NEWS RELEASE

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TSX-V: PERU
OTCQB: CHKKF
FRA: 1ZX

CHAKANA RECEIVES FINAL APPROVAL TO DRILL MEGA-GOLD, LA JOYA, AND OTHER HIGH-PRIORITY TARGETS - SOLEDAD PROJECT, PERU

Soledad Project Highlights Include:

- **Expanded drill permit approved**
- **Drilling can now proceed on the southern-half of the Soledad project**
- **High-priority targets already defined and ready to drill**
- **Two bulk-tonnage targets will be tested - Mega-Gold intrusion-hosted copper-gold zone and the La Joya high-sulfidation epithermal gold-silver zone**
- **High-grade, mineralized tourmaline breccia pipes will also be tested**

Vancouver, B.C., July 5, 2023 – Chakana Copper Corp. (TSX-V: PERU; OTCQB: CHKKF; FRA: 1ZX) (the "**Company**" or "**Chakana**"), is pleased to announce that on June 28, 2023, it has received final approval to drill numerous targets defined in a portion of the southern-half of Chakana's Soledad project, located in the Ancash Province of Peru within the Miocene mineral belt.

"We are pleased to announce that drilling can proceed in some of the most exciting targets ever defined on the Soledad project. Previous drilling on the north half of the Soledad project focused almost entirely on high-grade tourmaline breccia pipes, which makes up the initial resource and remains open at depth. While outcropping high-grade breccia targets like Estremadoyro and the Compañero complex exist on the southern half of the project, the Mega-Gold intrusion-hosted copper-gold zone, and the La Joya high-sulfidation epithermal gold-silver zone represent large, potential bulk-tonnage targets not previously drill-tested by Chakana. These differing styles of mineralization are interpreted as being part of the same zoned mineral system at Soledad," stated President and CEO David Kelley.

The Soledad project is an emerging copper-gold-silver discovery in the active Aija-Ticapampa mining district. An initial Inferred Resource (MRE) of 191,000 ounces of gold, 11.7 million ounces of silver, and 130 million pounds of copper hosted in tourmaline breccia pipes and open at depth was published in Q1 2022 (see news releases dated January 11 and February 23, 2022) contained within 4.8 million tonnes grading 0.72 g/t gold, 61 g/t silver and 0.97% copper assumed to be extractable by underground mining methods, plus an additional Inferred Resource of 1.9 million tonnes grading 1.29 g/t gold, 37.1 g/t silver and 0.65% copper assumed to be extractable by open pit mining methods. The currently-defined resource reflects only a small portion of the potential of the Soledad mineral system as the tourmaline breccias are just one of several mineralization styles related to a major intrusive center at Soledad that are subject to ongoing exploration.

The environmental approval for the expanded permit covering the entire prospective southern half of the Soledad project was received on December 27, 2022. The final step of the drill permit, referred to as *Initiation of Activities*, is divided into private surface land, covering the Mega-Gold, La Joya, and Estremadoyro target areas (Phase 3 – approved June 28, 2023); and community-owned land, covering the Compañero breccia complex (Phase 4). Chakana has initiated the process of prior consultation for the community-owned land and expects to receive approval of Phase 4 in Q4 2023 or Q1 2024, allowing drilling in the Compañero breccia complex to occur shortly thereafter.

Drilling Program

Three principal target areas will initially be tested with a planned 4,000m drill program: 1) the Mega-Gold intrusion-related copper-gold target; 2) the La Joya high-sulfidation epithermal (HSE) gold-silver zone; and 3) the Estremadoyro tourmaline breccia pipe (Figure 1).

Mega-Gold Target Area

The Mega-Gold target is a very large area occupying 2.5 km^2 with anomalous gold in soil overlying pervasive tourmaline-quartz-white mica alteration, overprinted by localized advanced argillic alteration zones and tourmaline breccias. The target area is oriented northeast and is underlain by older andesitic tuff (Calipuy Formation) and a pre-mineral granodiorite, thought to be the first pulse of intrusive activity in the Soledad mineral system. Within the anomaly is a distinct Offset (3D) induced polarization chargeability feature with a similar orientation as the soil anomaly (Figure 3). The chargeability feature is modelled to be a vertical intrusive or pipe-like body on the south side of the Lincuna fault with a sub-horizontal feature extending up the hill to the southwest (Figure 4). Soil gold values over the vertical chargeability body reach up to 0.325 g/t. The vertical body is interpreted to be a blind intrusion cutting the earlier granodiorite. The planned drilling will test these features for gold mineralization and base metal sulfides.

La Joya High-Sulfidation Epithermal (HSE)Target Area

The La Joya target area is associated with high-sulfidation advanced argillic alteration consisting of vuggy silica, alunite, dickite, zunyite, diaspore, and pyrophyllite. The zone of alteration extends 700 metres in a north-south direction at an elevation of approximately 4,500 metres (Figures 1 and 2). Surface rock samples collected from the alteration zone have silver and gold values up to 1,300 g/t and 0.36 g/t, respectively. An access road from off-property leads to five scattered drill pads on the southernmost 200 metre segment of La Joya, and locals report that Buenaventura completed seven short drill holes over 20 years ago, encountering silver mineralization and some gold. A QP is unable to confirm the Buenaventura history.

Estremadoyro Tourmaline Breccia Pipe

The Estremadoyro breccia pipe is exposed along the road near the bottom of the valley and has artisanal workings where copper oxides are clearly visible (Figure 5). Rock samples from breccia exposures reported values up to 1.25 g/t gold, 0.57% copper, and 37.6 g/t silver. The mapped tourmaline breccia is coincident with a distinct conductivity and metal factor (function of chargeability and conductivity) response.

About Chakana Copper

Chakana Copper Corp is a Canadian-based minerals exploration Company that is currently advancing the Soledad Project located in the Ancash region of Peru, a highly favorable mining jurisdiction with supportive communities. The Soledad Project is notable for the high-grade copper-gold-silver mineralization that is hosted in tourmaline breccia pipes. An initial mineral resource estimate for seven breccia pipes was announced in Q1 2022 (see news release dated February 23, 2022), with an Inferred Resource of 4.8 million tonnes grading 0.72 g/t gold, 61 g/t silver and 0.97% copper assumed to be extractable by underground mining methods, plus an additional Inferred Resource of 1.9 million tonnes grading 1.29 g/t gold, 37.1 g/t silver and 0.65% copper assumed to be extractable by open pit mining methods. The total initial Inferred Resource contains 191,000 ounces of gold, 11.7 million ounces of silver, and 130 million pounds of copper.

In addition, our extensive multidisciplinary exploration has defined 154 exploration targets, 28 of which have been tested to date (18%), confirming that Soledad is a large, well-endowed mineral system with strong exploration upside. Chakana's investors are well positioned as the Soledad Project provides exposure to copper and precious metals. For more information on the Soledad project, please visit the website at www.chakanacopper.com.

Results of an initial inferred mineral resource estimate and additional information concerning the Project, including a technical report prepared in accordance with National Instrument 43-101, are available on Chakana's profile at 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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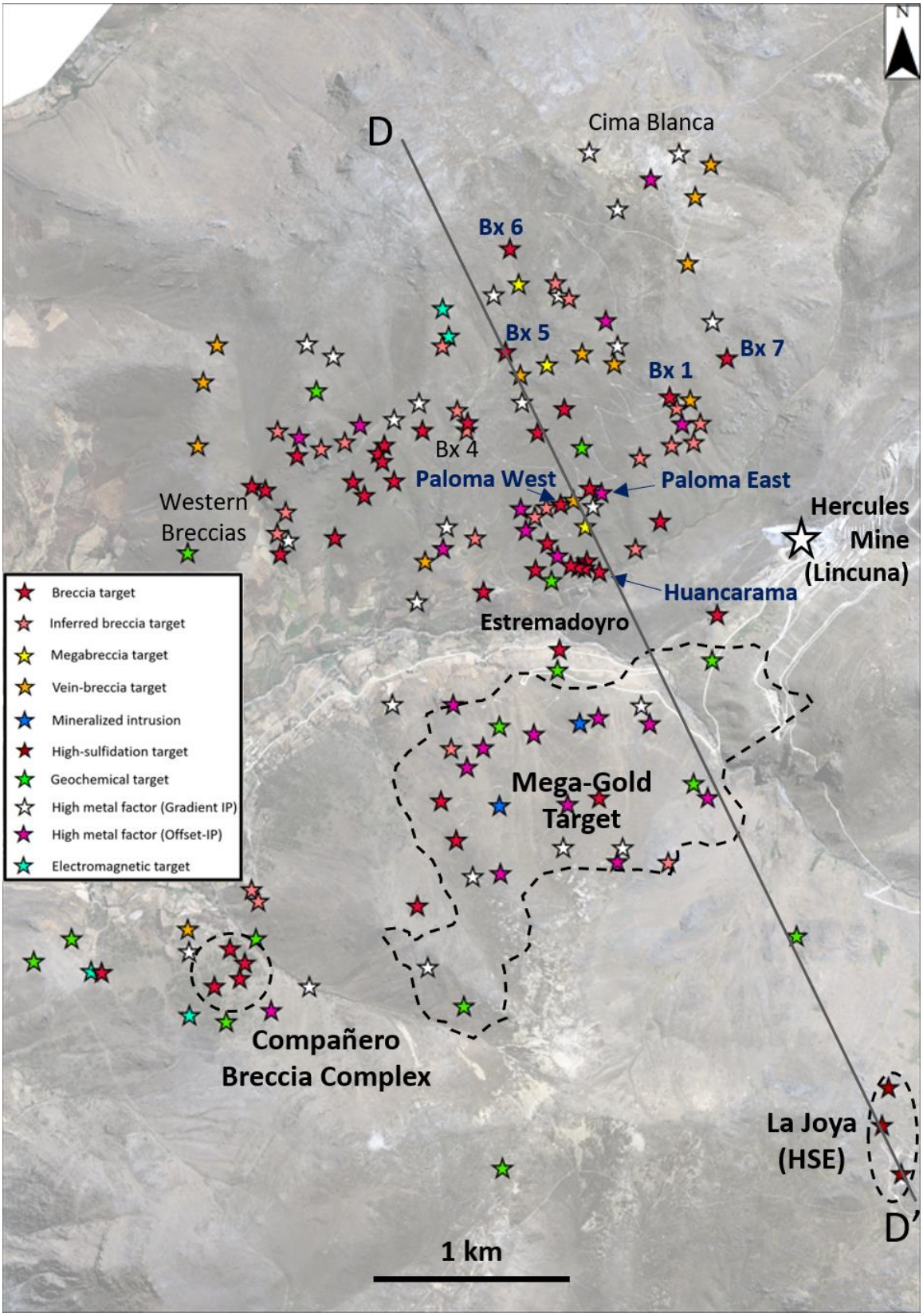

Figure 1 – Map showing defined targets by type for the Soledad project. Principal target areas on the south side that are subject to the recent environmental approval includes the Mega-Gold target, La Joya high-sulfidation alteration zone, and the Compañero breccia complex. Section line (D-D') for Figure 2 indicated. Breccia pipes included in the initial inferred resource estimate labeled in dark blue.

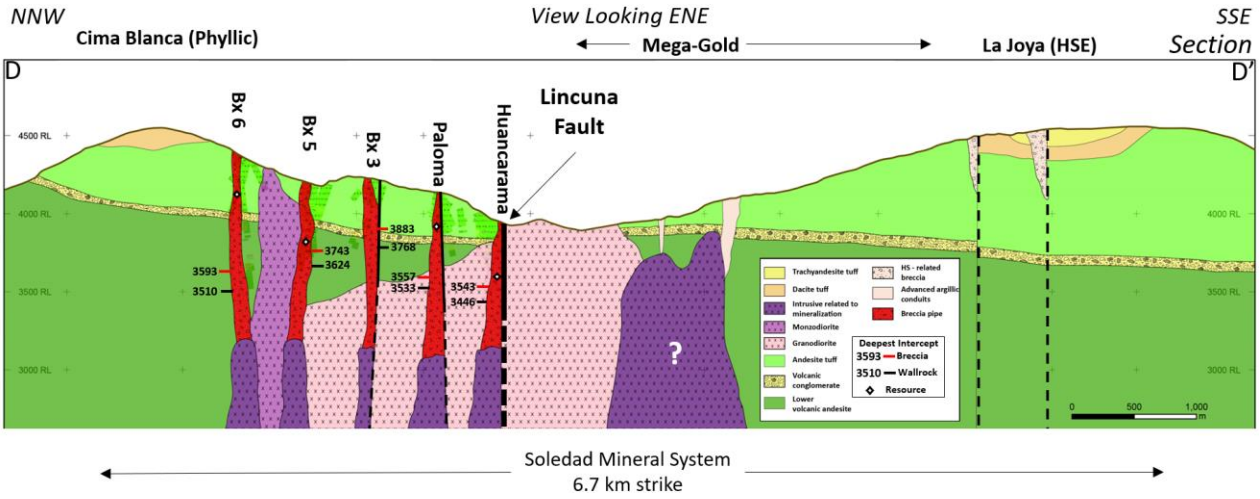

Figure 2 – Interpretive cross section showing main geologic features of the Soledad project. Drilled tourmaline breccia pipes on the north half of the project shown in red with the depth of breccia, wall rock, and resource estimate indicated where relevant. All breccias are open at depth.

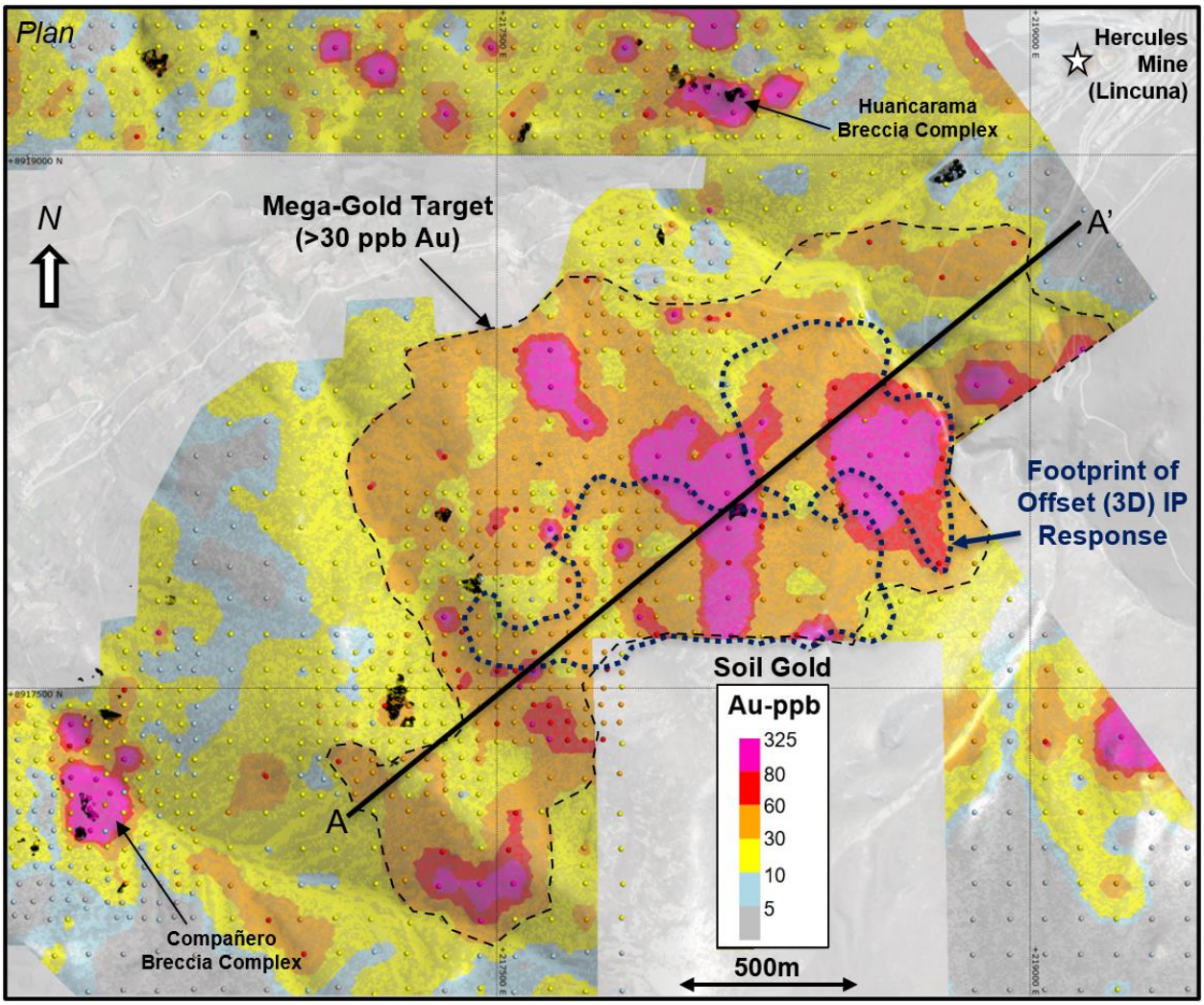

Figure 3 – Map showing soil gold for the southern half of the Soledad project, covering the Mega-Gold and Compañero target areas. Outline of the Mega-Gold target based on the 30 ppb soil gold value shown as the dashed black line; maximum value of 0.325 g/t gold; outline of the Offset (3D) induced polarization chargeability feature shown by dotted dark blue line. Section line A-A' for Figure 5 indicated.

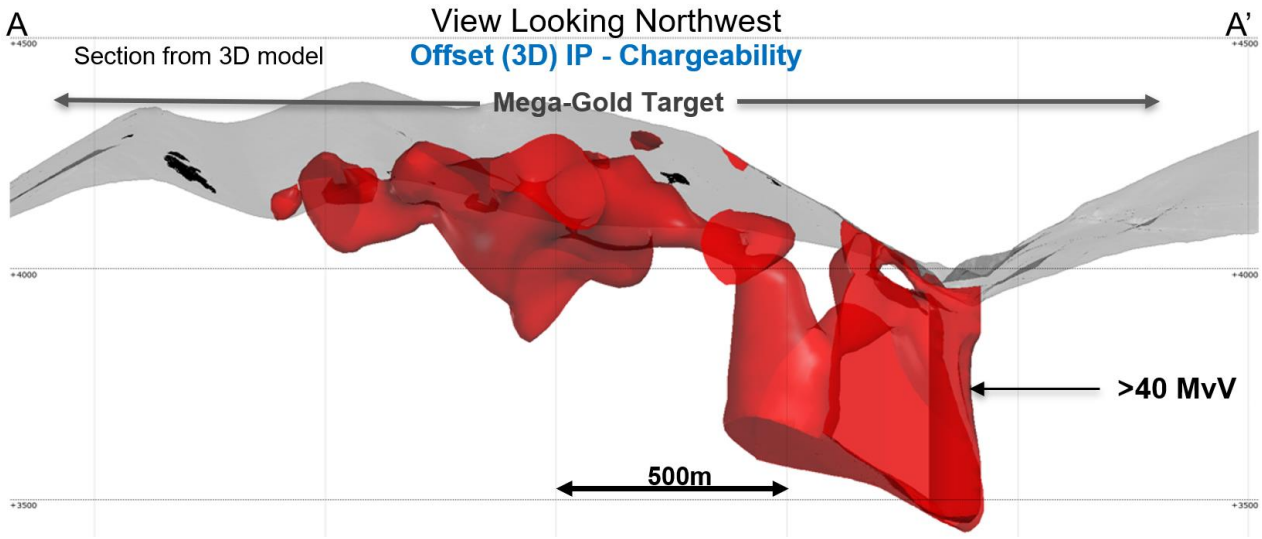

Figure 4 – Section from 3D model showing topography and chargeability feature from the Offset (3D) induced polarization survey underlying the Mega-Gold target area.

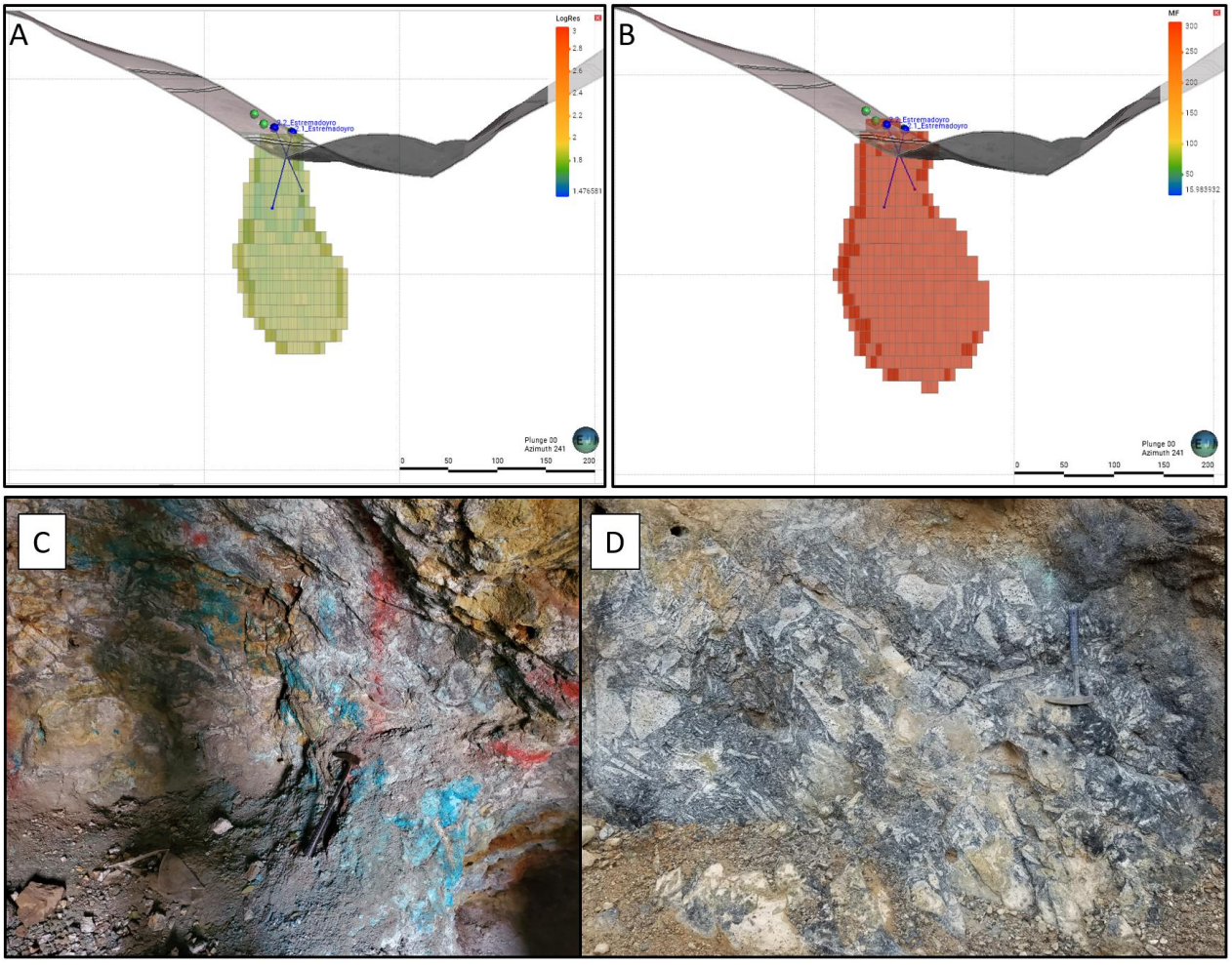

Figure 5 – Estremadoyro breccia pipe showing: 1) 3D sections looking west of modeled Offset (3D) IP shapes for resistivity (A), and metal factor (B), a function of chargeability and conductivity; 2) tourmaline breccia from artisanal workings showing abundant secondary copper minerals (blue); and 3) surface outcrop of tourmaline breccia showing mosaic and shingle texture from granodiorite clasts.