

**CHAKANA COPPER CORP.**  
(the “Company”)

Suite 1012 – 1030 West Georgia Street, Vancouver, B.C. V6E 2Y3

**Form 51-102F6V**

*Statement of Executive Compensation – Venture Issuers*  
(for financial year ended May 31, 2024)

**STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS**

**GENERAL**

The following information, dated as of November 27, 2024, is provided as required under Form 51-102F6V for Venture Issuers (the “Form”), as such term is defined in National Instrument 51-102.

For the purposes of this Form:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with the Form, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

**Named Executive Officers and Directors**

During financial year ended May 31, 2024, based on the definition above, the NEOs of the Company were: David Kelley, President and Chief Executive Officer and Xavier Wenzel, Chief Financial Officer. The directors of the Company who were not NEO’s during the financial year ended May 31, 2024 were: Darren Devine, Tom Wharton, John Black and Douglas Silver.

**Director and NEO Compensation, Excluding Options and Compensation Securities**

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the financial years ended May 31,

2024 and May 31, 2023. Options and compensation securities are disclosed under the heading “Stock Options and Other Compensation Securities” in this Form.

Table of compensation excluding compensation securities							
Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
David Kelley CEO and Director	2024 2023	228,670 202,903	Nil Nil	Nil Nil	Nil Nil	Nil Nil	228,670 202,903
Xavier Wenzel <sup>(1)</sup> CFO	2024 2023	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
John Black, Director	2024 2023	12,000 12,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	12,000 12,000
Darren Devine, Director	2024 2023	48,000 52,500	Nil Nil	Nil Nil	Nil Nil	Nil Nil	48,000 52,500
Douglas Silver, Director	2024 2023	81,393 66,971	Nil Nil	Nil Nil	Nil Nil	Nil Nil	81,393 66,971
Thomas E. Wharton, Jr., Director	2024 2023	12,000 12,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	12,000 12,000

Notes:

- (1) The Corporation is party to a consulting agreement with Fehr & Associates, Chartered Professional Accountants (“Fehr”), of which Mr. Wenzel is an associate, to provide the services of Mr. Wenzel as the Corporation’s CFO as well as financial consulting, accounting and bookkeeping services. Under the agreement with Fehr, the Corporation pays a monthly fee of \$8,500 to Fehr for such services including Mr. Wenzel’s services as CFO on behalf of the Corporation. Mr. Wenzel receives his remuneration through Fehr and is not paid directly by the Corporation for his services as CFO.

## Stock Options and Other Compensation Securities

### *Stock Option Plan (Option-Based Awards)*

The Company has a Share Option Plan dated for reference October 12, 2023 (the “**Option Plan**”). The principal purpose of the Option Plan is to advance the interests of the Company by encouraging the directors, employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through Options, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

The Option Plan provides that the aggregate number of securities reserved for issuance under the Option Plan will be 10% of the number of Common Shares of the Company issued and outstanding from time to time.

The Option Plan is administered by the Board of Directors of the Company, which has full and final authority with respect to the granting of all Options thereunder.

Options may be granted under the Option Plan to such service providers of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise prices will be determined by the Board of Directors, but will, in no event, be less than the Discounted Market Price, as such defined by the policies of the TSX Venture Exchange (“TSXV”). All Options granted under the Option Plan will expire not later than the date that is ten years from the date that such Options are granted. Options granted under the Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

***Material Terms of the Plan***

The following is a summary of the material terms of the Option Plan. All terms capitalized but not defined below shall have the meanings ascribed to such terms in the Option Plan.

- (a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Investor Relations Service Providers may not receive any Security Based Compensation other than Options.
- (c) Options granted under the Plan are non-assignable, and non-transferable;
- (d) For options granted to Service Providers, the Company must ensure that the proposed Option holder (an “**Optionee**”) is a bona fide Service Provider of the Company or its affiliates;
- (e) An Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (f) If an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (g) In the case of an Optionee being dismissed from employment or service for cause, such Optionee’s options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (h) Vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period;
- (i) Subject to approval from the TSXV, the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan;

- (j) Disinterested shareholder approval will be required to approve any extensions or reductions of exercise price to stock options granted to individuals that are Insiders at the time of the proposed amendment;
- (k) The Plan includes specific restrictions with respect to adjustments to security based compensation. Any adjustment to stock options granted or issued (except in relation to a consolidation or share split) is subject to the prior acceptance of the TSXV; and
- (l) The Plan provides for the following limits on grants, unless otherwise permitted pursuant to the policies of the TSXV:
  - i. unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to any one Participant (and where permitted pursuant to the policies of the TSX Venture, any company that is wholly-owned by the Participant) pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 5% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;
  - ii. unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Company (as a group) pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 10% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;
  - iii. unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Company (as a group) pursuant to all Security Based Compensation of the Company may not exceed 10% of the Outstanding Shares at any point in time;
  - iv. the maximum aggregate number of Common Shares that may be issuable to any Consultant of the Company pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 2% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation; and
  - v. the maximum aggregate number of Common Shares that may be issuable to all Investor Relations Services Providers pursuant to Options granted or issued within any twelve (12) month period may not exceed 2% of the Outstanding Shares calculated on the date of grant of any Options and Investor Relations Services Providers may not received any Security Based Compensation other than Options.

The Option Plan also allows for option holders to exercise options on a “Cashless Exercise” or “Net Exercise” basis. “Cashless Exercise” is a method of exercising Options in which a securities dealer loans funds to the Optionee or sells the same shares as those underlying the Option, prior to or in conjunction with the exercise of Options, to allow the Optionee to fund the exercise of some or all of their Options. “Net Exercise” is a method of Option exercise under which the Optionee does not make any payment to the issuer for the exercise of their Options and receives on exercise a number of Common Shares equal to the intrinsic value (current market price less the exercise price) of the Option valued at the current market price. Pursuant to the policies of the TSXV, the current market price must be the 5-day volume weighted average trading price prior to Option exercise. “Net Exercise” may not be utilized by persons performing investor relations services.

There are 10,025,000 Options outstanding under the Plan as at the date of this Form.

### **Outstanding Compensation Securities**

The following table discloses all compensation securities granted or issued to each NEO of the Company and to a director who was not an NEO of the Company, or a subsidiary of the Company, in the most recently completed financial year ended May 31, 2024 for services provided or to be provided, directly or indirectly, to the Company, or a subsidiary of the Company.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, underlying securities and percentage of class (#)	Date of Grant or Issue (mm/dd/yy)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date (mm/dd/yy)
David Kelley <sup>(1)</sup> Director and CEO	Share Options	Nil	N/A	N/A	N/A	N/A	N/A
Xavier Wenzel CFO	Share Options	Nil	N/A	N/A	N/A	N/A	N/A
Douglas Silver Director	Share Options	Nil	N/A	N/A	N/A	N/A	N/A
John Black <sup>(2)</sup> Director	Share Options	Nil	N/A	N/A	N/A	N/A	N/A
Darren Devine <sup>(3)</sup> Director	Share Options	Nil	N/A	N/A	N/A	N/A	N/A
Thomas Wharton, Jr. <sup>(4)</sup> Director	Share Options	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) as of May 31, 2024, David Kelley held 400,000 options exercisable at \$0.40 until July 10, 2025, 250,000 options exercisable at \$0.50 until April 22, 2026, and 1,225,000 options exercisable at \$0.075 until September 29, 2027.
- (2) as of May 31, 2024, John Black 250,000 options exercisable at \$0.40 until July 10, 2025 and 250,000 options exercisable at \$0.50 until April 22, 2026, and 450,000 options exercisable at \$0.075 until September 29, 2027.
- (3) as of May 31, 2024, Darren Devine held 250,000 options exercisable at \$0.40 until July 10, 2025 and 250,000 options exercisable at \$0.50 until April 22, 2026, and 450,000 options exercisable at \$0.075 until September 29, 2027.
- (4) as of May 31, 2024, Thomas Wharton, Jr. held 250,000 options exercisable at \$0.40 until July 10, 2025 and 250,000 options exercisable at \$0.50 until April 22, 2026, and 450,000 options exercisable at \$0.075 until September 29, 2027.
- (5) as of May 31, 2024, Douglas Silver held 750,000 options exercisable at \$0.50 until April 22, 2026 and 450,000 options exercisable at \$0.075 until September 29, 2027.

### Exercise of Compensation Securities by NEOs and Directors

There were no compensation securities exercised by any of the NEOs or directors of the Company during the financial year ended May 31, 2024.

### Employment, Consulting and Management Agreements

#### *Executive Employment Agreement with David Kelley*

The Company entered into an Executive Employment Agreement dated December 3, 2018, as amended November 23, 2023, with David Kelley in respect to Mr. Kelley's position as the Company's Chief Executive Officer (the "Kelley Agreement").

Under the Kelley Agreement, Mr. Kelley is paid an annual salary in the amount of US\$200,000 per year. In the event Company terminates the Kelley Agreement without cause, or Mr. Kelley resigns for

good reason, Company will provide Mr. Kelley with:

- a) a lump sum cash payment equal to the greater of (A) USD\$200,000, and (B) one (1) year's salary as in effect immediately prior to the date of termination;
- b) a pro-rated lump sum cash payment equal to the greater of (A) the average performance bonus that Mr. Kelley received for each of the two preceding fiscal years; and (B) the performance bonus that Mr. Kelley received during the preceding fiscal year (provided, however, that if Mr. Kelley is not employed for a sufficient time to have received a performance bonus, such calculation will assume that a target performance bonus, if any, was paid) pro-rated for the period of time Mr. Kelley was employed by the Company in the current fiscal period (for greater clarity, if Mr. Kelley's date of termination was six months following the beginning of a fiscal period the cash payment would be reduced by 50%);
- c) the continuation of Mr. Kelley's benefits for a period of twelve (12) months following the date of termination (provided, however, that if the Company cannot provide, for any reason, Mr. Kelley or his dependents with the opportunity to participate in the benefits, the Company shall pay Mr. Kelley a lump sum cash payment, payable within 60 days following the date the Company determines it cannot provide such benefits, in an amount equal to the fair market value of such benefits);
- d) the acceleration of the vesting of all equity awards that would otherwise vest during the twelve (12) month period following the date of termination, and payment of all amounts owed, and satisfaction of all other obligations related to, all equity awards that are so vested in accordance with the foregoing;
- e) accrued obligations being (i) earned but unpaid base salary through the date of termination; (ii) payment of any annual, long-term, or other cash incentive award (including performance bonuses) earned in respect to any period ending on or before the date of termination, or payable (but not yet paid) on or before the date of termination; (iii) a lump sum payment in respect of accrued but unused vacation days; and (iv) any unpaid expense or other reimbursements due; and
- f) to the extent permitted by applicable law, Company shall extend the expiry date of any options Mr. Kelley holds to the date that is 12 months after the date of termination.

In the event (i) Company terminates Mr. Kelley's employment without Cause within nine (9) months of a Change of Control, or (ii) Mr. Kelley resigns for Good Reason within nine (9) months of a Change of Control, then, in addition to any payment that may be due to Mr. Kelley under Section 4.4, Company shall pay Mr. Kelley a lump sum cash payment equal to the greater of (A) USD\$200,000, and (B) one (1) year's of salary as in effect immediately prior to the Date of Termination (the "**Change of Control Payment**"). In such event, if the Date of Termination occurs prior to the Change of Control, then Company shall pay Mr. Kelley the Change of Control Payment within 20 business days after the Change of Control. If the Change of Control occurs prior to the Date of Termination, then Company shall pay Mr. Kelley the Change of Control Payment within 20 business days after Date of Termination. In the event Mr. Kelley resigns without Good Reason within nine (9) months after a Change of Control, then Company shall pay Mr. Kelley a lump sum cash payment equal to the greater of (A) USD\$200,000, and (B) one (1) year's salary as in effect immediately prior to the Date of Termination.

Notwithstanding the foregoing, if the Change of Control results from the sale, merger or other business combination of the Company (a "Transaction Change of Control") then the amount of the Change of Control Payment shall be calculated based upon the market capitalization of the Company at the time of the announcement of such an event, as follows:

1.(a) where the Transaction Change of Control is undertaken at a deemed value (**deemed value calculated as the total value of the Transaction Change of Control and the value of any retained interest of the**

**Company including but not limited to royalty interests or assets including cash and receivable**) of the Company greater than or equal to 100% of the Company's issued market capitalization at the time of announcement of such an event (the "Market Capitalization Value Percentage") a Change of Control Payment of the greater of (A) USD\$200,000 and (B) eighteen (18) months salary as in effect immediately prior to the Date of Termination;

2.(b) where the deemed value of Transaction Change of Control is less than or equal to 50% of the Market Capitalization Value Percentage, a Change of Control Payment equal to nine (9) months salary as in effect immediately prior to the Date of Termination; and

3.(b) where the deemed value of the Transaction Change of Control is greater than 50% and less than 100% of the Market Capitalization Value Percentage, a termination payment equal to eighteen (18) months of salary as in effect immediately prior to the Date of Termination multiple by the Market Capitalization Percentage (for example if the deemed value of the Transaction Change of Control is 60% of Market Capitalization Percentage then the termination payment would be  $18 \times 60\% = 10.8$  months of salary as in effect immediately prior to the Date of the Change of Control.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### ***Elements of the Compensation Program***

The Company's executive compensation is intended to be consistent with the Company's business plans, strategies and goals, including the preservation of working capital. The Company's executive compensation program is intended to provide appropriate compensation that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results. Any compensation paid by the Company to its NEOs is determined by the Board.

The Company is a mineral exploration company with limited resources. The compensation for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including: (a) attracting and retaining talented, qualified and effective executives; (b) motivating the short and long-term performance of executives; and (c) better aligning the interests of executive officers with those of the Company's shareholders. In the Compensation Committee's view, paying salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies is compiled from a variety of sources, including national and international publications.

The Company adopted the current Stock Option Plan to assist the Company in attracting, retaining and motivating directors, officer, employees, consultants and contractors of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

### **Pension Disclosure**

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.