CEO INTERVIEW
CHAKANA COPPER
(TSX-V: PERU) (OTC: CHKKF)

Junior Mining Trader

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Following some exciting news, I talked with Chakana CEO David Kelley to hear about why it sets the table for a busy rest of the year.

I strongly encourage you to read why this news has the potential to be a game-changer for an already exciting project.

If you don't already own Chakana I'd get that done before it's trading in dollars, not cents.

Keep an eye on your inbox.

To Your Wealth,

Gerardo Del Real
Editor, *Junior Mining Trader*

Gerardo Del Real: This is Gerardo Del Real with *The Outsider Club*. Joining me today is the President and CEO of Chakana Copper (TSX-V: PERU)(OTC: CHKKF), Mr. Dave Kelley. Dave, how are you this morning?

David Kelley: Hey, Gerardo. I'm doing great, thank you.

Gerardo Del Real: I appreciate you jumping on the phone on such short notice. Let's get right to it, you had some exciting news today. I'll read the headline, but frankly, the headline tells a tiny part of the overall story that's developing here, a story that's really, really exciting. We'll talk about why in a second.

The headline says, "Chakana reports 15.2 meters of 2.1% copper at Paloma East at the Soledad Project in Peru." Within those results, there were longer intercepts of lower grade gold, some higher grade intercepts near surface on both the gold and the copper.

Can you provide some context as to the numbers? Then let's talk about how things seem to be connecting and expanding.

David Kelley: Yeah, this is the target we had not drilled before. The first thing you want to find out is, is it mineralized? We can check that box now. The second important thing is, is there high-grade? And absolutely, we've seen some beautiful high-grade. 2% copper is a really outstanding grade, especially given the location of this project and the fact we're right in the middle of an active mining district.

More importantly, I think is that high-grade occurs within really long runs of moderate to good grade mineralization that starts at surface. We're checking a lot of boxes with just the first few drill holes. It's very early days in the exploration in the Paloma area, but already it's looking really, really attractive.

Gerardo Del Real: The last time you and I spoke we talked about the increase in diameter of the breccia pipes. In this release you note that it appears that it's going from 25 meters at surface to approximately 50 meters at 150 meters depth. I had mentioned about how things are starting to connect and expand. Can you provide the details and the context and why that's important moving forward with the program?

David Kelley: Yeah, when we started drilling at Paloma, we had two outcropping breccia pipes, Paloma East and Paloma West. Our thought was that these are likely tall, vertically extensive breccia pipe-like features like we've seen elsewhere in our drilling. We started drilling in the northeast and northwest direction. The pipe quickly expanded from a 25-meter diameter at surface to about 50 meters at 150 meters depth, which was great, right?

That's what we've seen in our other drilling, the breccia pipes are getting bigger at depth and that's exactly what you want to see. It means your host rock for the mineralization is getting larger, which means you can add greater tonnes. Having greater tonnage at depth has huge implications for the economics.

Then we drilled a hole to the west and expecting that we were going to again see the breccia pipe dimensioned to be about 50 meters, maybe a little bit more, because we were drilling a steeper hole and thinking that we'll hit it a little bit deeper and maybe we'll see it go to 75 meters diameter in that direction, and the hole didn't exit breccia until 627 meters deep. We expected to drill this hole about 200 meters and we didn't terminate it until 650, right around 650 meters, and we went out of breccia at 627. The vertical projection of that contact straight up is right beneath the Paloma West breccia pipe.

So we've confirmed continuous breccia from Paloma East all the way over to Paloma West. Honestly, we don't have a clue how big this breccia system is. We just know it's a lot bigger than anything we've ever seen on the property so far.

Gerardo Del Real: You can now confirm that you have two outcropping breccia pipes at depth for at least 150 meters of strike length horizontally. Correct?

David Kelley: Yeah, that's right. If you assume that the breccia contacts are relatively vertical, and they're generally vertical or sub-vertical, they generally push out. As I mentioned, the breccia pipe is usually shaped like a carrot. But this one's not shaped like a carrot, this one's got a strike length in the east-west direction that's a lot larger than a circular pipe or an oval shaped pipe like we've seen. It's a really exciting development for us.

Gerardo Del Real: You mentioned potential economics looking forward a bit – and I'll speculate – but I would imagine that with those kinds of widths, you eventually have to start considering if this holds up the potential for an open pit scenario, which has to please your cornerstone investor and partner.

David Kelley: Yeah, absolutely. This project keeps presenting lots of options for future development, right? We've got high-grade pipes, we've got pipes that are close together, we got pipes that coalesce at depth. We see the potential now for an area like this for potential open pit mining situations. The overall grades – and again, we're just talking about the first three drill holes where we've gotten the assays back – but having long runs of mineralization with the kind of grades, 0.31 gold and 0.34 copper, that's excellent from the standpoint of starting at surface, continuous mineralization for 172 meters in that particular drill hole. It starts at surface.

Absolutely, if you can get the tonnes and you can have that kind of grade, open pit mining could potentially be a viable option, which again is another different option for the project. You could have high-grade underground mining of high-grade breccia pipes, and you could have lower grade material being mined in open pit. It's just a different option for future development.

Gerardo Del Real: Drilling is ongoing. All five holes so far that have been completed have encountered visually mineralized tourmaline breccia. That's got to be extremely encouraging to say the least, especially when you're getting the grades and the widths that you're getting, right?

David Kelley: Yeah, that's right. Like I've said before, we can't predict what the gold and silver grades are. It's really impossible. But you can see the copper mineralization. All the holes so far have had good copper mineralization. We've seen that in the first release here where all the holes have zones where we get higher grade.

It's really important to point out for the subscribers to know what causes the high-grade mineralization is the flow of mineralizing fluids through this broken rock, which we call breccia. Those fluid pathways are where the high grade forms.

First of all, you got to find out, is there high grade there. If there is, then it's game on. Because now our job is to trace these fluid pathways and find the sweet spot, see if they get bigger, see if they get higher grade and see how they develop. Just the fact that we've already hit high grade so early on in the drilling in the Paloma area is really, really exciting.

We have to think back at Breccia 1. Breccia 1 turned out to be a spectacular high-grade mineralized breccia pipe. But it didn't start that way. It started with a few interesting intercepts and people scratching their head thinking, "Well, what is this? What are we dealing with here?" Continued drilling, learning, applying your knowledge, applying new ideas, testing ideas, some of which work, and some of which don't, is ultimately what leads to success in exploration. I'm really, really encouraged by the results we've gotten so far.

Gerardo Del Real: Dave, game on indeed. Thank you so much for your time today.

David Kelley: Absolutely, Gerardo. Thank you.

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