

FORM 62-103F1
REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

Item 1 – Security and Reporting Issuer

- 1.1 **State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

This report relates to the acquisition of listed common shares (“**Common Shares**”) in the capital of Chakana Copper Corp. (“**Chakana**”) by Gold Fields Nazca Holdings Inc. (“**GFNH**”). Chakana’s head office address is:

Chakana Copper Corp.
1430 - 800 West Pender Street
Vancouver, British Columbia, Canada
V6C 2V6

- 1.2 **State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

In accordance with the Investment Agreement (as defined below), the Subscription Shares (as defined below) will be issued to GFNH from Chakana’s treasury in a private transaction.

Item 2 – Identity of the Acquiror

- 2.1 **State the name and address of the acquiror.**

Gold Fields Nazca Holdings Inc.
2900 - 550 Burrard Street
Vancouver, British Columbia, Canada
V6C 0A3

- 2.2 **State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On April 29, 2019, GFNH, a holding company incorporated under the laws of British Columbia which is a wholly-owned indirect subsidiary of Gold Fields Limited, entered into an investment agreement with Chakana (the “**Investment Agreement**”) pursuant to which GFNH will subscribe (the “**Subscription**”) for 15,686,275 Common Shares (the “**Subscription Shares**”) at a price of C\$0.51 per Subscription Share, for an aggregate subscription price of C\$8,000,000.

- 2.3 **State the names of any joint actors.**

None.

Item 3 – Interest in Securities of the Reporting Issuer

- 3.1 **State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s securityholding percentage in the class of securities.**

See Item 3.4 below.

- 3.2 **State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

See Item 3.4 below.

- 3.3 **If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

- 3.4 **State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Immediately prior to the entering into of the Investment Agreement and the issuance of the Subscription Shares, GFNH did not and will not own or have control of any Common Shares. Following the issuance of the Subscription Shares, GFNH will have ownership and control over 15,686,275 Common Shares, representing approximately 16.14% of the then issued and outstanding Common Shares.

The ownership percentages expressed above are based upon Chakana having 81,513,572 outstanding Common Shares as at April 29, 2019, as disclosed by Chakana in the Investment Agreement.

- 3.5 **State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

- (a) **the acquiror, either alone or together with any joint actors, has ownership and control,**

See Item 3.4 above.

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 **If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 **If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the**

arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

See Item 2.2 above.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See Item 2.2 above.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**

- (d) **a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) **a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) **a material change in the reporting issuer's business or corporate structure;**
- (g) **a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) **a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) **a solicitation of proxies from securityholders;**
- (k) **an action similar to any of those enumerated above.**

GFNH is acquiring its Common Shares for investment purposes. GFNH will continue to monitor the business, prospects, financial condition and potential capital requirements of Chakana. Depending on its evaluation of these and other factors, and subject to applicable rights and limits with respect to its ownership set out in the Investment Agreement, GFNH may from time to time in the future increase or decrease its direct or indirect ownership, control or direction over the Common Shares or other securities of Chakana through market transactions, private agreements, subscriptions from treasury or otherwise.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

In addition to providing for the Subscription, the Investment Agreement provides that, among other things, GFNH will have certain rights and obligations for as long as GFNH owns at least 10.0% of the issued and outstanding Common Shares. These rights include:

- (a) a right to appoint two out of four nominees on a technical advisory panel composed of GFNH and Chakana representatives to review and provide input to Chakana on its exploration and development program;

- (b) a right to participate in any future issuance by Chakana of Common Shares or convertible securities (subject to certain exceptions, including issuances in connection with acquisitions or the exercise of currently outstanding convertible securities) on the same terms offered to other subscribers in order to maintain its *pro rata* interest in the Common Shares (calculated on a partially diluted basis) (the “**Investor Percentage**”) immediately prior to any such issuance, subject to compliance with its standstill obligations set out below;
- (c) in the event that Chakana proposes to issue Common Shares or convertible securities to another mining, streaming or royalty company (other than GFNH or its affiliates) which would result in such other company having an interest in the Common Shares (calculated on a partially diluted basis) exceeding GFNH’s Investor Percentage, the right of GFNH to increase its Investor Percentage to match that of such other company (and in such event, GFNH’s maximum standstill percentage will thereafter be automatically increased if necessary to such undiluted percentage as is held by GFNH immediately after exercising such right);
- (d) a top-up right to subscribe for additional Common Shares so as to maintain GFNH’s Investor Percentage in the event of dilutive issuances of Common Shares not subject to its participation right described above, which top-up right is exercisable (i) annually during the month of June, and (ii) on an accelerated basis within 20 business days from the public disclosure of events of dilution which would individually or in the aggregate reduce GFNH’s Investor Percentage by more than 5.0%; and
- (e) the right to require Chakana to prepare a prospectus to qualify the sale of some or all of GFNH’s Common Shares in certain circumstances.

Under the Investment Agreement, GFNH will be subject to customary standstill provisions (including that it will not acquire Common Shares in excess of a maximum threshold of initially 19.9% of the issued and outstanding Common Shares) until 90 days following the date Chakana files a technical report including a preliminary economic assessment (within the meaning of that term as it is defined in National Instrument NI 43-101 - *Standards of Disclosure for Mineral Projects*) with respect to Chakana’s current or future mineral properties, or until certain other events occur.

No board representation, right of first refusal, or joint venture rights are granted to GFNH pursuant to the Investment Agreement.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

The acquiror certifies that the statements made in this report are true and complete in every respect.

DATED: April 29, 2019

GOLD FIELDS NAZCA HOLDINGS INC.

By: “Johan Pauley”

Name: Johan Pauley

Title: Director