Chakana Reports 15.2 Metres of 2.1% Copper at Paloma East - Soledad Project, Peru

17.09.2020 | Newsfile

Within 172.7 Metres of 0.31 g/t Gold, 0.34% Copper, and 13.1 g/t Silver From Surface

Vancouver, September 17, 2020 - Chakana Copper Corp. (TSXV: PERU) (OTCQB: CHKKF) (FSE: 1ZX) (the "Company" or "Chakana"), is pleased to provide drill results from the first three of five drill holes completed at the Paloma East target within the expanded Soledad Project in Ancash, Peru. These results are part of the Phase 3 drill program, a fully funded 15,000 metre drill program that started August 15, 2020. Phase 3 is testing a tight cluster of high-grade, gold-enriched tourmaline breccia pipe targets within the high-priority Paloma area and will then continue onto the Huancarama breccia complex (Fig. 1).

Mineralized intervals from Paloma East thus far include:

Paloma East - Exploration Holes

DDH #	Az	Dip	From - To (m)		Core Length (m)	Au g/t	Ag g/t	Cu %	Cu-eq %*	Au-eq g/t*	Note
SDH20-133	325	-65	13.85	147.70	133.85	0.23	13.2	0.38	0.64	0.98	
including			18.50	26.00	7.5	1.55	58.9	0.12	1.64	2.50	
including			132.00	147.70	15.7	0.50	24.2	0.89	1.42	2.18	Margin zone
SDH20-134	305	-70	15.20	171.00	155.80	0.15	8.8	0.31	0.48	0.74	
including			15.20	102.00	86.80	0.22	12.4	0.44	0.69	1.06	
including			64.00	80.00	16.00	0.12	11.3	0.93	1.11	1.69	
SDH20-135	66	-66	0.00	172.70	172.70	0.31	13.2	0.34	0.66	1.00	
including			5.00	14.05	9.05	1.57	15.6	0.14	1.30	1.99	
including			28.00	113.00	85.00	0.37	15.4	0.63	1.00	1.54	
including			44.80	60.00	15.20	0.31	38.8	2.10	2.63	4.03	Margin zone

* 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).

Significant zones of mineralization were encountered in all three holes. Gold enrichment is noted in the top of holes SDH20-133 and SDH20-135, with intercepts of 7.5 metres with 1.55 g/t gold and 58.9 g/t silver from 18.5 metres depth, and 9.05 metres with 1.57 g/t gold and 15.6 g/t silver from 14.05 metres depth, respectively. Longer intervals of moderate grade mineralization are evident; in the case of SDH20-135, 172.7 metres with 0.31 g/t gold, 0.34 % copper and 13.2 g/t silver (1.00 g/t gold equivalent) was intersected from surface. Assays results for SDH20-136 and SDH20-137 are pending.

Phase 3 Drill Program Update - Paloma Target Area
The Paloma target area consists of two established outcropping breccia pipes, Paloma East and Paloma West (Fig. 2). Previous surface rock sampling confirmed strong anomalous gold concentrations in both the targeted breccia pipes as well as within several scattered small exposures of breccia and vein-like structures in the Paloma area. The Paloma East target is interpreted as the very top of a breccia pipe with a footprint at surface of 25 metres in diameter. All five holes completed at the Paloma East target (totaling 1,345 metres) have encountered visually mineralized tourmaline breccia. An additional hole is currently in progress testing the south-southwest margin of the Paloma East breccia pipe.

Based on modeling of the first four holes drilled to the northwest and northeast (holes SDH20-133 to

SDH20-136), the Paloma East breccia pipe appeared to increase in diameter from 25 metres at surface to approximately 50 metres at 150 metres depth (Fig. 3). A fifth hole (SDH20-137) was drilled to the southwest at -75 degrees to again locate the margin of the breccia, anticipated to occur at approximately 170 metres depth. Except for a few internal blocks of wall rock, the drill hole intercepted tourmaline breccia from 14.75 metres to 627 metres depth, 530 metres below surface (Fig. 2). The extent of breccia spans the entire distance between the downward projections of Paloma East and of Paloma West targets at depth, equaling a horizontal distance of approximately 150 metres. Hole SDH20-137 exited breccia at 627 metres and ended in granodiorite with quartz-sericite-tourmaline alteration and trace pyrite-chalcopyrite. Notably, a significant amount of breccia with abundant pyrite mineralization was intersected in the lower part of this drill hole. This hole has confirmed a much more expansive breccia system than previously known, revealing a much larger area to explore in all directions.

David Kelley, President and CEO commented, "Assay results from the first three drill holes are very encouraging, continuing the trend of high-grade mineralization hosted in tourmaline breccia, within long runs of moderate grade mineralization as reported in other breccia pipes. We expected to find breccia beneath Paloma East and Paloma West in pipe-like mineralized bodies, however, drilling indicates that sulfide-rich tourmaline breccia extends beneath the two outcropping breccia pipes at depth for an impressive 150 metres of strike length horizontally. As there is little outcrop in this area, brecciation on the property may be much more extensive than previously thought. We look forward to sharing the assay results from additional drill holes in the near future."

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 31,641 metres of drilling has been completed to-date, testing eight (8) of twenty-three (23) confirmed breccia pipes with more than 92 total targets. 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

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of

the Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-looking Statement Advisory: This release may contain forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Chakana to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Forward looking statements or information relates to, among other things, the interpretation of the nature of the mineralization at the Soledad copper-gold-silver project (the "Project"), the potential to expand the mineralization, and to develop and grow a resource within the Project, the planning for further exploration work, the ability to de-risk the potential exploration targets, and our belief in the potential for mineralization within unexplored parts of the Project. These forward-looking statements are based on management's current expectations and beliefs but given the uncertainties, assumptions and risks, readers are cautioned not to place undue reliance on such forward-looking statements or information. The Company disclaims any obligation to update, or to publicly announce, any such statements, events or developments except as required by law.

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.

To view an enhanced version of Figure 1, please visit:
https://orders.newsfilecorp.com/files/2172/63976_29618964d4f318d0_001full.jpg

Figure 2 - Map showing location of outcropping Paloma East and Paloma West breccia pipes and drill hole lithology in holes completed to date. Red represents tourmaline breccia. Note: shape of breccia not shown in plan view due to the need for additional drilling. Location of section lines for Figure 3 indicated.

To view an enhanced version of Figure 2, please visit:
https://orders.newsfilecorp.com/files/2172/63976_29618964d4f318d0_002full.jpg

Figure 3 - Sections looking northeast and northwest showing the modeled breccia pipe for Paloma East. Light red 3D shape is based on Leapfrog model of breccia from all holes drilled to date. Hole SDH20-137 truncated in section due to depth; tourmaline breccia intersected until 627m down hole. Section includes data from 100m in plane of section. Breccia pipe is open at depth and to the west.

To view an enhanced version of Figure 3, please visit:
https://orders.newsfilecorp.com/files/2172/63976_29618964d4f318d0_003full.jpg

Figure 4 – Examples of mineralized core from drill holes reported in this release showing different styles of mineralization found in Paloma East: A) SDH20-133 – oxidized gold-bearing mosaic breccia with blocks of lithic tuff; the interval 19.3-24.0m assays 2.09 g/t Au and 58.3 g/t Ag; B) SDH20-133 – silicified mosaic breccia with chalcopyrite-pyrite cement; the interval 134.0-140.0m assays 0.20 g/t Au, 1.51% Cu, and 13.0 g/t Ag; C) SDH20-134 – silicified chaotic shingle breccia with quartz-chalcopyrite-pyrite cement; the interval 121.0-126.0m assays 0.16 g/t Au, 0.40% Cu, and 15.6 g/t Ag; D) SDH20-135 – contact between lithic tuff and tourmaline breccia with abundant pyrite-chalcopyrite at the margin; the interval 44.8-50.0m assays 0.51 g/t Au, 3.19% Cu, and 79.1 g/t Ag.

To view an enhanced version of Figure 4, please visit:
https://orders.newsfilecorp.com/files/2172/63976_figure4enhancedcapture.jpg

Figure 5 - Detailed core photos from Paloma East; A) SDH20-133, 21.6m, strongly oxidized gold-bearing tourmaline breccia; B) SDH20-133, 138.7m, mosaicbreccia replaced by chalcopyrite-pyrite-tournamine; C) SDH20-134, 48.9m shingle breccia with band of massive chalcopyrite-covellite; D) SDH20-135, 168.85m, shingle breccia with tourmaline-replaced matrix and selective sulfidereplacement of clasts.

If you cannot view Figure 5, please visit:
https://orders.newsfilecorp.com/files/2172/63976_figure5enhancedcapture.jpg

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/63976