



NEWS RELEASE

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

CHAKANA COPPER ANNOUNCES DRILLING AT SOLEDAD PROJECT, PERU

Fully-Funded 15,000m Drill Program Starts on Outcropping Gold-Enriched Breccia Pipes

Vancouver, B.C., August 17, 2020 – Chakana Copper Corp. (TSX-V: PERU; OTCQB: CHKCF; FRA: 1ZX) (the “Company” or “Chakana”), is pleased to announce that drilling has commenced to test multiple high-grade gold-enriched breccia pipe targets at its Soledad project in Ancash, Peru. Drilling is underway at Paloma East, and will then continue on to Paloma West, and the Huancarama breccia pipe complex. These outcropping targets are in part defined by high-grade gold rock sample results during surface exploration but have not been previously drilled. The targeted pipes demonstrate a number of surface characteristics consistent with previous results from other drilled breccia pipes at Soledad.

Phase 3 Drill Program

The current drill program is the continuation of the Phase 3 drill program initiated in June, 2019. A total of 5,717m of diamond drilling were completed at that time, with important mineralization encountered in Breccia Pipe 7 (“Bx 7”) and high-grade extension of mineralization in Bx 5 (see news releases dated July 29, 2019 and September 10, 2019). Drilling was suspended in October 2019 to await permits that allowed drill testing of targets in the expanded mineral rights (see news release dated May 23, 2018) and was further delayed by the COVID-19 Pandemic.

Paloma Target Area

The Paloma target area is characterized by two prominent outcropping breccia pipes, Paloma East and Paloma West, and several smaller exposures of mineralized breccia, vein breccia, and silicified structures (Fig. 3). The breccia pipes and occurrences are aligned along a northeast trend, likely controlled by structures. Paloma East is the exposed top of a breccia pipe with a conical shape and altered wall rock preserved around the contact with the breccia. The alteration consists of quartz-sericite replacement of lithic tuff, cut by quartz-tourmaline veins. Mineralized breccia is exposed where the altered wall rock is eroded. Previous rock chip and channel sampling in the Paloma target area returned numerous multi-gram gold assays indicative of significant mineralization encountered in other previously drilled breccia pipes with similar surface geochemical expression.

Initial drilling is designed to determine the geometry and plunge of the Paloma East breccia pipe and the grade. Drilling will test both the oxide and primary zones. If significant mineralization is encountered, in-fill drilling will be conducted at a density sufficient for inferred resource estimation. The initial drill holes planned for the Paloma target area are shown in Figure 4. Additional holes may be drilled or modified based on results from the previously completed holes. Hole SDH20-133 is in-progress and at a depth of approximately 22,7m; tourmaline breccia was encountered at 18.6m depth (Fig 5).

David Kelley, President and CEO commented, *“This is a very exciting time for our team to start drilling again on newly defined targets within our expanded mineral rights. The Paloma and Huancarama targets are some of the best of the ninety-two identified targets on the 3,085-hectare property. The drilling program is running concurrently with a surface channel sampling program that we expect will contribute to the maiden resource estimate for the project. Our team is diligently incorporating COVID-19 protocols into the work program. The health and safety of our employees, contractors, and nearby communities remain our highest priority.”*

About Chakana Copper

Chakana Copper Corp is a Canadian-based minerals exploration company that is currently advancing the high-grade gold-copper-silver Soledad Project located in the Ancash region of Peru, a highly favorable mining jurisdiction with supportive communities. The Soledad Project consists of high-grade gold-copper-silver mineralization hosted in tourmaline breccia pipes. A total of 30,273m of drilling has been completed to-date, testing seven of twenty-three confirmed breccia pipes with more than 92 total targets. Chakana's investors are uniquely positioned as the Soledad Project provides exposure to the forecasted copper critical metals shortage supply and growing demand in the precious metals sector. For more information on the Soledad project, please visit the website at www.chakanacopper.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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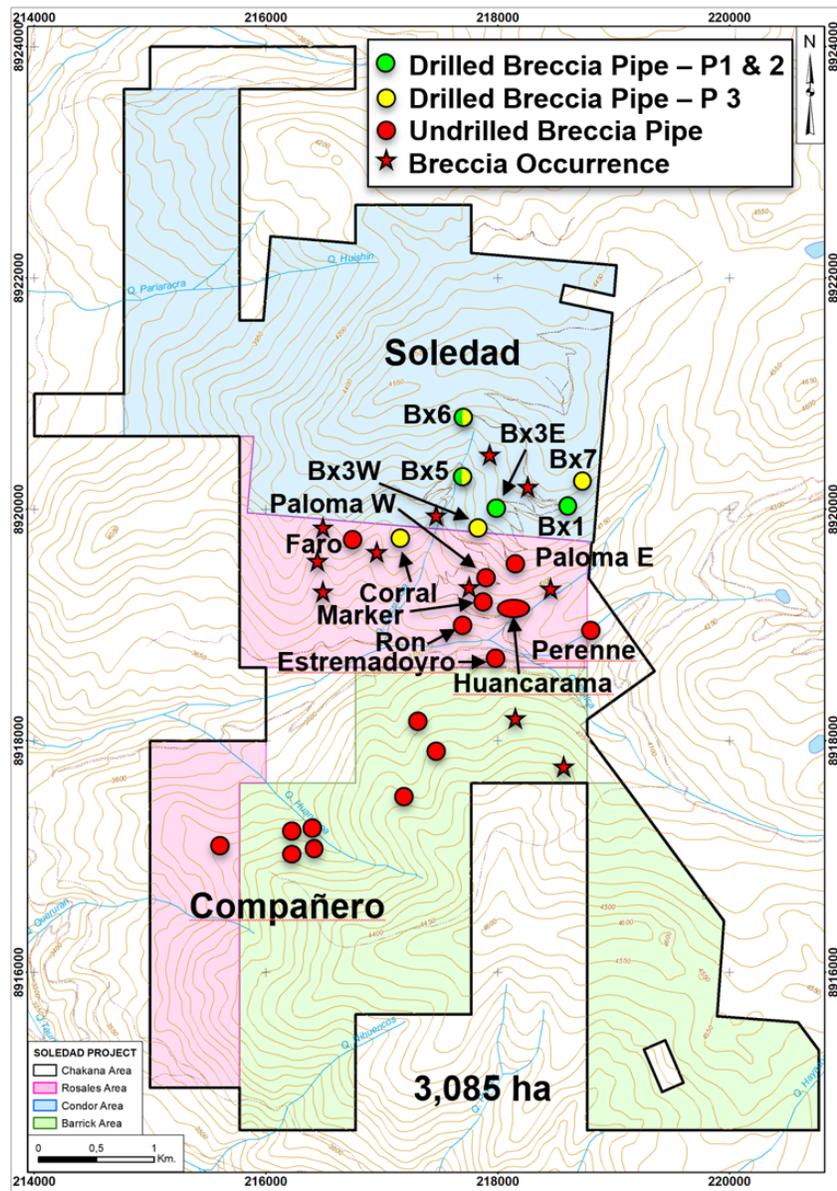


Figure 1 – map showing land position, breccia pipes (circles), and occurrences (stars). Previously drilled breccia pipes shown in green and yellow. Untested breccia pipes and targets shown in red.

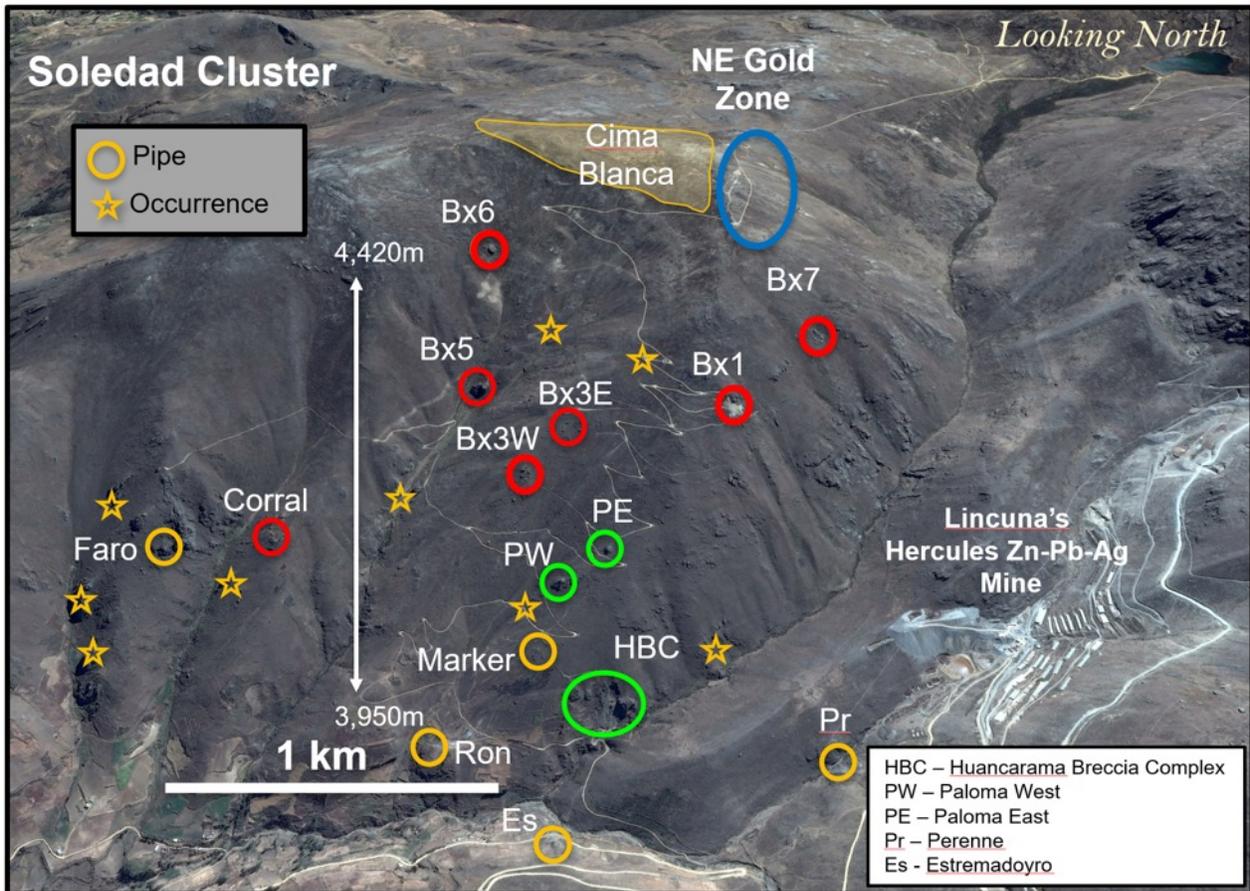


Figure 2 – View looking north at north-half of the project area showing drilled breccia pipes (red), untested targets (gold), and targets to be tested in the next drill program (Paloma East, Paloma West, Huancarama Breccia Complex). Additional targets on the south-half of the project not shown.

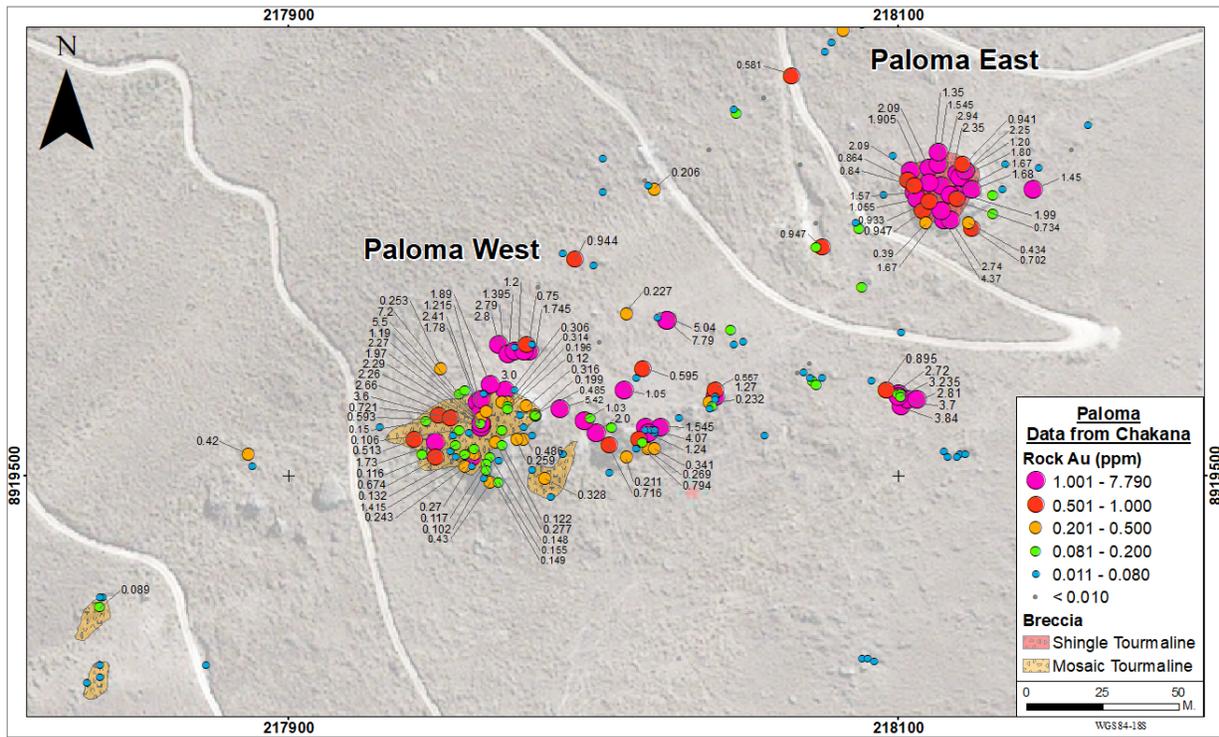


Figure 3 – Map showing the Paloma target area, outcropping breccia exposures, and surface gold assays from rock chip and rock channel samples. All samples collected are from surface outcrops. Areas not sampled are dominantly soil and scree covered zones between outcrops.

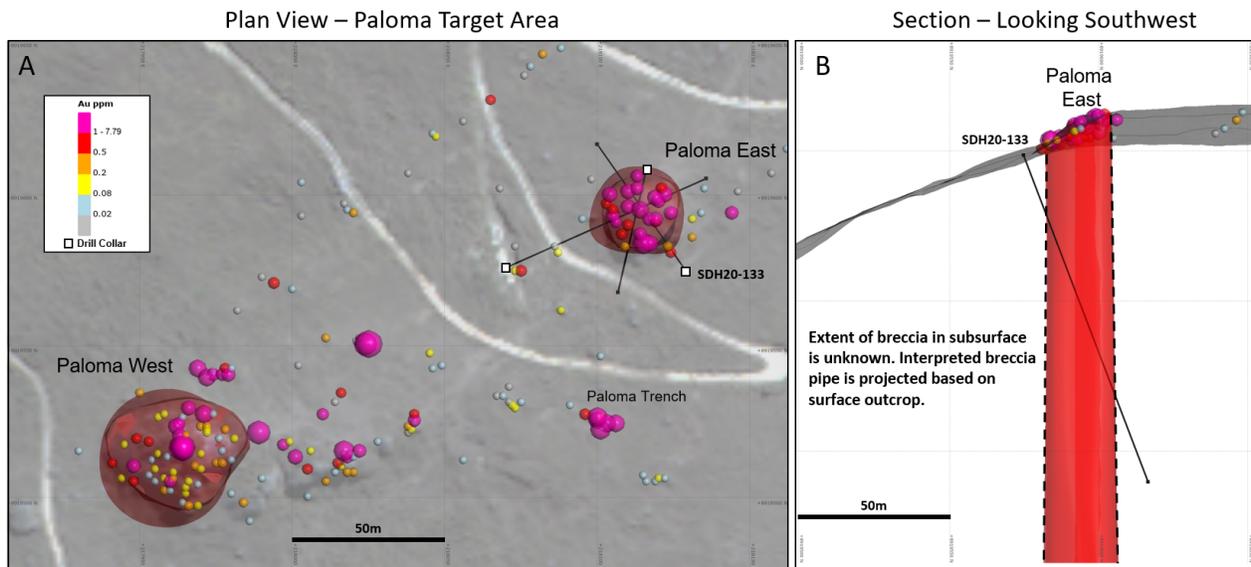


Figure 4 – Initial drill plan for the Paloma target area: A) map showing the Paloma East and Paloma West breccia pipes and surface rock assays for gold. Initial platforms at Paloma East are indicated by the collar locations. Additional holes may be drilled from these collar locations. B) section in the plane of the current drill hole being drilled, SDH20-113.

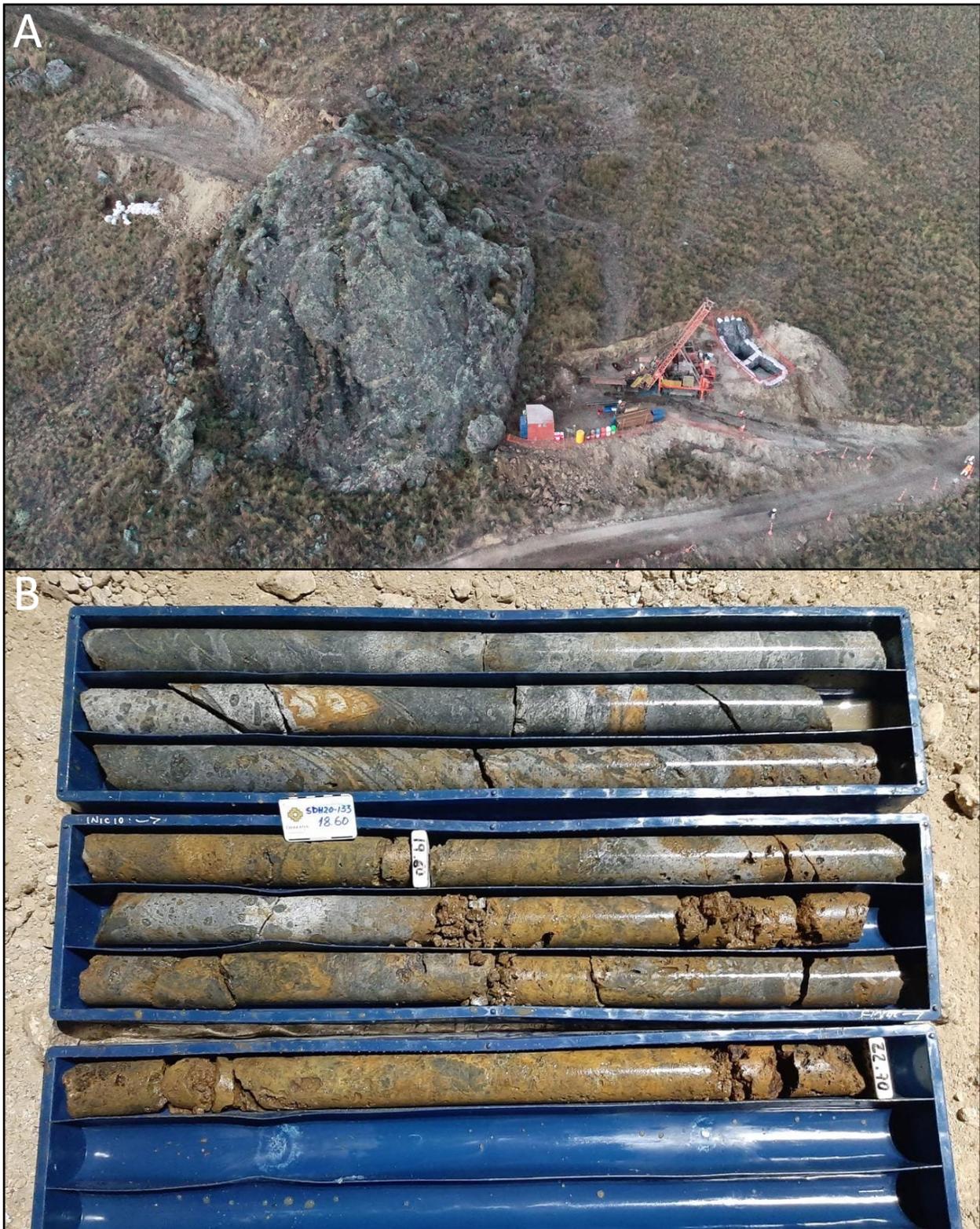


Figure 5 – Images from current drill hole SDH20-133: A) drone image of Paloma East breccia pipe with drill set up on SDH20-133; B) strongly sericite-tourmaline altered lithic tuff and contact with tourmaline breccia at 18.6m. Note sheeted veining at contact. Abundant iron oxides after sulfides.