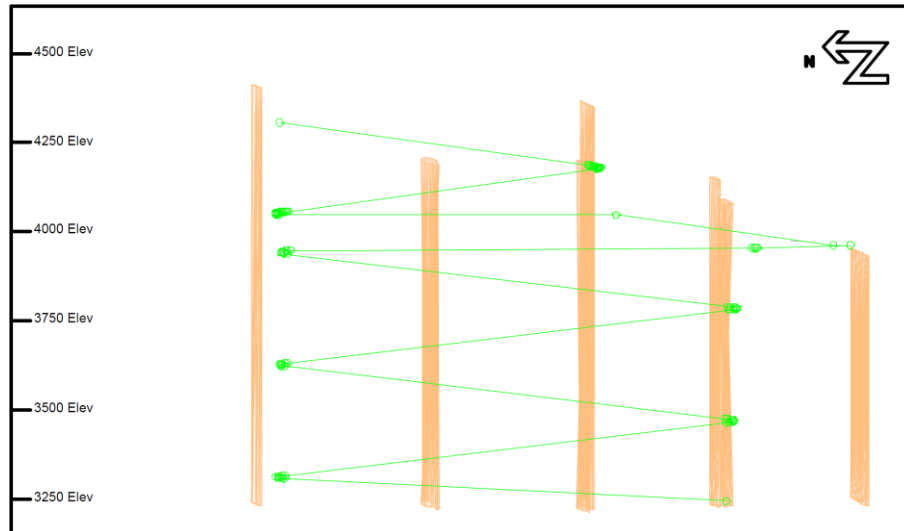
100m = 14.0

 12,500m

# UNDERGROUND OPERATIONS

## Long-Hole Stopping

Hypothetical Mining Methods if Economic Resources are Defined

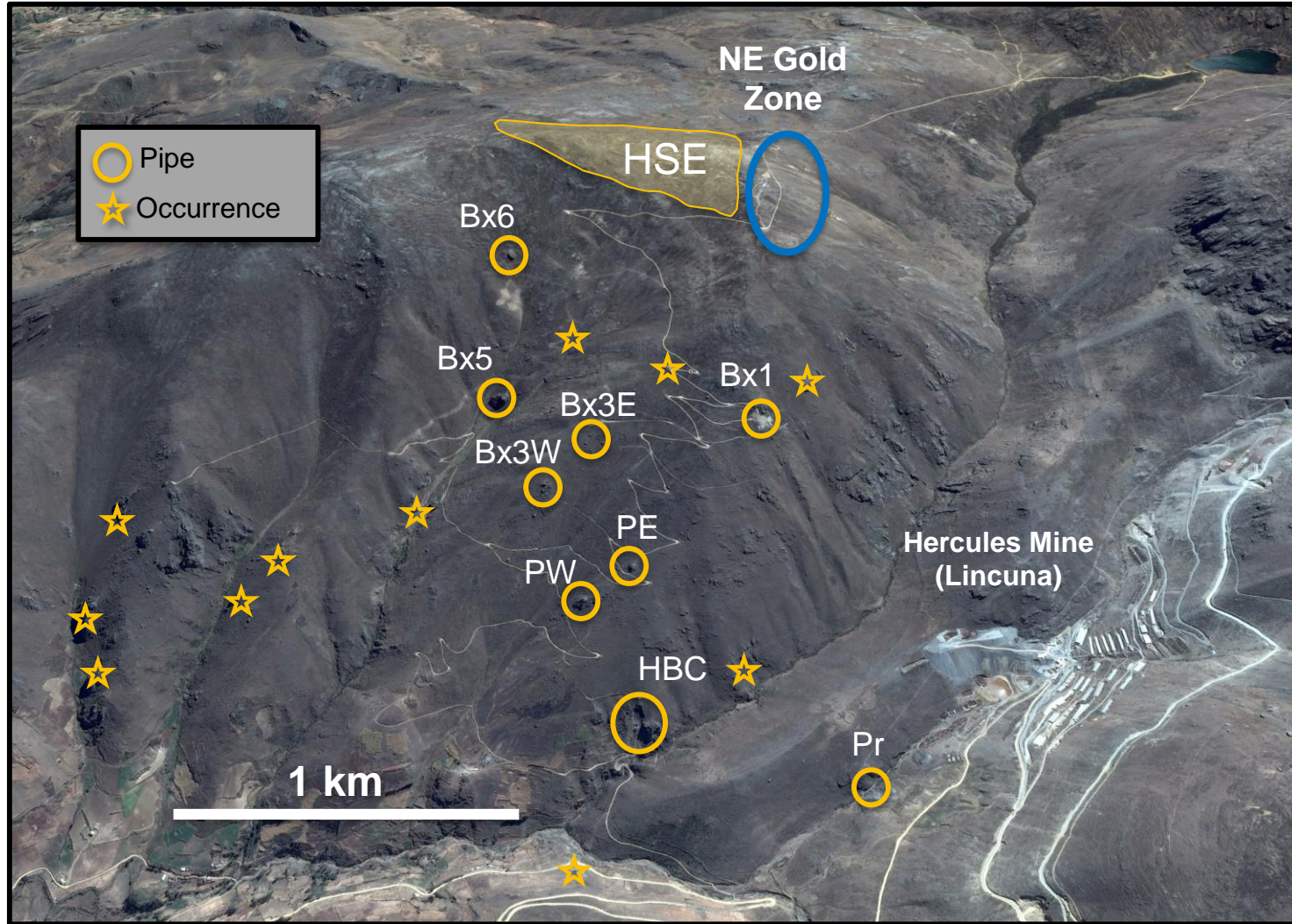




# 2017-18 DRILLING PROGRAM

Phase 1 – 21,200m (16,200 completed)    Phase 2 – 13,400m

- ◆ EIA-SD Permit
- ◆ 12 month drill program; 1 rig to June, 2 rigs to December
- ◆ Resource drilling on Bx 1 and Bx 5 to a depth of ~400 meters
- ◆ Exploration/ Resources drilling on Bx 3 and Bx 6, Paloma (PW, PE) Huancarama (HBC), Perenne (Pr) and other targets
- ◆ Metallurgical study on Bx 1 and Bx 5
- ◆ Study/permit on underground exploration development



STAY IN TOUCH  
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