



NEWS RELEASE

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CHAKANA COPPER ANNOUNCES C\$10,000,000 PRIVATE PLACEMENT GOLD FIELDS TO FOLLOW ITS PARTICIPATION RIGHT

Vancouver, B.C., January 20, 2021– **Chakana Copper Corp. (TSX-V: PERU; OTCQB: CHKKF; FRA: 1ZX)** (the “Company” or “Chakana”), is pleased to announce a non-brokered private placement of 20,000,000 common shares of the Company at a price of C\$0.50 per common share for gross proceeds of up to C\$10 million (the “**Private Placement**”). The Company is reserving the right to increase the Private Placement to issue a total of up to 24,000,000 common shares at C\$0.50 per share to raise a total of up to C\$12 million.

Pursuant to an agreement between the Company and Gold Fields Nazca Holdings Inc. (“Gold Fields”), a wholly owned indirect subsidiary of Gold Fields Limited (see news release dated April 19, 2019), Gold Fields has informed the Company that it intends to follow its participation right and to increase its pro rata ownership interest to 19.99% of the outstanding common shares of Chakana from its current position of 16.80% of the outstanding common shares. Based on a C\$10 million financing, Gold Fields’ participation would be up to C\$3.48 million.

The Company intends to use the net proceeds of the Private Placement for the accelerated exploration and development of the Company's high-grade copper-gold-silver Soledad Project located in the Ancash region of Peru and for general working capital and administrative purposes. Since restarting its 15,000m Phase 3 drill program on August 15, 2020, the Company has announced three new discoveries at Paloma East (news release – October 26, 2020), Paloma West (news releases – November 10, 2020, November 18, 2020, December 3, 2020), and at the Huancarama Breccia Complex where drilling is ongoing (news release – January 12, 2021).

David Kelley, President and CEO commented, “*based on the exceptional exploration results our current drill program has achieved, we intend to accelerate both the exploration and resource drilling on the project with additional drill rigs. Since the restart of drilling in August, we have announced three new discoveries with mineralization open in multiple directions and at depth that will require resource drilling. With additional rigs on the project, we will be able to include these new discoveries in the maiden resource for the project in 2021 and to test several new targets*”.

Chakana may pay a finder's fee on some portion of the gross proceeds of the Private Placement to certain arms-length parties who assisted the Company in introducing subscribers to the Private Placement. The Private Placement is subject to all necessary regulatory approvals, including the approval of the TSX Venture Exchange.

About Chakana Copper

Chakana Copper Corp is a Canadian-based minerals exploration company that is currently advancing the high-grade copper-gold-silver Soledad Project located in the Ancash region of Peru, a highly favorable mining jurisdiction with supportive communities. The Soledad Project consists of mineralization hosted in tourmaline breccia pipes. A total of 35,553 metres of drilling has been completed to-date, testing ten (10) of twenty-three (23) confirmed breccia pipes with more than 92 total targets. Chakana’s investors are uniquely positioned as the Soledad Project provides exposure to several metals including copper, gold, and silver. For more information on the Soledad project, please visit the website at www.chakanacopper.com.

ON BEHALF OF THE BOARD

(signed) "David Kelley"

David Kelley

President and CEO

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Forward-looking Statement Advisory: *This release may contain forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Chakana to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Forward looking statements or information relates to, among other things, the interpretation of the nature of the mineralization at the Soledad copper-gold-silver project (the "Project"), the potential to expand the mineralization, and to develop and grow a resource within the Project, the planning for further exploration work, the ability to de-risk the potential exploration targets, and our belief in the potential for mineralization within unexplored parts of the Project. These forward-looking statements are based on management's current expectations and beliefs but given the uncertainties, assumptions and risks, readers are cautioned not to place undue reliance on such forward- looking statements or information. The Company disclaims any obligation to update, or to publicly announce, any such statements, events or developments except as required by law.*