



NEWS RELEASE

CHAKANA COPPER EXPANDS MINERAL RIGHTS BY 1,066 HECTARES ACQUIRING SECOND CLUSTER OF COPPER-GOLD-BEARING BRECCIA PIPES

Vancouver, B.C., July 16, 2018 – Chakana Copper Corp. (TSX-V: PERU; OTC: CHKKF; FWB: 1ZX) (the “Company” or “Chakana”), is pleased to announce that it has expanded its mineral rights adjacent to the Soledad project (the “Project”) optioned from Condor Resources Inc. Chakana now has, or can earn, a 100% interest in a total of 3,085 hectares covering two clusters of breccia pipes shown in Figure 1. The new 1,066 hectares of mineral rights were acquired through an option agreement with Minera Barrick Misquichilca S.A. (“Barrick”). The Project is located 35 km south of the Pierina mine in the prolific Miocene metallogenic belt of Peru.

“We are excited to have completed this agreement with Barrick, which significantly expands our mineral rights to the south of Soledad and brings a new cluster of mineralized tourmaline breccia pipes and occurrences to the project”, said President and CEO David Kelley. “The new cluster, referred to as *Compañero*, is located 2.5 km southwest of the main cluster of pipes at Soledad. The cluster consists of 5 principle tourmaline breccia bodies, one of which has a prominent outcrop like many of the other known breccia pipes in the Soledad cluster (Fig. 2).” These breccias occur in both andesitic tuff of the Calipuy formation, and arenite of the Chimu formation. Results from surface sampling shows strongly anomalous gold from composite rock chip samples with results up to 14.25 g/t Au (Figs. 3a and 3b). These results are highly significant as they suggest similar mineralization to what has already been drilled in Bx 1 and Bx 5 over the last 11 months. The 5 breccia pipes at *Compañero* bring the project total to 14 known pipes, with an additional 11 areas having strongly altered andesitic volcanic rock consisting of sheeted quartz-sericite-tourmaline veining believed to be the vertical expression of blind breccia bodies.

Surface exposures show both shingle and mosaic-textured breccias, favorable features encountered in outcrop and drilling in the Soledad cluster (Fig. 4). Alteration consists of pervasive quartz-sericite-tourmaline replacement of all primary minerals in the host andesitic crystal-lithic tuff and sericite alteration of arenite clasts. Drilling at Bx 1 and Bx 5 has shown that both types of breccia can be strongly mineralized, with exceptional grades often found in shingle breccia at the breccia pipe margin.

Soledad Drilling Update

Chakana began a 16,000m drill program in August of 2017 designed to determine the economic potential of several quartz-tourmaline-sulfide breccia pipes that crop out at surface. A total of 18,600m have been drilled to date in 68 holes. The drill program was expanded after discovery of a blind breccia pipe adjacent to Bx 1 (see news release dated June 26, 2018 at www.chakanacopper.com). Definition drilling has been completed at Bx 1 down to approximately

450m and is still open at depth. Additional definition drilling is now underway at Bx 5. Highlights from Chakana drilling include 187.0m of 1.05% Cu, 1.18 g/t Au, and 64.9 g/t Ag (2.38% Cu_eq, 3.63 g/t Au_eq) from 46m in Bx 1, and 164.0m of 0.51% Cu, 1.68 g/t Au and 27.4 g/t Ag (1.84% Cu_eq, 2.82 g/t Au_eq) from 12m in Bx 5 (see news releases dated June 26 and Feb 22, 2018 at www.chakanacopper.com).

Summary of Mineral Rights Acquisition

As per the agreement signed July 12, 2018, Barrick grants Chakana an option to acquire a 100% interest in three concessions adjoining the southern extent of the Soledad project (Fig. 1). Under terms of the agreement, Chakana has 5 years to complete a minimum of 2,000m of drilling and produce a Preliminary Economic Assessment (PEA) report compliant with National Instrument 43-101. Upon exercise of the option, Barrick will retain a 2% NSR subject to Chakana's right to purchase 50% of the royalty for US\$2,000,000. Barrick will have a one-time right to re-acquire a 70% interest in the concessions within 120 days of exercising the option by paying Chakana three times the aggregate amount of exploration expenditures incurred since the execution date and cancelling the 2% NSR. If a production decision is not made within 7 years of the Back-in Closing Date, Barrick will make pre-royalty payments of US\$75,000 per year until a production decision is made for a maximum of 5 years (US\$375,000). If Chakana does not contribute its share of project costs their interest will be diluted until 10%, upon which their interest will be converted to a 2% NSR with Barrick's right to purchase 50% of the royalty for US\$2,000,000.

Sampling and Analytical Procedures

Chakana follows rigorous sampling and analytical protocols that meet industry standards. Analytical results in this release are based on composite rock chip samples over a 1 x 2m area. 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.

Qualified Person

Technical information in this news release has been approved by David Kelley, Qualified Professional - Geology designation from the Mining and Metallurgical Society of America, the President, CEO and a Director of Chakana and a Qualified Person as defined by NI 43-101 – *Standards of Disclosure for Mineral Projects*. Mr. Kelley has verified the sampling and analytical procedures and has reviewed the assay data set out in this News Release during continued visits to the Soledad project; inspection of samples at site prior to shipment to the assay laboratory; and as the direct recipient of the corresponding assay results from the assay laboratory.

ON BEHALF OF THE BOARD

(signed) “David Kelley”

David Kelley
President and CEO

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Figure 2 – View looking east at prominent outcropping mineralized breccia pipe in the Compañero cluster. Diameter of outcropping pipe is approximately 25m.

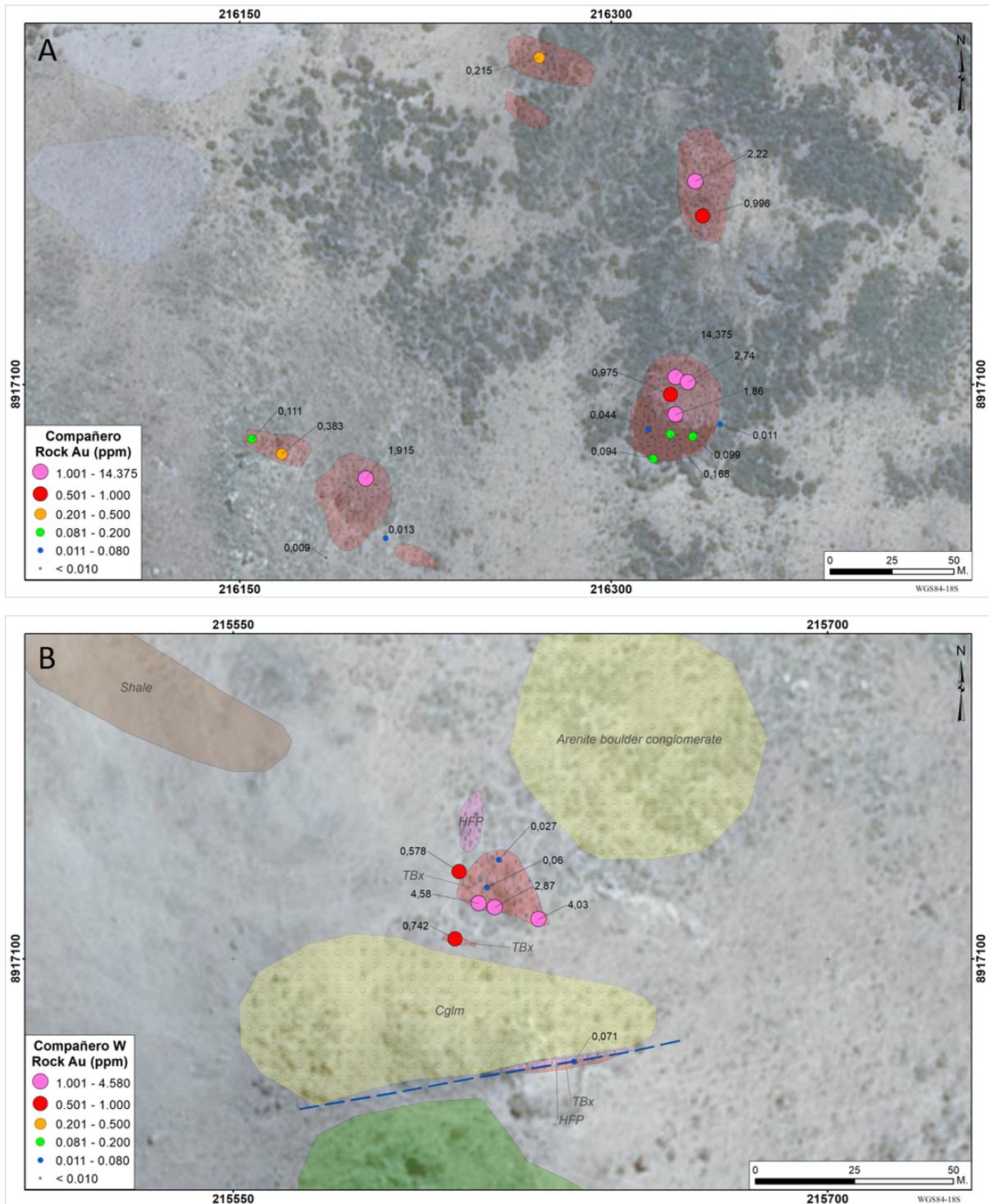


Figure 3 – Maps showing gold in surface composite rock chip samples collected by Chakana over (A) the main Compañero cluster, and (B) the Compañero West pipe. Readers are cautioned that surface rock samples are, by nature, selective and are unlikely to represent average grades on the Project.

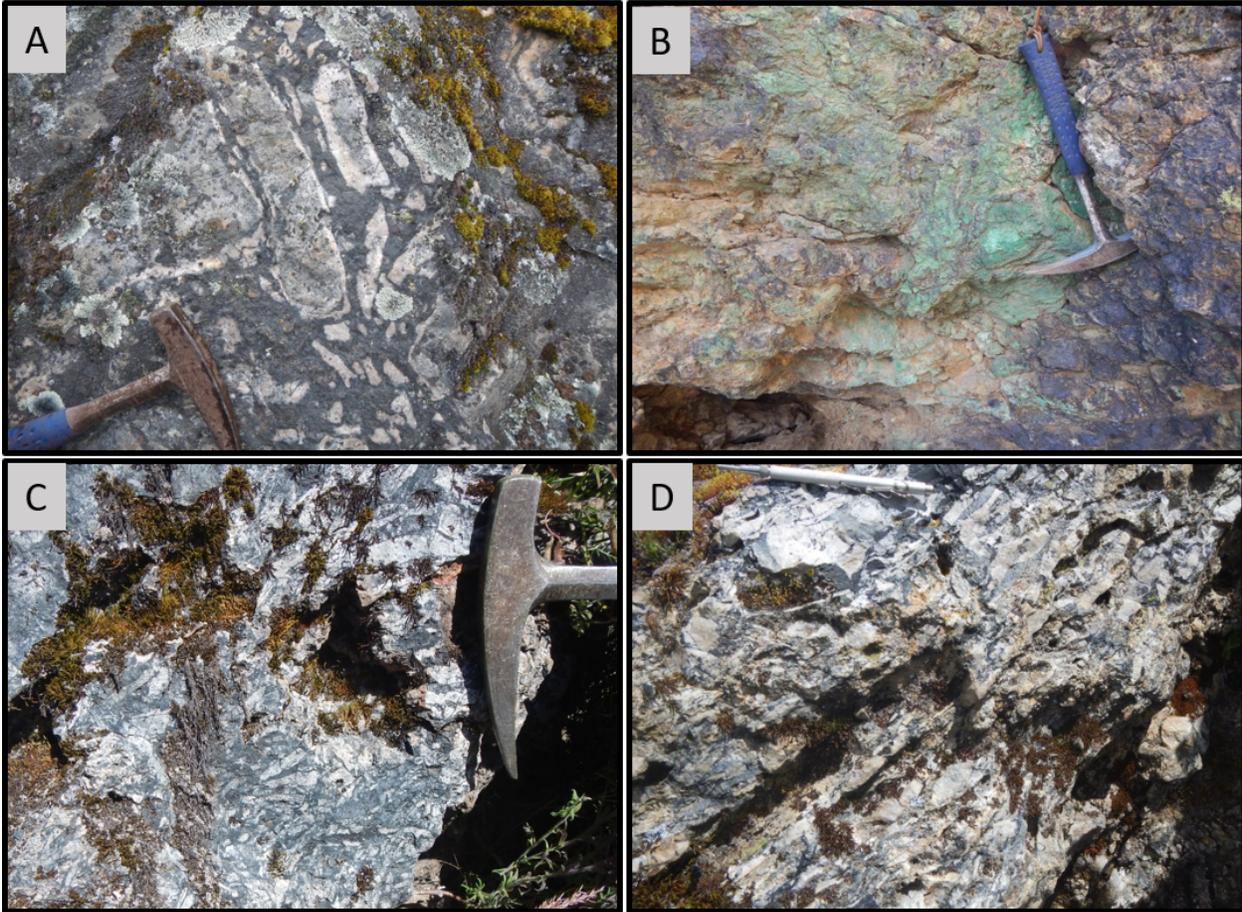


Figure 4 – images showing breccia textures and assay values in samples collected from the Compañero cluster; A) mosaic breccia with tourmaline matrix from prominent outcropping breccia pipe, 14.25 g/t Au; B) malachite-stained quartz-tourmaline breccia, 2.22 g/t Au and 0.13% Cu; C) chaotic shingle breccia, 1.91 g/t Au; and D) shingle-shaped quartz arenite clasts, 4.03 g/t Au.