



CMX Delays AGM and Considers Alternatives

Toronto, ON, August 17, 2018. Chilean Metals Inc. (“Chilean Metals,” “CMX” or the “Company”)(TSX.V:CMX, OTCQB: CMETF, SSE:CMX, MILA:CMX, FRA: IVV1, BER : IVV1). Since its news release of July 9, 2018, the Company has been trying to obtain TSXV approval for the previous placement and approval for a further tranche of the private placement. The TSXV’s delay in approving the Company’s present private placement financing will require the Company to obtain a loan, on steep terms, to cover working capital expenses. The loan is still being negotiated and subject to CMX board approval and would be provided by CMX’s largest shareholder. It is likely the bridge loan amount would be \$250,000. Terms would be a fee of 6% and Interest of 14% with interest prepaid for the one year term of the loan. The loan would be secured by a first charge on CMX’s assets.

The TSXV’s proposed alternatives for private placement approval appear out of the norm and are not proportional. We have had discussions with the Exchange on possible remedies and have arrived at no solution. There is no guarantee we will arrive at a solution with the TSXV or that the solution will not be materially worse for existing shareholders than the proposals for the current equity financing that is before the TSXV.

In discussions with the Exchange, their staffs have discussed shareholder Chris Berlet and his requisition for the Company to hold an annual meeting on behalf of himself and Cogonov. These actions were initially made and publicized when he had no standing to do so, as he was not a registered shareholder of the Company.

CMX is unaware of any proxy battle but has been advised by Mr. Berlet that he and “Cogonov and Friendlies” are planning to vote in a new board at our upcoming annual meeting. They expressed to us that they intend to use an exemption allowing them to solicit up to 15 persons in this attempted Board takeover, without disclosure or producing their own circular. They offered to leave current management in charge of the Nova Scotia assets if we would agree to some very onerous terms favoring Mr. Berlet and his associates, which we did not view in the best interests of the Company. We rejected this proposal. This lack of transparency by Mr. Berlet and those acting in concert with him is not fair to shareholders.

Cogonov Inc., according to current public record, shows as an officer, a former CMX executive Gary Lohman, as president of Cogonov. Mr. Lohman resigned from management of the CMX in March, along with Patrick Cruickshank (past CEO of Cogonov). Following their management resignations, the Company corrected in our MD&A this (former) disclosure which had been understood by the Board to be royalties in favour of parties affiliated with Cogonov including specifically Mr. Berlet.

“Certain claims are subject to a 3% NSR as well as under the Nova Scotia Mineral Resource Act there is a royalty, payable to the crown, of 2% of the net revenue or 15% of all net income, whichever is greater, derived from the sale of metals produced from a mining lease.”

Subsequent to their resignation the disclosure was updated.

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There were never any recorded royalties when the Company purchased the Nova Scotia properties and none granted contractually by the Company in favour of parties affiliated with Cogonov. When CMX acquired the Nova Scotia Properties from Cogonov there was a specific contractual provision representing that the properties were unencumbered. No royalties existed on title or a search of the Department of Natural Resources.

“The thought of having our Company managed by anyone who would support phantom royalties doesn’t sound like a good deal for any of our shareholders. It is certainly not what we expect the current round of investors contemplated when they invested. They had invested in a clear vision of how to grow value in our Nova Scotia Properties as developed and guided by Mick Sharry our new President and COO. They invested in our Chilean Assets which focused on the preservation of the 3% Royalty we have with Teck on our former Copaquire property which is adjacent both Teck’s Quebrada Blanca 1 (QB1) mine and the recently approved QB2 mine. It is unfortunate in the face of an encouraging news operationally that certain opportunistic shareholders are trying to take advantage of the Company. This bridge loan is being provided by our largest shareholder as debt as in the current situation he is not comfortable providing equity” commented Chilean CEO Terry Lynch.

The Company is considering all alternatives available to it, and accordingly must postpone its September 6, 2018 AGM beyond the current date. Given the inability to complete its financing and ongoing discussions with the Exchange, the Company was not able to finalize its information circular in a timely fashion for mailing. The Company will update shareholders of the new meeting date as soon as it is able to do so.

About Chilean Metals,

www.chileanmetals.com/

Chilean Metals Inc. is a Canadian Junior Exploration Company focusing on high potential Copper Gold prospects in Chile & Canada.

Chilean Metals Inc is 100% owner of five properties comprising over 50,000 acres strategically located in the prolific IOCG (“Iron oxide-copper-gold”) belt of northern Chile. It also owns a 3% NSR royalty interest on any future production from the Copaquire Cu-Mo deposit, recently sold to a subsidiary of Teck Resources Inc. (“Teck”). Under the terms of the sale agreement, Teck has the right to acquire one third of the 3% NSR for \$3 million dollars at any time. The Copaquire property borders Teck’s producing Quebrada Blanca copper mine in Chile’s First Region.

Chilean Metals Inc is the 100% owner of five Copper Gold Cobalt exploration properties in Nova Scotia on the western flank of the Cobequid-Chedabucto Fault Zone (CCFZ); Fox River, Parrsboro, Lynn, Economy and Bass River North respectively. It has also optioned two additional projects Trident at Bass River and Economy East. Chilean Metals is exploring, analyzing and drilling these properties in the summer of 2018.

ON BEHALF OF THE BOARD OF DIRECTORS OF
Chilean Metals Inc.
"Terry Lynch"
Terry Lynch, CEO

Contact: terry@chileanmetals.com

The Qualified Person for Chilean Metals Inc., as defined by National Instrument 43-101, is Mick Sharry, M.Sc. Consultant

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