

For Immediate Release
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 #2 - 2021

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

CHAKANA COPPER INTERSECTS

126.2m of 0.31 g/t Au, 0.53% Cu, and 34.6 g/t Ag (1.03% Cu-Eq; 1.57 g/t Au-Eq) from 92.8m AT HUANCARAMA, SOLEDAD PROJECT, PERU

Vancouver, B.C., January 12, 2021 – Chakana Copper Corp. (TSX-V: PERU; OTCQB: CHKKF; FRA: 1ZX) (the “Company” or “Chakana”), has resumed its 15,000m drill program at the Soledad Project in Ancash, Peru. Prior to taking a short holiday break in late December, field crews had completed thirty-four drill holes for 6,634 metres at three high priority targets: Paloma East, Paloma West, and the Huancarama Breccia Complex (Fig. 1). The Company is now pleased to release additional positive results from the initial eight drill holes from the eastern portion of the Huancarama Breccia Complex, having previously reported on the new discoveries at Paloma East and Paloma West.

Mineralized intervals from initial holes at Huancarama include:

DDH #	From	To (m)	Core Length (m)	Au g/t	Ag g/t	Cu %	Cu-eq %*	Au-eq g/t*
SDH20-153	30.70	90.30	59.60	0.20	17.9	0.21	0.49	0.76
including	30.70	47.00	16.30	0.34	12.3	0.10	0.43	0.65
including	57.00	90.30	33.30	0.17	24.4	0.30	0.62	0.95
SDH20-154	54.00	106.05	52.05	0.35	58.3	0.26	0.99	1.51
SDH20-155	9.80	65.30	55.50	0.33	26.8			0.68
including	37.00	62.00	25.00	0.43	42.1			0.98
SDH20-156	67.40	84.95	17.55	0.72	76.0	0.44	1.56	2.39
SDH20-157	84.10	161.00	76.90	0.27	44.3	0.28	0.84	1.28
including	84.10	88.40	4.30	1.03	114.0	1.26	2.91	4.45
SDH20-158	96.70	98.20	1.50	3.38	352.0	0.90	6.12	9.36
and	116.00	139.10	23.10	0.51	36.5			0.99
SDH20-159	71.00	210.00	139.00	0.30	39.2	0.29	0.82	1.26
SDH20-160	92.80	219.00	126.20	0.31	34.6	0.53	1.03	1.57
including	138.00	151.00	13.00	0.60	48.4	1.40	2.21	3.37
including	184.00	205.00	21.00	0.58	58.8	1.35	2.23	3.41

* 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 g/t * 0.6556) + (Ag g/t * 0.00857) and Au_eq (g/t) = Au g/t + (Cu% * 1.5296) + (Ag g/t * 0.01307).

In addition to summary information reported here readers are also referred to figures 2 and 3 (included):

- Holes SDH20-153 to SDH20-155 are shallow holes drilled across the H1 breccia outcrop aiming to the south and southwest. All three holes intersected mineralized breccia; the best intercept is in hole SDH20-154 with 52.05m of 0.35 g/t Au, 0.26% Cu, and 58.3 g/t Ag (1.51 g/t Au-eq) starting at 54m depth.
- Holes SDH20-156 to SDH20-158 were drilled to the southwest across the H2 breccia. All three holes intersected mineralized breccia and a conglomerate that marks the base of the Calipuy volcanic section with holes SDH20-156 and SDH20-157 ending in pre-breccia granodiorite. At higher levels the breccia appears to be a neck-like body that is expanding at depth. Hole SDH20-156 intersected 17.66m with 0.72 g/t Au, 0.44% Cu, and 76.0 g/t Ag (2.39 g/t Au-eq) starting at 67.4m depth; hole SDH20-157 intersected 76.90m with 0.27 g/t Au, 0.28% Cu, and 44.3 g/t Ag (1.28 g/t Au-eq) from 84.10m depth.
- Holes SDH20-159 and SDH20-160 were drilled to the southeast from north of H2. Both holes intersected continuous mineralized breccia connecting H2 and H1 and confirming a large lateral extent of breccia. Hole SDH20-159 intersected 139m with 0.30 g/t Au, 0.29% Cu, and 39.2 g/t Ag (1.26 g/t Au-eq) starting at 71m;

hole SDH20-160, drilled directly beneath the collapse zone, encountered 126.2m with 0.31 g/t Au, 0.53% Cu, and 34.6 g/t Ag (1.57 g/t Au-eq) from 92.8m depth. Notably, two high grade zones occur within this interval: 13m with 0.60 g/t Au, 1.40% Cu, and 48.4 g/t Ag (3.37 g/t Au-eq) from 138m; and 21m with 0.58 g/t Au, 1.35% Cu, and 58.8 g/t Ag (3.41 g/t Au-eq) starting at 184m depth.

Examples of mineralized drill core from these holes are shown in Figure 4.

David Kelley, President and CEO commented, *“results from the initial scout drilling on the eastern half of the Huancarama Breccia Complex have confirmed a large, mineralized breccia with approximate dimensions of 100m by 50m. Holes SDH20-159 and SDH20-160 are particularly important as they demonstrate long runs of continuous mineralization with some impressive zones of high-grade encountered in SDH20-160. The breccia remains open at depth and the western half of the breccia complex is currently untested. The near surface mineralization encountered thus far may have bulk mineable potential. We are continuing additional scout drilling at Huancarama to further expand the area of mineralization, and we look forward to reporting additional drill results in the near future.”*

Huancarama Target Area and the Phase 3b Drill Program

The Huancarama Breccia Complex is located 300m south of and 400m above the deepest breccia intercept at Paloma. Within the complex there are five principal breccia bodies exposed at surface over approximately 200m (Fig. 5). There is a distinctive feature believed to be a collapse zone with dimensions of 50m by 30m. Unverified reports suggest that this may be a mine collapse, but it may also be a natural feature. The largest breccia body in the complex is H1 (approximately 60m in diameter). Two historic adits are in the complex, one trending north-northeast for 170m along the western side of H1, and a second shorter adit of 21m at H2. Surface sampling from the breccia bodies and channel sampling of the adits yielded strongly anomalous gold results (see news release dated November 19, 2019). In addition to several targets within the complex, numerous targets exist between Huancarama and Paloma.

Results reported here are part of the ongoing Phase 3b drill program, which is fully funded from the Company’s current treasury and is anticipated to see 15,000 metres completed. Phase 3b is testing a cluster of high-grade, gold-enriched tourmaline breccia pipe targets within the Paloma and Huancarama target areas. Twenty-eight holes have now been reported from the Phase 3b program; twenty-six of the holes have reportable intercepts.

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 35,553 metres of drilling has been completed to-date, testing ten (10) of twenty-three (23) confirmed breccia pipes. The exploration team has identified 92 targets in total on the project, confirming that Soledad is well endowed and has strong exploration potential. 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.

Sampling and Analytical Procedures

Chakana follows rigorous sampling and analytical protocols that meet or exceed industry standards. Core samples are stored in a secured area until transport in batches to the ALS facility in Callao, Lima, Peru. Sample batches include certified reference materials, blank, and duplicate samples that are then processed under the control of ALS. All samples are analyzed using the ME-MS41 (ICP technique that provides a comprehensive multi-element overview of the rock geochemistry), while gold is analyzed by AA24 and GRA22 when values exceed 10 g/t by AA24. Over limit silver, copper, lead and zinc are analyzed using the OG-46 procedure. Soil samples are analyzed by 4-acid (ME-MS61) and for gold by Fire Assay on a 30g sample (Au-ICP21).

Results of previous drilling and additional information concerning the Project, including a technical report prepared in accordance with National Instrument 43-101, are made available on Chakana’s SEDAR 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

For further information contact:

Joanne Jobin, Investor Relations Officer

Phone: 647 964 0292

Email: jjobin@chakanacopper.com

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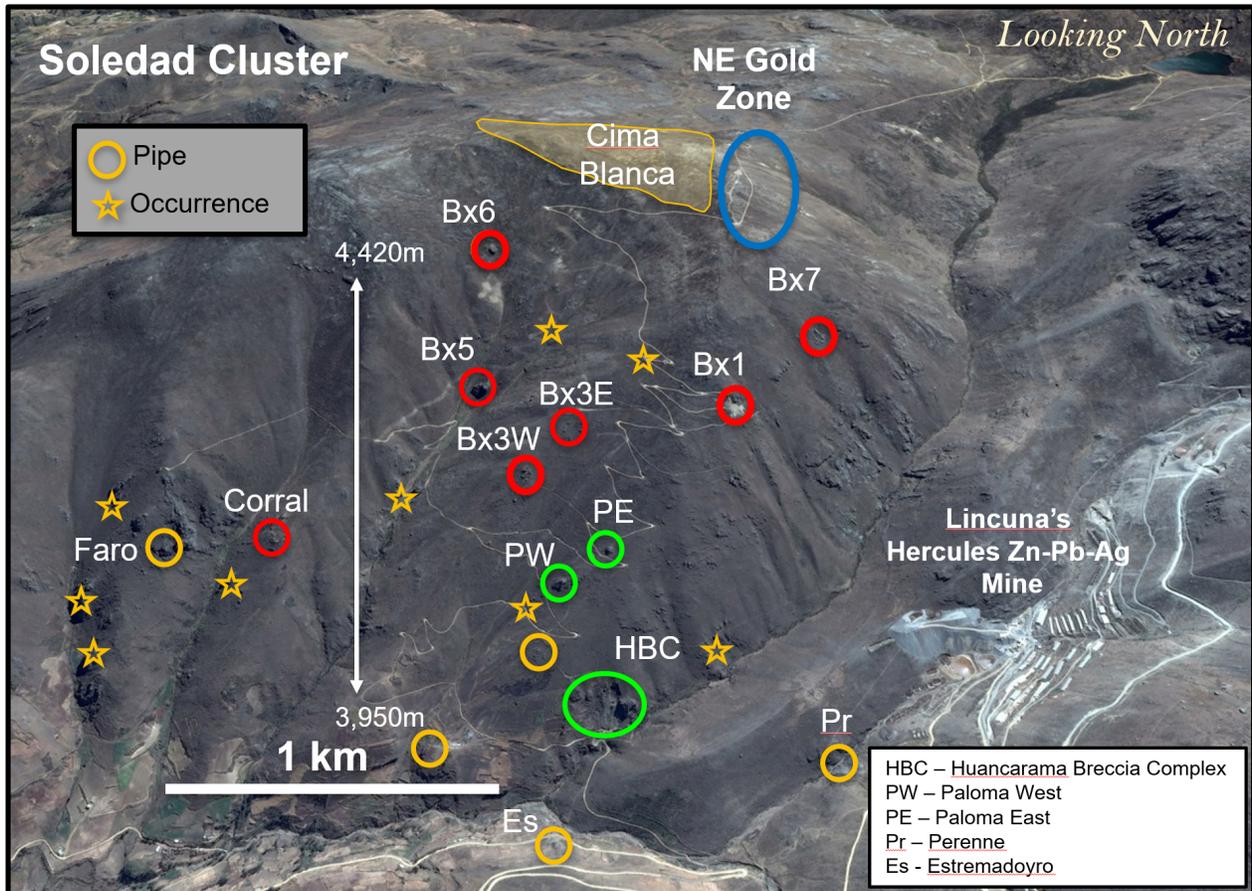


Figure 1 – View looking north showing breccia pipes and occurrences within the northern Soledad cluster. Pipes that have been drilled in previous campaigns are shown in red. Targets shown in green are the focus on this 15,000m drill campaign. Other pipes and occurrences remain to be tested by drilling. Additional breccia pipes occur on the south half of the property and are not shown here.

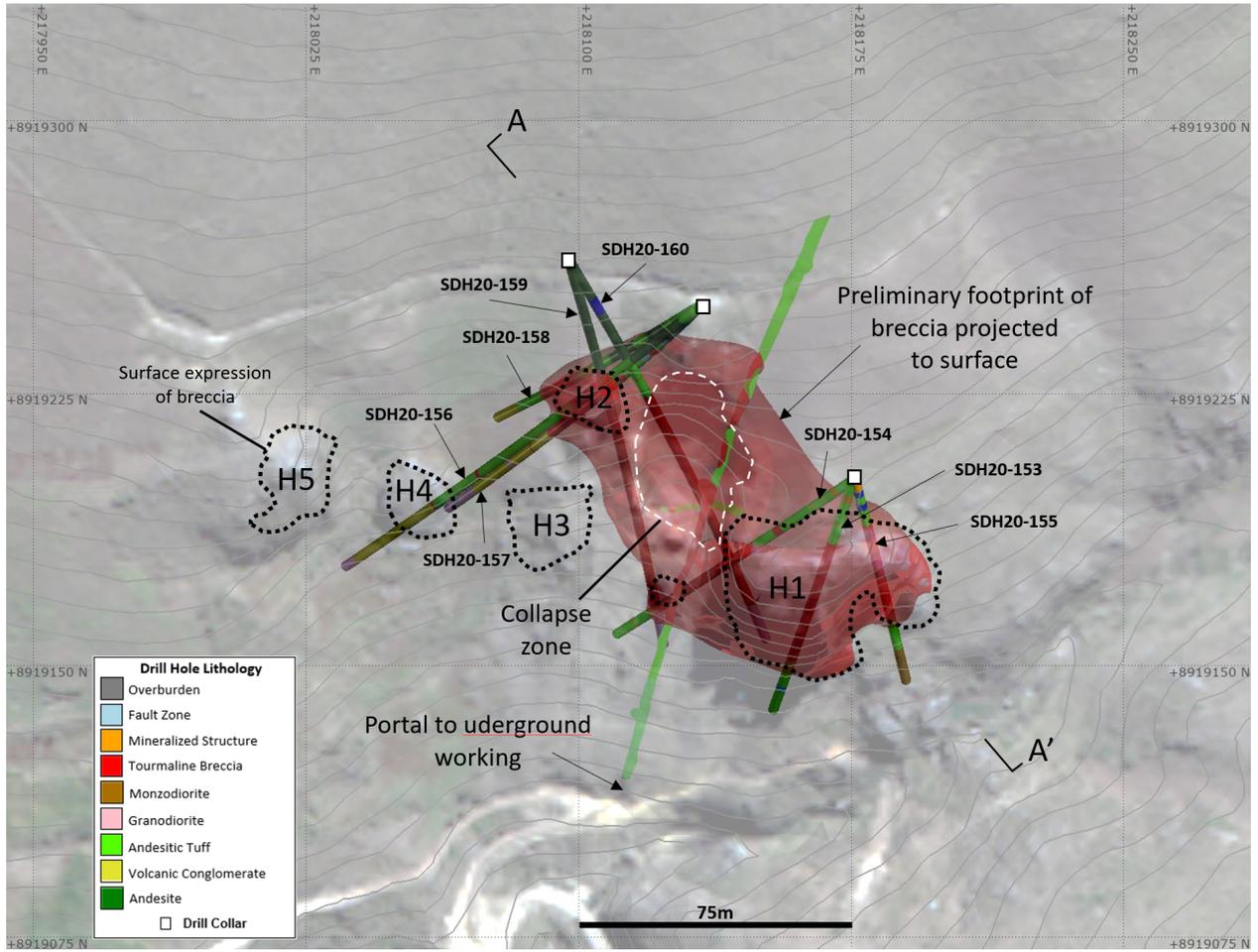


Figure 2 – Map of the Huancarama Breccia Complex and drill hole lithology in holes completed to date. Red represents tourmaline breccia based on the first eight holes and lithology mapped in the underground tunnel. Black dotted outlines show surface expression of mapped breccias; white dashed line shows collapse zone. Location of section line for Figure 3 indicated.

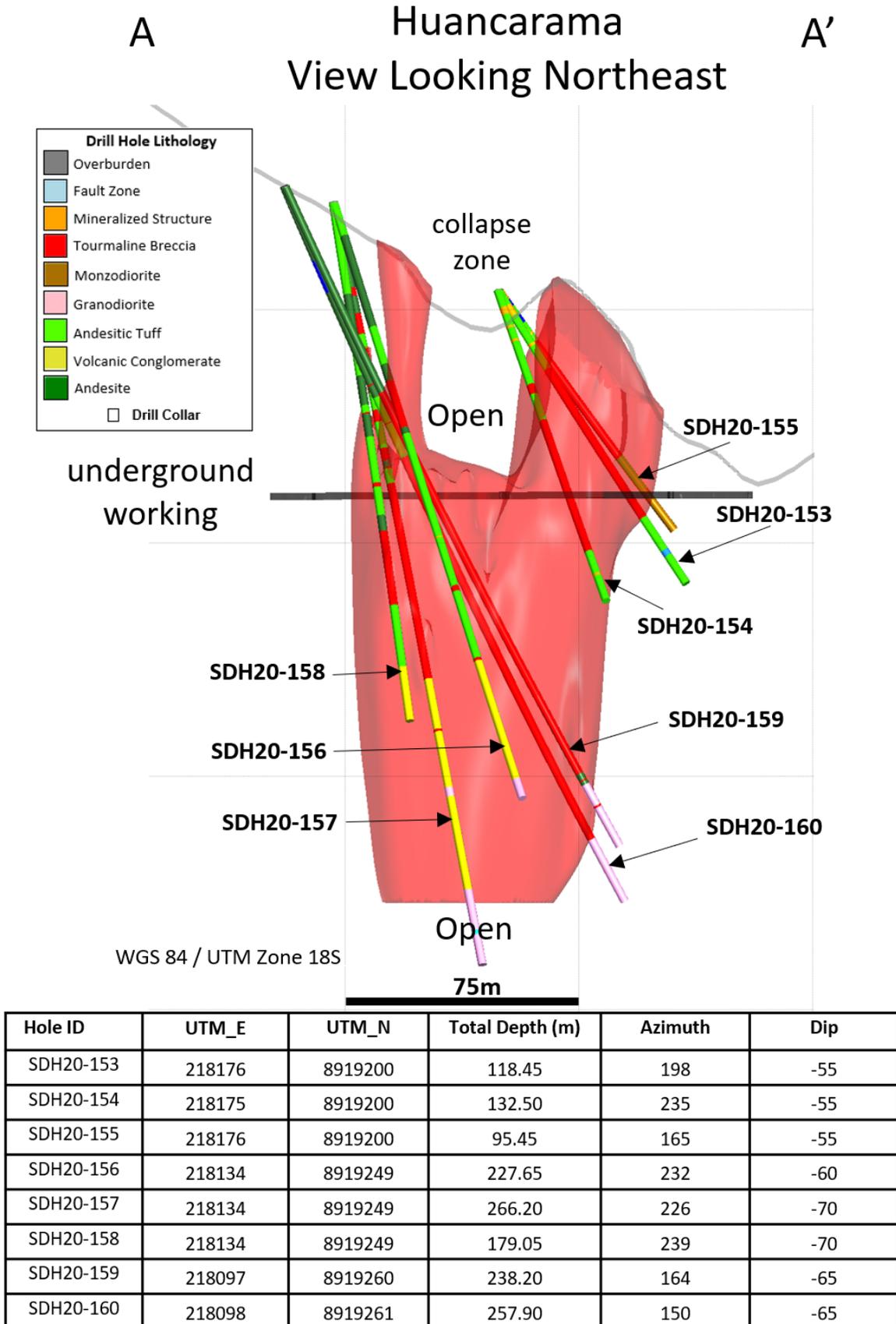


Figure 3 – Section looking northeast highlighting the drill holes at Huancarama reported in this release. Light red 3D shape shows preliminary shape of breccia based on the first eight holes and lithology mapped in the underground tunnel.

SDH20-153 79.47m



SDH20-156 84.80m



SDH20-159 189.09m



SDH20-160 204.80m

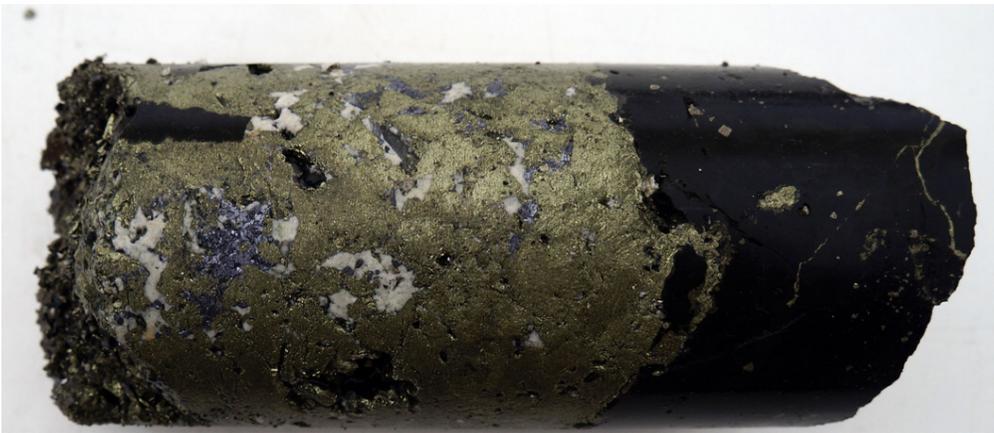


Figure 4 – Detailed core photos from Huancarama: SDH20-153 (79.47m) mosaic breccia cemented by tourmaline-quartz-chalcopyrite; SDH20-156 (84.80m) shingle breccia showing selective replacement by chalcopyrite-pyrite and late euhedral “buckshot” pyrite; SDH20-159 (189.09m) mosaic breccia cemented by tourmaline-quartz-chalcopyrite; SDH20-160 (204.80m) massive chalcopyrite with galena and siderite. Core diameter is 6.35cm (HQ) in all instances.



Figure 5 – Drone image looking northeast at the Huancarama Breccia Complex showing the five principal tourmaline breccia bodies exposed at surface (H1-H5), historic adit portal, and drill platforms. Note drill rig in center of image.