Chakana Provides Interim Update on Scout Drilling Program - Soledad Project, Peru

02.07.2024 | Newsfile

Highlights from Mega-Gold Scout Drilling Include:

- Reporting three holes (1,041 m) from the eastern side of the Mega-Gold target area
- Widespread alteration identified with quartz-sericite-pyrite overprinting chlorite alteration
- Up to 15% pyrite encountered with traces of chalcopyrite and molybdenite in each hole
- Narrow intervals of strong mineralization: 2 m of 1.8 gpt gold and 0.35% copper in MGDH24-002 from 89.0 m, and 1.5 m of 11.05 gpt gold in MGDH24-003 from 127.5 m
- Persistent anomalous levels of gold noted in geochemical results
- Abundant hydrothermal breccia encountered, cutting pre-mineral granodiorite
- Late-mineral granodiorite identified with mineralized xenoliths
- Assays pending for five additional holes completed in central and western parts of Mega-Gold target area and three holes at La Joya
- Hyperspectral core scanning initiated on Mega-Gold and La Joya drill holes

Vancouver, July 2, 2024 - Chakana Copper Corp. (TSXV: PERU) (OTCQB: CHKKF) (FSE: 1ZX) (the "Company" or "Chakana"), reports initial results from three scout drilling holes from the Mega-Gold target area within the southern half of the expanded Soledad project, Ancash, Peru. These results are part of the fully funded 3,000 m drill program that started April 5, 2024, to test three target types: 1) high-grade breccia-hosted mineralization at Estremadoyro (confirmed, see new release dated May 8, 2024); 2) porphyry-related mineralization in the Mega-Gold target area; and 3) precious metal mineralization at the La Joya high-sulfidation epithermal zone (Figure 1). In addition to the three holes reported here, five additional holes have been completed in the central and western part of the Mega-Gold target area for a total of 2,425.2 m drilled at Mega-Gold, and three holes have been completed at La Joya, totaling 465.5 m (assays pending). Results reported here are part of an option agreement with Minera Barrick Peru S.A. (see news release dated July 16, 2018).

"We are encouraged to see the extent of alteration indicating a large hydrothermal system in the drilling thus far in the Mega-Gold area defined by strong quartz-sericite-pyrite overprinting early chlorite alteration with abundant pyrite mineralization and frequent occurrences of chalcopyrite and molybdenite. The results in the first three holes are also important in demonstrating the extent of tourmaline alteration in veins, breccias and replacements. We view this as indicating the same event related to the high-grade tourmaline breccia pipes that are part of the initial resource we published in 2022 (see news release dated February 23, 2022). In addition, for the first time, we have seen a late-mineral intrusion containing mineralized xenoliths with quartz-tourmaline-chalcopyrite. Although we have not seen long intersections in these first three holes, we are encouraged by the strengthening grades over narrow intervals. Application of hyperspectral core scanning technology to all of the drill core will help us identify mineral zoning patterns important in locating mineralizing intrusions," stated President and CEO David Kelley.

Initial Mega-Gold Scout Drilling

Chakana's first three scout holes at Mega-Gold were drilled on the eastern side of the target area along a section trending north-south and northeast (Figure 2). MGDH24-001 was drilled to the northeast to a depth of 353.8 m. The hole targeted strong soil geochemistry responses up to 0.325 g/t gold and 54 ppm molybdenum. Volcanic rocks were intersected over the entire length, consisting of andesitic tuff and volcanic breccia, intruded by dikes of dacite porphyry. There is deep oxidation from the surface to 109.0 m depth, with development of supergene clay and the strong presence of iron oxides (goethite-limonite) in fractures and veinlets; partial oxidation is observed to 178.0 m depth. Fresh rocks below the zone of supergene alteration are sericite-quartz-pyrite (phyllic) altered that is overprinting earlier chlorite (propylitic) alteration to the end of the hole. The volcanic breccia hosts clasts of andesitic tuff with phyllic alteration and quartz fragments. In the phyllic alteration, pyrite occurs up to 15% as disseminations and veinlets and within pyrite-tourmaline, quartz-pyrite, and quartz-tourmaline-pyrite veins (Figure 4 A-C). Tourmaline is present up to 7% in structures as veinlets and replacement with quartz, pyrite and traces of chalcopyrite and molybdenite. Molybdenite

occurs within sugary-textured quartz-pyrite veins from 180 m depth to the end of the hole interpreted as "B" veins, and chalcopyrite occurs within quartz-pyrite and quartz-tourmaline veins from 220 m depth to the end of the hole. Dikes of dacite porphyry show phyllic alteration with iron oxide veinlets in the oxidized zone, plus pyrite veinlets at depth with traces of molybdenite in fractures. Analytical results for this hole display anomalous low-level enrichment of gold, copper, and molybdenum, reaching values of 0.213 gpt, 411 ppm, and 74 ppm, respectively.

Hole MGDH24-002 was drilled to the south from the same platform as MGDH24-001 to a depth of 453.15 m. This hole targeted a magnetic body surrounded by strong induced polarization chargeability to the north and south. The hole cut a similar volcanic rock sequence as MGDH24-001, intruded by a narrow dacite porphyry dike at 62.45m depth, several hydrothermal breccias, and granodiorite at 225.8 depth. Oxidation from surface to 66 m depth is associated with moderate to intense argillic alteration with up to 20% iron oxides (goethite-limonite). The alteration transitions to quartz-sericite-pyrite beneath the zone of oxidation with pyrite reaching 10% as disseminations and in veins. Vein types include drusy quartz veins with pyrite and tourmaline, tourmaline-pyrite with traces of chalcopyrite and molybdenite, and magnetite veinlets. The dacite porphyry hosts pyrite up to 6% pyrite as disseminations and in veinlets, and iron oxides filling fractures when oxidized. The granodiorite exhibits chlorite alteration overprinted by quartz-sericite-tourmaline-pyrite in veins and zones of replacement with molybdenite and chalcopyrite. The granodiorite is cut by 105.1 m of tourmaline breccia with highly altered quartz-tourmaline-replaced granodiorite clasts with pyrite and traces of chalcopyrite and molybdenite. A late-mineral porphyritic granodiorite with mineralized xenoliths of quartz-tourmaline-chalcopyrite and disseminated chalcopyrite (up to 0.5%) intrudes the older granodiorite between 399.85 m and 409.05 m depth (Figure 3E). Trace chalcopyrite and molybdenite associated with quartz-tourmaline veinlets occurs to the end of the hole (Figure 3F). A 2.0 m interval from 89.0 m depth contains 1.8 gpt gold and 0.35% copper (Figure 3D). Excluding this zone, low-level enrichment of gold, copper, and molybdenum occurs, reaching values of 0.296 gpt, 1,480 ppm (0.148%), and 149.5 ppm, respectively.

Hole MGDH24-003 was drilled to the south from a platform 100 m south of MDGH24-001/002 where it was stopped prematurely at a depth of 234.1m in a fault zone. The hole was intended to drill beneath higher temperature advanced argillic alteration identified at surface by Terraspec analysis and a moderate strength chargeability response adjacent to a magnetic high. The surface alteration is characterized by silicified volcanic rocks with pyrophyllite, diaspore, zunyite, muscovite-sericite, and biotite (Figure 2). The hole intersected andesitic tuff and andesite from surface to 130.59 m depth. The andesitic tuff hosts iron oxides (goethite-limonite) up to 20% in fractures and veinlets whereas the andesite has rounded volcanic clasts with chlorite alteration overprinted by sericite-quartz-pyrite (phyllic) alteration and hosts pyrite up to 7% as disseminations and veinlets with quartz-tourmaline-anhydrite and traces of chalcopyrite. Pyrite veins with sericite halos are interpreted as "D" veins (Figure 3H). Three intervals of hydrothermal breccia were intersected between intervals of granodiorite. The breccias have quartz-tourmaline matrix and clasts of tuff and granodiorite. Magnetite occurs in clasts up to 3% and with quartz-tourmaline-pyrite veins with traces of chalcopyrite. A 1.5 m interval from 127.5 m depth contains 11.05 gpt gold that occurs at the contact between andesitic tuff, hydrothermal breccia and granodiorite associated with quartz-sericite-pyrite veining (Figure 3G). Sections of the breccia and granodiorite show evidence of acid leaching with cavities filled with tourmaline and pyrite. An interval of partially leached granodiorite from 185.45 m-197.75 m has elevated gold of 0.190 to 0.322 gpt. The hole was stopped prematurely at 234.1 m depth in hydrothermal breccia (Figure 3I) after cutting 40 m of broken rock with fault gauge, preventing the hole reaching its target depth of 400 m (Figure 2). It is possible this target is associated with proximal porphyry mineralization and is a high priority for the next phase of drilling.

The patterns of alteration and sulfide mineralization seen to date confirm a large hydrothermal system driven by intrusive activity. Key features include the extensive phyllic alteration, abundant disseminated pyrite and quartz-tourmaline-sulfide veins with subordinate chalcopyrite and molybdenite interpreted as pyrite halos, features that are common in porphyry systems. Strong copper-gold-silver mineralized tourmaline breccia pipes previously explored to the north, and those yet to be drilled at Compañero in the southwest, are believed to be part of the mineral system and also related to copper and gold-bearing porphyry intrusions. Understanding the low-level anomalous gold enrichment and alteration mineral assemblages at Mega-Gold are key to developing vectors to higher temperature zones where mineralized intrusions may occur.

Contract with Hyperspectral Intelligence Inc (HII)

Chakana has entered into a contract with Hyperspectral Intelligence Inc. (HII), based in Gibsons, Canada, to utilize the geoLOGr hyperspectral core scanning system. This collaboration involves using the geoLOGr to scan core samples from the current drilling program, as well as select drill holes from previous drilling

activities. The geoLOGr is a cost-effective, portable, high-resolution, continuous core scanning technology designed to identify alteration minerals associated with various mineral deposit types. When systematically applied, the interpretation of geoLOGr results can reveal mineral zoning patterns that are important for exploration drilling campaigns.

Rick Rule Investment Symposium

Chakana is an invited participant to The Rule Symposium, July 7-11, 2024, in Boca Raton, Florida. Investors are encouraged to visit with management in the exhibit hall to learn more about the Soledad project and recent drill results.

Condor Resources Option Agreement

Chakana has an option agreement with Condor Resources on three claims (1,054 hectares) at the northern end of the expanded Soledad project, representing approximately 25% of the mineral rights Chakana controls. Under the terms of the agreement, Chakana was scheduled to complete a US$1,000,000 payment to Condor on June 23, 2024, to maintain its option, subject to a 90-day period to resolve any late payments. This payment has not yet been made and the companies are in active discussions on the matter.

About Chakana Copper

Chakana Copper Corp is a Canadian-based minerals exploration Company that is currently advancing the expanded 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, extensive multidisciplinary exploration has defined 154 exploration targets, 28 of which have been tested to date (18%) by drilling, 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.

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, blanks, and duplicate samples that are then processed under the control of ALS. All samples are analyzed using the ME-MS61 following a 4-acid digestion (ICP technique that provides a comprehensive multi-element overview of the rock geochemistry), while gold is analyzed by fire assay (AA24) on a 50g sample and GRA22 when values exceed 10 g/t by AA24. Over-limit silver, copper, lead and zinc are analyzed using the OG-46 procedure. Over-limit sulfur is determined by oxidation, induction furnace and infrared spectroscopy (S-IR08). Soil samples are analyzed by ME-MS61 following a 4-acid digestion and for gold by Fire Assay on a 30g sample (Au-ICP21).

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 expanded Soledad project. Principal target areas on the south side that are being drill tested in the current program include the Estremadoyro tourmaline breccia pipe, the Mega-Gold porphyry target area, and the La Joya high-sulfidation epithermal alteration zone. Breccia pipes included in the initial inferred resource estimate labeled in dark blue.

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Figure 2 - Plan view and section for Mega-Gold drilling to date. Plan view shows location of drill holes and section lines overlain on gold in soil. Section shows fence diagram for reported holes (MGHD24-001, MGDH24-002, and MGDH24-003) overlain on interpreted geology.

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Figure 3 - Select core photos from initial Mega-Gold scout holes reported in this release: A) MGDH24-001 (118.56m): lithic tuff with strong quartz-sericite-pyrite alteration; B) MGDH24-001 (154.4m): lithic tuff with pyrite veinlets; C) MGDH24-001 (228.85m): lithic tuff with sheeted quartz-pyrite-molybdenite veins; D) MGDH24-002 (88.65m-91.35m): contact between volcanic breccia and lithic tuff; quartz-sericite-pyrite veins and disseminated pyrite overprinting chlorite alteration; interval from 89-91m contains 1.8 gpt gold and 0.35% copper; E) MGDH24-002 (400.25m): late-mineral granodiorite with xenolith of quartz-tourmaline-chalcopyrite; F) MGDH24-002 (446.65m): granodiorite replaced by quartz-tourmaline cut by tourmaline-chalcopyrite vein; G) MGDH24-003 (126.65m-129.40m): andesite with strong quartz-pyrite-tourmaline alteration; interval from 127.5-129.0m contains 11.05 gpt gold; H) MGDH24-003 (125.6m): andesite cut by pyrite-sericite vein (D vein); I) MGDH24-003 (234.05m): clast-supported hydrothermal breccia; strongly leached matrix. Core diameter is 6.35cm (HQ) in all instances.

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