



**CHAKANA COPPER CORP.**

**NEWS RELEASE**

**CHAKANA COPPER INTERSECTS 71.4 METRES WITH 2.91% COPPER EQ IN BRECCIA PIPE 1 AND 164.0 METRES WITH 1.84% COPPER EQ IN BRECCIA PIPE 5**

Vancouver, B.C., February 22, 2018 – Chakana Copper Corp. (TSX-V: PERU) (the “Company” or “Chakana”), is pleased to announce assays from the first two step-out holes in Breccia Pipe #1 (Bx #1) and the first nine holes from Breccia Pipe #5 at its Soledad copper-gold-silver project in central Peru, optioned from Condor Resources Inc. The Soledad project (the “Project”) is located 35 km south of the Pierina mine in the prolific Miocene metallogenic belt of Peru. These results are a successful continuation of the drilling program that was initiated August 16, 2017, with the results of the first sixteen drill holes released previously (see: [www.chakanacopper.com](http://www.chakanacopper.com)).

“These outstanding drill results continue to demonstrate both the continuity and grade potential of mineralization hosted in the breccia pipes,” said President and CEO David Kelley. “The first two holes (SDH17-033 and SDH17-034) drilled from a platform 80 metres off-pipe northeast of BX #1 intersected high-grade breccia mineralization. Hole 33 intersected 30 m grading 2.26% Cu, 0.52 g/t Au and 78.9 g/t Ag while hole 34 returned 71.4m of 1.53% Cu, 1.05 g/t Au and 81.7 g/t Ag, including a very high-grade margin zone with 34.4m of 2.84% Cu, 1.30 g/t Au and 89.3 g/t Ag from 354.6m. Individual one-metre assay samples in this margin region of Bx #1 reach 6.92% Cu (Fig. 1). This interval is particularly interesting because clasts in the breccia are completely replaced by chalcopyrite, representing a new style of mineralization at Soledad, which is open at depth beneath this zone. Hole 34 also has strong mineralization in the halo of the breccia, with 31.5m of 93.8 g/t Ag, 0.57% Cu, 2.46% Zn and 2.03% Pb.” He adds, “We intend to continue our aggressive drill program which is moving along faster than expected.”

New mineralized intervals from Breccia Pipe #1 are:

DDH #	Az	Dip	From - To (m)		Core length (m)	Au g/t	Ag g/t	Cu %	Zn %	Pb %	Cu-eq %*	Au-eq g/t*
SDH17-033	220	-55	112.00	142.00	30.00	0.52	78.9	2.26			3.27	5.01
and			158.00	161.00	3.00	0.22	28.9	2.00			2.39	3.66
SDH17-034	220	-70	250.50	282.00	31.50		93.8	0.57	2.46	2.03	1.37	
and			317.60	389.00	71.40	1.05	81.7	1.53	0.63	1.1	2.91	4.46
including			354.60	389.00	34.40	1.30	89.3	2.84			4.45	6.81

\* Cu\_eq and Au\_eq values were calculated using copper, gold, and silver. Metal prices utilized for the calculations are Cu – US\$2.90/lb, Au – US\$1,300/oz, and Ag – US\$17/oz. No adjustments were made for recovery as the project is an early stage exploration project and metallurgical data to allow for estimation of recoveries are not yet available. The formulas utilized to

calculate equivalent values are  $Cu_{eq} (\%) = Cu\% + (Au \text{ g/t} * 0.6556) + (Ag \text{ g/t} * 0.00857)$  and  $Au_{eq} (\text{g/t}) = Au \text{ g/t} + (Cu\% * 1.5296) + (Ag \text{ g/t} * 0.01307)$ . Assays for zinc and lead are not used in the metal equivalent calculations.

The true widths of the mineralized intervals reported in this release are difficult to ascertain and additional drilling will be required to constrain the geometry of the mineralized zones.

At Bx #5, located 850m west-northwest of Bx #1, nine holes were completed from a central platform on top of the pipe. “Mineralization was intersected to a depth of 340m and open to extension with deeper drilling with some very encouraging grades,” states Kelley; “all of the intercepts are greater than 1% Cu eq. Holes 41 and 42 demonstrate the vertical continuity of shallow mineralization with 164m of 1.84% Cu<sub>eq</sub> from 12m and 182m of 1.49% Cu<sub>eq</sub> from 33m, respectively.”

Mineralized intervals from the first nine holes in Breccia Pipe #5 are:

DDH #	Az	Dip	From - To (m)		Core length (m)	Au g/t	Ag g/t	Cu %	Cu-eq %*	Au-eq g/t*
SDH17-035	205	-88.0	0.0	101.0	101.0	0.95	31.8	0.34	1.23	1.89
including			0.0	25.0	25.0	1.15	56.2			1.88
including			25.0	101.0	76.0	0.87	23.7	0.43	1.20	1.84
SDH17-036	47	-46.0	0.0	7.0	7.0	1.74	34.1			2.19
SDH17-037	85.2	-60.5	0.0	30.0	30.0	1.00	26.2			1.34
SDH17-038	82	-81.0	0.00	61.00	61.00	0.86	39.1	0.50	1.40	2.14
including			0.00	38.00	38.00	0.95	30.2			1.34
including			38.00	61.00	23.00	0.70	53.8	1.21	2.13	3.25
and			104.00	143.00	39.00	1.27	15.6	0.20	1.16	1.78
and			189.20	198.00	8.80	0.87	8.1	1.20	1.84	2.81
and			210.00	254.00	44.00	1.02	7.5	0.85	1.58	2.42
and			295.00	340.30	45.30	0.56	5.8	0.85	1.27	1.94
SDH17-039	280	-72.0	0.00	95.00	95.00	0.86	29.7			1.25
including			14.00	40.00	26.00	0.67	45.3	0.46	1.29	1.97
SDH17-040	128	-71.0	0.00	96.00	96.00	1.53	21.9			1.82
including			30.00	71.00	41.00	1.76	26.3	0.54	1.92	2.93
and			177.00	184.00	7.00	3.29	81.0	0.37	3.21	4.92
SDH17-041	267	-80.0	0.00	176.00	176.00	1.81	27.5			2.17
including			12.00	176.00	164.00	1.68	27.4	0.51	1.84	2.82
SDH17-042	146	-81.0	0.00	215.00	215.00	1.16	25.8			1.5
including			33.00	215.00	182.00	1.17	22.8	0.53	1.49	2.28
SDH17-043	300	-60.0	0.00	49.00	49.00	0.89	42.6			1.45
including			27.00	49.00	22.00	0.72	32.3	0.50	1.25	1.91

The focus of the drilling program is to determine the economic potential of several quartz-tourmaline-sulfide breccia pipes that crop out at surface. A total of 9 mineralized breccia pipes have been identified on the property thus far. Phase 1 of the program is ongoing with a total of 10,168m drilled to date out of an original planned program of 16,660m and is ahead of schedule and under budget. Phase 1 is directed toward pipes #1 and #5. Phase 2 is an expanded drill program proposed under a Semi-detailed Environmental Impact Assessment permit (EIA-SD) that was submitted for review to the Ministry of Energy and Mines on December 29, 2017. Phase 2 will allow for additional drill platform locations and more drill holes that test a number of other pipes and targets identified on the Project. The pipes form a cluster within four-square kilometer areas and are spaced between 175m to 625m apart with vertical relief between the pipes of over 500m. Based on detailed mapping, Bx #1 has a surface diameter of 40m and Bx #5 of 50m. Mineralization is open at depth in both pipes based on previous drilling. Current drilling is designed to determine the geometry (volume) and grade of the breccia hosted mineralization. Tourmaline breccia pipes can have diameters that increase at depth, and often have higher grades at the margins of the pipe where permeability of the breccia is highest. Drilling at the Project is designed to test this in each pipe from surface to 400m depth based on: 1) drilling from a central platform at various azimuths and dip angles to penetrate the margin of the breccia throughout its vertical extent; and 2) from platforms outside the pipe to drill across the breccia body. The two holes from Bx #1 reported here were drilled from a step-out platform and the 9 holes reported from Bx #5 were drilled from a central platform. Mineralized intercepts will vary in length due to the shape of the breccia body and the orientation of the drill hole (see Figure 2). For example, shallow holes drilled near the perimeter of the pipe may have shorter intercepts compared to steeper holes. Nonetheless, all holes that intersect mineralized breccia are important for constraining the overall shape and grade of the breccia body. Once a sufficient number of intercepts are obtained and modelled, the overall geometry of the breccia body and the grade profile will become apparent.

### **Sampling and Analytical Procedures**

Chakana follows rigorous sampling and analytical protocols that meet industry standards. Samples for assay are stored in a secured area until transport in batches to the ALS facility in Callao, Lima, Peru. Samples are processed under the control of ALS with the samples including certified reference materials, a coarse and finely-crushed blank and duplicates samples. All samples are analyzed using the ME-MS41 procedure in order to obtain a comprehensive multi-element overview of the geochemistry. Gold is analyzed by ME-MS41 (not considered reliable), AA24 (higher precision) and GRA22 when values exceed 10 g/t. Over limit silver, copper, lead and zinc is analyzed using the OG-46 procedures.

Additional information concerning the Project is available in a technical report prepared in accordance with National Instrument 43-101 made available on Chakana's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Qualified Person**

David Kelley, an officer and a director of Chakana, and a Qualified Person as defined by NI 43-101, reviewed and approved the technical information in this news release.

**ON BEHALF OF THE BOARD**

(signed) “David Kelley”

David Kelley  
President and CEO

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Figure 1 – High grade margin zone mineralization from hole SDG17-034 in Bx #1. Note replacement of breccia clasts with chalcopyrite. The five metre interval from 373.0-378.0 averages 4.94% Cu, 0.17 g/t Au, and 103.8 g/t Ag.

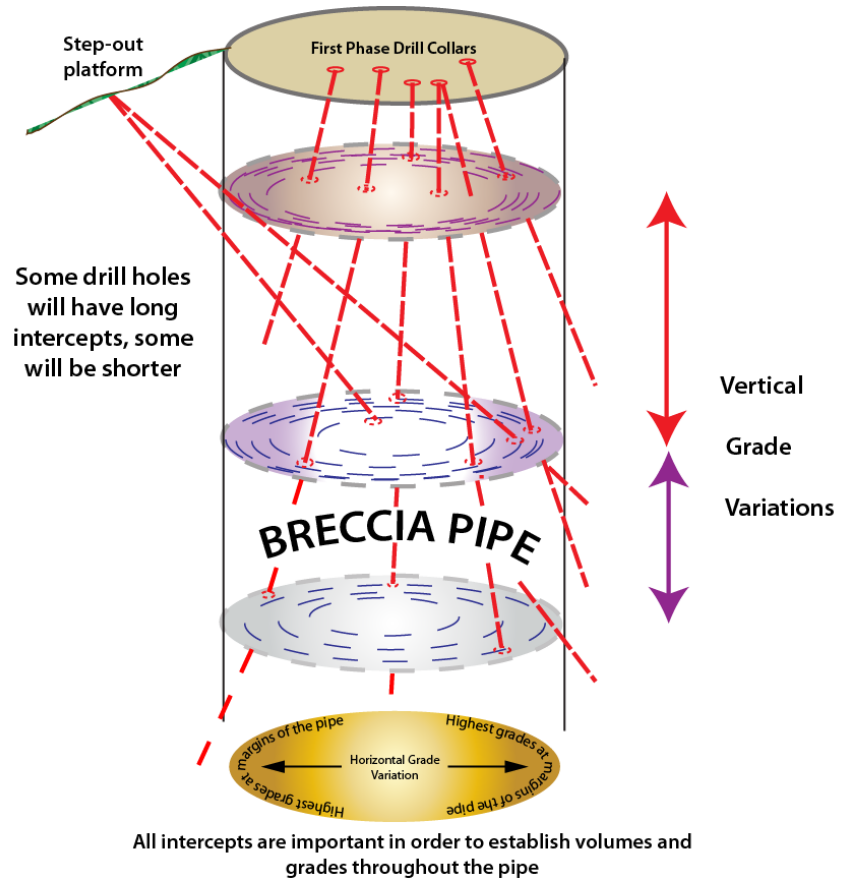


Figure 2 – Diagram showing relationship between drill intercepts and breccia pipe geometry with emphasis on vertical and horizontal grade variation. For the purpose of the orientation of the disclosed drill holes, Chakana assumes that the breccia pipe is orientated vertically.